



FEDERAL REGISTER

Vol. 90

Friday,

No. 146

August 1, 2025

Pages 36101–36372

OFFICE OF THE FEDERAL REGISTER



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

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Docket No. FAA–2025–0767; **Airspace Docket No. 25–AEA–5**]

RIN 2120–AA66

Amendment of Class D and Class E5 Airspace; Revocation of Class E4 Airspace, Dover, DE

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action amends the Class D airspace at Dover Air Force Base (AFB) due to the currently designated airspace not properly containing instrument flight rule (IFR) operations. Additionally, this action establishes Class E surface airspace and revokes the Class E surface extension airspace extending upward from the surface above Dover AFB, Dover, DE, due to the airspace no longer meeting the specifications of its current designation. This action also amends the boundaries of Class E airspace extending upward from 700 ft that no longer meets the requirements for its specific designation due to the amendment or cancellation of Standard Instrument Approach Procedures. This action also updates the coordinates for Dover AFB, Dover, DE, Delaware Airpark, Dover, DE, and the Dover TACAN.

DATES: Effective 0901 UTC, November 27, 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: Chris Stocking, Operations Support Group, Eastern Service Center, Federal Aviation Administration, 1701 Columbia Avenue, College Park, GA 30337; Telephone: (404) 305–5887.

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 D and E5, establishes Class E2, and revokes Class E4 airspace in Dover, DE.

History

The FAA published a notice of proposed rulemaking for Docket No. FAA 2025–0767 in the **Federal Register** (90 FR 24360; June 10, 2025), proposing to amend Class D and E5 airspace, establish Class E2 airspace extending upward from the surface, and revoke Class E4 airspace at Dover Air Force Base, Dover, DE. Interested parties were invited to participate in this rulemaking effort by submitting written comments on the proposal to the FAA. One

comment was received which was in favor of the proposal.

Incorporation by Reference

Class D and E airspace designations are published in paragraphs 5000, 6002, 6004, and 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 rule amends 14 CFR part 71 to amend Class D and E5 airspace, establish Class E2 airspace, and revoke Class E4 airspace for Dover AFB, Dover, DE.

This rule amends the Class D airspace extending upward from the surface to and including 2,500 feet MSL for Dover AFB (DOV), Dover, DE, by increasing it to a 4.9-mile radius as the current radius of 4.6-miles does not properly contain IFR operations. Additionally, this rule amends the Class D airspace, as the air traffic control tower will no longer be operating full-time, by establishing Class E airspace that will be activated when the control tower is closed. Accordingly, the rule establishes Class E2 surface airspace extending upward from the surface within a 4.9-mile radius of Dover AFB.

This rule revokes Class E4 airspace extending upward from the surface within 2.7 miles each side of the Dover TACAN 177° radial extending from the 4.6-mile radius of Dover AFB to 5.7 miles south of the TACAN and within 2.7 miles each side of the Dover TACAN 013° radial extending from the 4.6-mile radius of the airport to 5.7 miles north of the TACAN and within 2.7 miles each side of the Dover TACAN 133° radial extending from the 4.6-mile radius of the airport to 5.7 miles southeast of the TACAN. This airspace no longer meets the requirements for its specific designation due to the amendment or cancellation of Standard Instrument Approach Procedures.

This rule also amends Class E5 airspace extending upward from 700 feet above the surface for Dover AFB, Dover, DE. The reconfiguration removes that E airspace extending upward from 700 feet above the surface within 3.1 miles each side of the Dover TACAN 177° radial extending from the 7.9-mile radius to 9.2 miles south of the TACAN and the Dover TACAN 133° radial extending from the 7.9-mile radius to 9.2 miles southeast of the TACAN, leaving only the airspace within a 7.9-mile radius of Dover AFB and within a 6.3-mile radius of the Delaware Airpark and within 5.7 miles north and 4 miles south of the Smyrna VORTAC 078° radial extending from the 6.3-mile radius of Delaware Airpark to 10 miles east of the VORTAC.

Lastly, this action updates the coordinates for Dover AFB, Dover, DE, Delaware Airpark, Dover, DE, and the Dover TACAN.

Controlled airspace is 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,¹ “Environmental Impacts: Policies and Procedures,” paragraph 5–6.5a. This airspace action

¹ The FAA has updated its National Environmental Policy Act implementing procedures in FAA Order 1050.1G, which has an effective date of June 30, 2025. That Order states that it “does not apply to or alter any decisions made and final environmental documents issued prior to the effective date”. The CATEX prepared in connection with this action was prepared prior to the effective date of the new Order and therefore was prepared in accordance with the prior version of the Order.

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 7400.11], Airspace Designations and Reporting Points, dated July 31, 2024, and effective September 15, 2024, is amended as follows:

Paragraph 5000 Class D Airspace.

* * * * *

AEA DE D Dover, DE [Amended]

Dover AFB, DE

(Lat. 39°07′46″ N, long. 75°27′57″ W)

That airspace extending upward from the surface to and including 2,500 feet MSL within a 4.9-mile radius of Dover AFB. This Class D airspace area is effective during the specific dates and times established in advance by a Notice to Airmen. The effective date and time will thereafter be continuously published in the Chart Supplement.

* * * * *

Paragraph 6002 Class E Surface Airspace.

* * * * *

AEA DE E2 Dover, DE [New]

Dover AFB, DE

(Lat. 39°07′46″ N, long. 75°27′57″ W)

That airspace extending upward from the surface within a 4.9-mile radius of Dover AFB. This Class E airspace area is effective during the specific dates and times established in advance by a Notice to Airmen. The effective date and time will thereafter be continuously published in the Chart Supplement.

* * * * *

Paragraph 6004 Class E Airspace Designated as an Extension to a Class D Surface Area.

* * * * *

AEA DE E4 Dover, DE [Remove]

Dover AFB, DE

(Lat. 39°07′48″ N, long. 75°27′59″ W)

Dover TACAN

(Lat. 39°07′54″ N, long. 75°28′05″ W)

* * * * *

Paragraph 6005 Class E Airspace.

* * * * *

AEA DE E5 Dover, DE [Amended]

Dover AFB, DE

(Lat. 39°07′46″ N, long. 75°27′57″ W)

Smyrna VORTAC

(Lat. 39°13′54″ N, long. 75°30′57″ W)

Delaware Airpark, DE

(Lat. 39°13′07″ N, long. 75°36′02″ W)

That airspace extending upward from 700 feet above the surface within a 7.9-mile radius of Dover AFB and within a 6.3-mile radius of the Delaware Airpark and within 5.7 miles north and 4 miles south of the Smyrna VORTAC 078° radial extending from the 6.3-mile radius of Delaware Airpark to 10 miles east of the VORTAC.

* * * * *

Issued in College Park, Georgia, on July 30, 2025.

Patrick Young,

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

[FR Doc. 2025–14577 Filed 7–31–25; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Docket No. FAA–2025–0932; Airspace Docket No. 25–ASO–9]

RIN 2120–AA66

Amendment of Class D and Class E5 Airspace Over Kinston, NC

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This rule amends the Class D airspace at Kinston Regional Jetport at Stallings Field Airport, Kinston, NC, by updating the airport reference point (ARP) coordinates. Additionally, this rule amends Class E airspace at Kinston Regional Jetport at Stallings Field Airport, Kinston, NC, due to the currently designated airspace no longer meeting the requirements of its designation. Controlled airspace is necessary for the safety and management of IFR operations in the area for existing instrument approaches.

DATES: Effective 0901 UTC, November 27, 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: Christopher Stocking, Operations Support Group, Eastern Service Center, Federal Aviation Administration, 1701 Columbia Avenue, College Park, GA 30337; Telephone: (404) 305-5887.

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 updates the ARP on which the Class D is based, and amends Class E5 airspace in Kinston, NC.

History

The FAA published an NPRM for Docket No. FAA 2025-0400 in the **Federal Register** (90 FR 10424; June 10, 2025), proposing to amend Class D and E5 airspace at Kinston Regional Jetport at Stallings Field Airport, Kinston, NC. Interested parties were invited to participate in this rulemaking effort by submitting written comments on the proposal to the FAA. No comments were received.

Changes From NPRM

Subsequent to publication of the NPRM, an editorial change was made to this action to include Lenoir Memorial Hospital Heliport, NC, Class E5 airspace within the Kinston, NC, Class E5 airspace description. This airspace was inadvertently left out of the airspace description in the NPRM despite there being no intention by the FAA to remove this portion of Class E5 airspace in Kinston, NC. As this constitutes a ministerial change that corrects an error in the NPRM and does not alter legal obligations associated with the airspace, the FAA has determined that good cause exists for not re-circulating the NPRM for public notice and comment.

Incorporation by Reference

Class D and E airspace designations are published in paragraphs 5000, 6002, 6004, and 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 rule amends 14 CFR part 71 to modify Class D and E5 airspace for Kinston Regional Jetport, Kinston, NC.

This rule amends the Class D airspace by updating the ARP coordinates (lat. 35°19'53" N, long. 77°36'32" W). The Class D airspace boundaries will otherwise remain the same, extending upward from the surface to and including 2,600 feet MSL within a 4.1-mile radius of Kinston Regional Jetport at Stallings Field Airport. This Class D airspace area is effective during the specific days and times established in advance by a Notice to Airmen. The effective days and times will thereafter be continuously published in the Chart Supplement.

Additionally, this rule amends the Class E5 airspace by removing that airspace that is within 2.5 miles on each side of the Kinston VORTAC 047° radial, extending from the 6.7-mile radius to 7 miles northeast of the VORTAC as this airspace no longer meets the requirements of its designation.

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,¹ "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.

¹ The FAA has updated its National Environmental Policy Act implementing procedures in FAA Order 1050.1G, which has an effective date of June 30, 2025. That Order states that it "does not apply to or alter any decisions made and final environmental documents issued prior to the effective date". The CATEX prepared in connection with this action was prepared prior to the effective date of the new Order and therefore was prepared in accordance with the prior version of the Order.

§ 71.1 [Amended]

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

Paragraph 5000 Class D Airspace.

* * * * *

ASO NC D Kinston, NC [Amended]

Kinston Regional Jetport at Stallings Field, NC

(Lat. 35°19'53" N, long. 77°36'32" W)

That airspace extending upward from the surface to and including 2,600 feet MSL within a 4.1-mile radius of Kinston Regional Jetport at Stallings Field. This Class D airspace area is effective during the specific days and times established in advance by a Notice to Airmen. The effective days and times will thereafter be continuously published in the Chart Supplement.

* * * * *

Paragraph 6005 Class E Airspace.

* * * * *

ASO NC E5 Kinston, NC [Amended]

Kinston Regional Jetport at Stallings Field, NC

(Lat. 35°19'53" N, long. 77°36'32" W)

Lenoir Memorial Hospital Heliport, NC

(Lat. 35°17'24" N, long. 77°35'04" W)

That airspace extending upward from 700 feet above the surface within a 6.7-mile radius of Kinston Regional Jetport at Stallings Field and within a 6-mile radius of Lenoir Memorial Hospital Heliport.

* * * * *

Issued in College Park, Georgia, on July 30, 2025.

Patrick Young,

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

[FR Doc. 2025–14578 Filed 7–31–25; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION**Federal Aviation Administration****14 CFR Part 71**

[Docket No. FAA–2025–0946; Airspace Docket No. 25–ASO–11]

RIN 2120–AA66

Amendment of Class D and E Airspace Over Hickory and Morganton, NC

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This rule amends the Class D and E surface airspaces at Hickory Regional Airport, Hickory, NC. Additionally, this rule amends Class E5

airspace extending upward from 700 feet above the surface for Hickory Regional Airport, Hickory, NC, by increasing the radius to 7.1 miles and adding an extension. Lastly, this rule amends Class E airspace extending upward from 700 feet above the surface for Foothills Regional Airport, Morganton, NC, ensuring the required protection for standard instrument approach procedures, and also updates the airport's name and geographic coordinates and removes Grace Hospital from the airspace legal description. Controlled airspace is necessary for the safety and management of instrument flight rules (IFR) operations in the area.

DATES: Effective 0901 UTC, November 27, 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 7400.11], 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: Chris Stocking, Operations Support Group, Eastern Service Center, Federal Aviation Administration, 1701 Columbia Avenue, College Park, GA 30337; Telephone: (404) 305–5887.

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 D, E2, and E5 airspace in Hickory, NC, and Class E5 at Morganton, NC.

History

The FAA published a notice of proposed rulemaking (NPRM) for Docket No. FAA 2025–0946 in the **Federal Register** (90 FR 21874; May 22, 2025), proposing to amend the Class D, E2, and E5 airspace at Hickory Regional Airport, Hickory, NC, and proposing to amend the Class E5 airspace at Foothills Regional Airport, Morganton, NC. Subsequently, the FAA published a supplemental notice of proposed rulemaking (SNPRM) for the same matter in the **Federal Register** (90 FR 24358; June 10, 2025), replacing an incorrect reference point within the Class D and Class E2 airspace descriptions and by adding a reference to the Tawba Nondirectional Radio Beacon (NDB) to the Class E5 airspace description. Interested parties were invited to participate in this rulemaking effort by submitting written comments on the proposal to the FAA. One comment was received that did not provide substantive feedback on the proposal.

Changes From NPRM and SNPRM

Subsequent to publication of both the NPRM and SNPRM, FAA discovered that an editorial change was needed to align the language used in the Hickory Class D and Class E2 airspace descriptions. Specifically, in the Hickory Class E2 description, the use of “Dates/Date” has been changed to “Days,” and “Time” has been changed to “Times”. This change ensures that the language used in Hickory Class D and Class E2 airspace descriptions remains consistent. As this constitutes a ministerial change that does not alter legal obligations associated with the airspace, the FAA has determined that good cause exists for not re-circulating the NPRM for public notice and comment.

Incorporation by Reference

Class D and E airspace designations are published in paragraphs 5000, 6002, 6004, and 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 7400.11], 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 rule amends 14 CFR part 71 to modify the Class D, E2, and E5 airspace areas for Hickory Regional Airport, Hickory, NC, and amends the Class E5 airspace for Foothills Regional Airport, Morganton, NC.

This rule amends the Class D and Class E2 airspace areas at Hickory Regional Airport by increasing the radius from 4.1 miles to 4.6 miles and by establishing an extension to the surface area that is within 2 miles each side of the 235° bearing from Hickory Regional Airport, extending from the 4.6 mile radius of the airport to 5.2 miles southwest of the airport. The Class D and Class E airspace areas are overlays of each other, and each is effective during the specific days and times established in advance by a Notice to Airmen. The effective days and times will thereafter be continuously published in the Chart Supplement.

Additionally, this rule amends the Class E5 airspace at Hickory Regional Airport by extending the radius from 6.6 miles to 7.1 miles and adding an extension that is within 3 miles each side of the 055° bearing from Tawba NDB, extending from the 7.1-mile radius of the Hickory Regional Airport to 5.7 miles northeast of the NDB.

Lastly, this rule amends Class E5 airspace at Foothills Regional Airport, Morganton, NC, by amending the confines, updating the airport name and coordinates, and removing Grace Hospital from the airspace legal description to be consistent with FAA's database. The action will update the airport name from Morganton-Lenior Airport to Foothills Regional Airport and amend the Class E5 airspace extending upward from 700 feet above the surface within a 8-mile radius of the Foothills Regional Airport and within 2 miles each side of the 205° and 023° bearing from Fiddlers NDB, extending from the 8-mile radius to 4.7-miles southwest and from the 8-mile radius to 18.2-miles northeast of the NDB; excluding that airspace within the Hickory, NC, Class E airspace 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,¹ "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:

¹ The FAA has updated its National Environmental Policy Act implementing procedures in FAA Order 1050.1G, which has an effective date of June 30, 2025. That Order states that it "does not apply to or alter any decisions made and final environmental documents issued prior to the effective date". The CATEx prepared in connection with this action was prepared prior to the effective date of the new Order and therefore was prepared in accordance with the prior version of the Order.

Paragraph 5000 Class D Airspace

* * * * *

ASO NC D Hickory, NC [Amended]

Hickory Regional Airport, NC
(Lat. 35°44'28" N, long. 81°23'22" W)

That airspace extending upward from the surface to and including 3700 feet MSL within a 4.6-mile radius of Hickory Regional Airport and within 2 miles each side of the 235° bearing from Hickory Regional Airport, extending from a 4.6-mile radius of the airport to 5.2 miles southwest of the airport. This Class D airspace is effective during the specific days and times established in advance by a Notice to Airmen. The effective days and times will thereafter be continuously published in the Chart Supplement.

* * * * *

Paragraph 6002 Class E Airspace Areas Designated as Surface Areas

* * * * *

ASO NC E2 Hickory, NC [Amended]

Hickory Regional Airport, NC
(Lat. 35°44'28" N, long. 81°23'22" W)

That airspace within a 4.6-mile radius of Hickory Regional Airport and within 2 miles on each side of the 235° bearing from Hickory Regional Airport, extending from a 4.6-mile radius of the airport to 5.2 miles southwest of the airport. This Class E airspace area is effective during the specific days and times established in advance by a Notice to Airmen. The effective days and times will thereafter be continuously published in the Chart Supplement.

* * * * *

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

* * * * *

ASO NC E5 Hickory, NC [Amended]

Hickory Regional Airport, NC
(Lat. 35°44'28" N, long. 81°23'22" W)
Tawba NDB
(Lat. 35°47'11" N, long. 81°18'19" W)

That airspace extending upward from 700 feet above the surface within a 7.1-mile radius of Hickory Regional Airport, and within 3-miles each side of the 055° bearing from Tawba NDB, extending from the 7.1-mile radius of the Hickory Regional Airport to 5.7 miles northeast of the NDB.

* * * * *

ASO NC E5 Morganton, NC [Amended]

Foothills Regional Airport, NC
(Lat. 35°49'13" N, long. 81°36'41" W)
Fiddlers NDB
(Lat. 35°42'37" N, long. 81°40'17" W)

That airspace extending upward from 700 feet above the surface within a 8-mile radius of the Foothills Regional Airport and within 2 miles each side of the 205° and 023° bearing from Fiddlers NDB, extending from the 8-mile radius to 4.7-miles southwest and from the 8-mile radius to 18.2-miles northeast of the NDB.

* * * * *

Issued in College Park, Georgia, on July 30, 2025.

Patrick Young,

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

[FR Doc. 2025–14579 Filed 7–31–25; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF THE INTERIOR

Bureau of Safety and Environmental Enforcement

30 CFR Part 250

[Docket ID: BSEE–2025–0003; EEEE500000
256E1700D2 ET1SF0000.EAQ000]

RIN 1014–AA64

Remove Regulations for Sulphur Operations

AGENCY: Bureau of Safety and
Environmental Enforcement (BSEE),
Interior.

ACTION: Direct final rule; request for
comments.

SUMMARY: The Department of the Interior (DOI or Department), through the Bureau of Safety and Environmental Enforcement (BSEE), is rescinding the majority of the provisions in its sulphur operations subpart and revising the subpart by applying other available regulatory requirements for similar operations to sulphur operations in the Outer Continental Shelf (OCS). The existing regulations are outdated, duplicative of, or inconsistent with, other Department regulations. This direct final rule provides consistency and clarity to industry regarding regulatory requirements for sulphur operations by aligning the requirements with the Department's other BSEE-administered regulations.

DATES: The final rule is effective September 30, 2025, unless significant adverse comments are received by September 2, 2025. If significant adverse comments are received, notice will be published in the **Federal Register** before the effective date either withdrawing the rule or issuing a new final rule that responds to significant adverse comments.

ADDRESSES: You may submit comments on this rulemaking by any of the following methods. Please use the Regulation Identifier Number (RIN) 1014–AA64 as an identifier in your message.

• *Federal eRulemaking Portal:* <http://www.regulations.gov>. In the entry entitled, Enter Keyword or ID, enter BSEE–2025–0003, then click search.

Follow the instructions to submit public comments and view supporting and related materials available for this rulemaking. BSEE may post all comments submitted.

• Mail or hand-carry comments to the Department of the Interior; Bureau of Safety and Environmental Enforcement; Attention: Regulations and Standards Branch; 45600 Woodland Road, Sterling, Virginia 20166. Please reference “Remove Regulations for Sulphur Operations at 30 CFR part 250, Subpart P, 1014–AA64” in your comments and include your name and return address.

• Send comments on the information collection in this rule to: Interior Desk Officer 1014–AA64, Office of Management and Budget; by fax at 202–395–5806; or by email at oir_submission@omb.eop.gov. In addition, please send a copy of your comments to BSEE by one of the methods previously listed.

Public Availability of Comments— 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. In order for BSEE to withhold from disclosure your personal identifying information, you must identify any information contained in your comment submittal that, if released, would constitute a clearly unwarranted invasion of your personal privacy. You must also briefly describe any possible harmful consequence(s) of the disclosure of the information, such as embarrassment, injury, or other harm. 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.

FOR FURTHER INFORMATION CONTACT: For questions, contact Kirk Malstrom, Regulations and Standards Branch, (202) 258–1518, or by email: regs@bsee.gov. Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States.

SUPPLEMENTARY INFORMATION: The Department is issuing this rule as a direct final rule. Although the Administrative Procedure Act (APA, 5 U.S.C. 551–559) generally requires

agencies to engage in notice and comment rulemaking, section 553 of the APA provides an exception when the agency “for good cause finds” that notice and comment are “impracticable, unnecessary, or contrary to the public interest.” *Id.* § 553(b)(B). The Department has determined that notice and comment are unnecessary because this rule is noncontroversial; of a minor, technical nature; and is unlikely to receive any significant adverse comments. Significant adverse comments are those that oppose the rescission of the rule and raise, alone or in combination, (1) reasons why the rescission of the rule is inappropriate, including challenges to the rescission’s underlying premise, or (2) serious unintended consequences of the rescission. A comment recommending an addition to the rule will not be considered significant and adverse unless the comment explains how this direct final rule would be ineffective without the addition.

Executive Summary: This direct final rule (DFR) revises the regulatory provisions in subpart P of 30 CFR part 250 that are inconsistent with other similar operational and equipment requirements of this part. On January 20, 2025, the President issued Executive Order (E.O.) 14154 “Unleashing American Energy,” which rescinded E.O. 13990 “Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis” and directed the removal of regulations that impede the development and use of the Nation’s energy and natural resources. In response to E.O. 14154, the Secretary of the Interior (Secretary) issued Secretary’s Order (S.O.) 3418, “Unleashing American Energy,” which directs all Assistant Secretaries to “review all agency actions and submit an action plan” that includes steps that “as appropriate, will be taken to suspend, revise, or rescind documents,” to address potential burden to industry.¹

This DFR revises provisions that, consistent with and as authorized by the Outer Continental Shelf Lands Act (OCSLA), will achieve the objectives of E.O. 14154 and S.O. 3418. At this time, BSEE would streamline the subpart P regulations by:

- Applying other regulations in 30 CFR part 250 to sulphur operations; and
- Rescinding the regulations in §§ 250.1601 through 250.1634 and reserving those sections.

BSEE will continue to evaluate the effectiveness of all BSEE regulations for

¹ Secretary’s Order 3418, Sec. 4. Directive, Feb. 3, 2025.

any necessary and appropriate rulemakings in the future.

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 - A. Statutory and Regulatory Authority and Responsibilities
 - B. Purpose and Summary of the Rulemaking
- II. Section-by-Section Discussion of Proposed Changes
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 - B. §§ 250.1601–250.1634
- III. Procedural Matters

I. Background

A. Statutory and Regulatory Authority and Responsibilities

The Department's authority for this direct final rule is derived from OCSLA, codified at 43 U.S.C. 1331–1356a. OCSLA, enacted in 1953 and substantially revised in 1978, authorizes the Secretary to regulate and administer mineral and oil and gas exploration, development, and production operations on the OCS. The Secretary has delegated authority to perform certain of these functions to BSEE under Secretary's Order 3299.²

To carry out its responsibilities, BSEE regulates offshore oil and gas and sulphur operations to enhance the safety of oil and gas and sulphur exploration and development on the OCS, ensure that those operations are safe, and implement advancements in technology. BSEE also conducts onsite inspections to ensure compliance with regulations, lease terms, and approved plans and permits. Detailed information concerning the BSEE-administered regulations and guidance to the offshore oil and gas and sulphur industries may be found on BSEE's website at: <https://www.bsee.gov/guidance-and-regulations>.

BSEE administers a regulatory program that covers a wide range of OCS facilities and activities that offshore operators³ perform, including sulphur operations, throughout the OCS. See 30 CFR part 250. This DFR is applicable to the operational activities that involve sulphur exploration, development, and production.

² https://www.doi.gov/sites/doi.gov/files/elips/documents/3299a2-establishment_of_the_bureau_of_ocean_energy_management_the_bureau_of_safety_and_environmental_enforcement_and_the_office_of_natural_resources_revenue.pdf.

³ The regulations at 30 CFR part 250 generally apply to "a lessee, the owner or holder of operating rights, a designated operator or agent of the lessee(s)" (30 CFR 250.105 (definition of "you")) and "the person actually performing the activity to which the requirement applies" (30 CFR 250.146(c)). For convenience, this preamble will refer to these regulated entities as "operators" unless otherwise indicated.

B. Purpose and Summary of the Rulemaking

On August 29, 2011, the Secretary issued Secretary's Order 3299 2A (S.O. 3299 2A), which announced the division of the former Minerals Management Service (MMS) into three new separate agencies—Office of Natural Resources Revenue (ONRR), Bureau of Ocean Energy Management (BOEM), and Bureau of Safety and Environmental Enforcement (BSEE). Secretary's Order 3299 2A also separated the regulatory responsibilities of MMS and established the authorities and responsibilities of ONRR, BOEM, and BSEE.

On October 18, 2011, the Department published the direct final rule "Reorganization of Title 30: Bureaus of Safety and Environmental Enforcement and Ocean Energy Management." 76 FR 64462 (October 18, 2011) (2011 final rule). The 2011 final rule assigned administration of the regulations under 30 CFR, chapter II—Minerals Management Service, to BSEE and BOEM based on the authorities and responsibilities established for each agency under S.O. 3299 2A. Accordingly, the 2011 final rule assigned administration of the entire subpart P regulations to BSEE as part of the agency's regulatory authority over safety and environmental enforcement of operations on the OCS.

The Department's subpart P regulations have not been substantially updated since 2011 when the final rule assigned administration of the regulations to the agency. While the subpart P regulations have not been updated, many of the Department's regulations in the other subparts of 30 CFR 250, which also apply to sulphur operations, have been updated to incorporate new processes, technology, and technical standards. Additionally, on January 20, 2025, the President issued E.O. 14154, which rescinded E.O. 13990 and directed the removal of regulations that impose impediments on the development and use of the Nation's energy and natural resources. The accompanying S.O. 3418 instructed DOI to review and revise regulations that, consistent with and as authorized by the OCSLA, will alleviate the potential burden on industry and further promote the objectives of E.O. 14154. Therefore, this direct final rule will remove the vast majority of the regulations in subpart P and instead will reference the applicable regulations in the other subparts of 30 CFR part 250 for the purposes of efficiency and efficacy.

II. Section-by-Section Discussion of Proposed Changes

The Department would revise the following regulations:

Subpart P—Sulphur Operations

A. § 250.1600 Performance Standard

This section of the existing regulations includes the performance standard applicable to operations to discover, develop, and produce sulphur on the OCS. This section requires such operations to be in accordance with a BOEM-approved Exploration Plan or Development and Production Plan, and to be conducted in a manner that protects against harm or damage to life, property, natural resources, and the environment.

Revisions: The Department is revising § 250.1600 by clarifying that the requirements of the section, including a new requirement in new paragraph (a)(2) to comply with the other regulations in 30 CFR part 250, apply to all applicable operations for sulphur exploration, development, and production on the OCS. The Department also amends the section by revising the format from a single paragraph to a bulleted list to increase clarity and readability.

Explanation of proposed revisions:

The Department's revision to § 250.1600 would reduce the regulatory burden on operators by simplifying the regulatory compliance process. The revision would align regulatory requirements for sulphur operations in subpart P with the requirements in the other subparts of 30 CFR part 250. BSEE expects that the simplified reporting requirements will alleviate regulatory burdens on operators without any negative impact on safety and environmental protection.

B. §§ 250.1601–250.1634

These sections of the existing regulations represent the remainder of the sections in subpart P and include, among other subjects, regulations pertaining to drilling requirements, well control, pressure testing, permits, blowout prevention, testing, training, and recordkeeping.

Revisions: The Department is revising §§ 250.1601 through 250.1634 by removing the content from the subpart and reserving the section numbers.

Explanation of proposed revisions:

The revisions to §§ 250.1601 through 250.1634 removes regulations that are outdated, duplicative of, or inconsistent with similar regulations in the other subparts of 30 CFR part 250, such as regulations for drilling operations (subpart D) and well control (subpart G). The 30 CFR part 250 regulations provide

sufficient detail, clarity, and comprehensiveness for operators and necessary oversight authority for BSEE to enable safe, efficient, and productive sulphur operations on the OCS. BSEE expects that the revisions to these sections, in conjunction with the revision to § 250.1600, provides regulatory relief to the industry by eliminating outdated and redundant regulatory requirements. BSEE also anticipates the regulatory changes will have no negative impact on the safety of offshore operations or environmental protection.

III. Procedural Matters

Regulatory Planning and Review (E.O. 12866) and Improving Regulation and Regulatory Review (E.O. 13563)

Executive Order 12866 provides that the Office of Information and Regulatory Affairs (OIRA) in the Office of Management and Budget (OMB) will review all significant rules. OIRA has determined that this direct final rule is not significant.

Executive Order 13563 reaffirms the principles of E.O. 12866, while calling for improvements in the Nation's regulatory system to promote predictability, reduce uncertainty, and use the best, most innovative, and least burdensome tools for achieving regulatory ends. Executive Order 13563 directs agencies to consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public where these approaches are relevant, feasible, and consistent with regulatory objectives. Executive Order 13563 emphasizes further that agencies must base regulations on the best available science and that the rulemaking process must allow for public participation and an open exchange of ideas. BSEE developed this direct final rule in a manner consistent with these requirements.

Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA, 5 U.S.C. 601–612) requires an agency to prepare a regulatory flexibility analysis for all rules unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. The RFA applies only to rules for which an agency is required to first publish a proposed rule. *See* 5 U.S.C. 603(a) and 604(a). The RFA does not apply because the Department is not required to publish a notice of proposed rulemaking for this direct final rule.

Congressional Review Act

This direct final rule is not a major rule under the Congressional Review Act, 5 U.S.C. 804(2). Specifically, the direct final rule: (1) will not have an annual effect on the economy of \$100 million or more; (2) will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; and (3) will not have significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets.

Unfunded Mandates Reform Act of 1995

This direct final rule would not impose an unfunded mandate on State, local, or tribal governments or the private sector of more than \$100 million per year. The rule would not have a significant or unique effect on State, local, or tribal governments or the private sector. The rule merely revises the Federal regulations to remove outdated, duplicative, and inconsistent provisions. Therefore, a statement containing the information required by Unfunded Mandates Reform Act (2 U.S.C. 1531 *et seq.*) is not required.

Takings Implication Assessment (E.O. 12630)

Under the criteria in E.O. 12630, this direct final rule does not have significant takings implications. The rule is not a governmental action capable of interference with constitutionally protected property rights. Therefore, a takings implication assessment is not required.

Federalism (E.O. 13132)

Under the criteria in E.O. 13132, this direct final rule will not have federalism implications. This rule will not substantially and directly affect the relationship between the Federal and State governments. To the extent that State and local governments have a role in OCS activities, this rule will not affect that role. Therefore, a federalism assessment is not required.

Civil Justice Reform (E.O. 12988)

This direct final rule complies with the requirements of E.O. 12988. Specifically, this rule:

- (1) Meets the criteria of section 3(a) requiring that all regulations be reviewed to eliminate errors and ambiguity and be written to minimize litigation; and
- (2) Meets the criteria of section 3(b)(2) requiring that all regulations be written

in clear language and contain clear legal standards.

Consultation With Indian Tribes (E.O. 13175)

BSEE strives to strengthen its government-to-government relationships with federally recognized Indian Tribes through a commitment to consultation with the Tribes and recognition of their right to self-governance and Tribal sovereignty. We are also respectful of our responsibilities for consultation with Alaska Native Claims Settlement Act (ANCSA) Corporations and the Native Hawaiian Community. BSEE is committed to compliance with E.O. 13175, “Consultation and Coordination with Indian Tribal Governments” (dated November 6, 2000), DOI’s Policy on Consultation with Indian Tribes, Policy on Consultation with Alaska Native Claims Settlement Act Corporations, and Policy on Consultation with the Native Hawaiian Community (512 Departmental Manual 4, dated November 30, 2022, 512 Departmental Manual 6, dated November 30, 2022, and 513 Departmental Manual 1, dated January 16, 2025, respectively), and DOI’s Procedures for Consultation with Indian Tribes, Procedures for Consultation with Alaska Native Claims Settlement Act Corporations, and Procedures for Consultation with the Native Hawaiian Community (512 Departmental Manual 5, dated November 30, 2022, Departmental Manual 7, dated November 30, 2022, and 513 Departmental Manual 2, dated January 16, 2025, respectively). BSEE evaluated this direct final rule under E.O. 13175 and the Department’s consultation policies and procedures and determined that it has no substantial direct effects on federally recognized Indian Tribes, ANCSA corporations, or the Native Hawaiian Community and that consultation under the Department’s consultation policies is not required.

Paperwork Reduction Act (PRA) of 1995

This direct final rule does not impose any new information collection burdens under the Paperwork Reduction Act. OMB previously approved the information collection activities contained in the existing regulations and assigned OMB control number 1014–0006. This rule rescinds the majority of the provisions in subpart P and, as such, eliminates the burdens associated with OMB Control Number 1014–0006 (897 hours). BSEE will be submitting a request to OMB to discontinue this control number.

National Environmental Policy Act of 1969 (NEPA)

This direct final rule does not constitute a major Federal action significantly affecting the quality of the human environment. A detailed statement under the National Environmental Policy Act (NEPA, 42 U.S.C. 4321 *et seq.*) is not required because this rule is covered by a categorical exclusion applicable to regulatory functions “that are of an administrative, financial, legal, technical, or procedural nature.” 43 CFR 46.210(i). In addition, BSEE has determined that this rule does not involve any of the extraordinary circumstances listed in 43 CFR 46.215 that would require further analysis under NEPA.

Data Quality Act

In developing this direct final rule, we did not conduct or use a study, experiment, or survey requiring peer review under the Data Quality Act (Pub. L. 106–554, app. C, sec. 515, 114 Stat. 2763, 2763A–153–154).

Effects on the Nation’s Energy Supply (E.O. 13211)

This direct final rule is not a significant energy action under the definition in E.O. 13211. The rule is not a significant regulatory action under E.O. 12866, and it is not likely to have a significant adverse effect on the supply, distribution, or use of energy. Therefore, a statement of energy effects is not required.

Clarity of This Regulation

We are required by E.O. 12866, E.O. 12988, and by the Presidential Memorandum of June 1, 1998, to write all rules in plain language. This means that each rule we publish must:

- (1) Be logically organized;
- (2) Use the active voice to address readers directly;
- (3) Use clear language rather than jargon;
- (4) Be divided into short sections and sentences; and
- (5) Use lists and tables wherever possible.

If you feel that we have not met these requirements, send us comments by one of the methods listed in the **ADDRESSES** section. To better help us revise the rule, your comments should be as specific as possible. For example, you should tell us the numbers of the sections or paragraphs that you find unclear, which sections or sentences are too long, or the sections where you feel lists or tables would be useful.

Severability

If a court holds any section or paragraph of this rulemaking or their applicability to any person or circumstance invalid, the remainder of this rulemaking and their applicability to other persons or circumstances will not be affected.

List of Subjects in 30 CFR Part 250

Administrative practice and procedure, Continental shelf, Environmental impact statements, Environmental protection, Government contracts, Investigations, Mineral resources, Oil and gas exploration, Penalties, Pipelines, Outer Continental Shelf—mineral resources, Outer Continental Shelf—rights-of-way, Reporting and recordkeeping requirements, Sulphur operations.

Adam G. Seuss,

Acting Assistant Secretary, Land and Minerals Management.

For the reasons stated in the preamble, the Bureau of Safety and Environmental Enforcement (BSEE) amends 30 CFR part 250 as follows:

PART 250—OIL AND GAS AND SULFUR OPERATIONS IN THE OUTER CONTINENTAL SHELF

- 1. The authority citation for part 250 continues to read as follows:

Authority: 30 U.S.C. 1751, 31 U.S.C. 9701, 33 U.S.C. 1321(j)(1)(C), 43 U.S.C. 1334.

- 2. Revise § 250.1600 to read as follows:

§ 250.1600 Performance standard.

(a) All operations for sulphur exploration, development, and production on the OCS must comply with:

- (1) A BOEM-approved Exploration Plan or Development and Production Plan;
- (2) The applicable regulations in 30 CFR part 250; and
- (3) All applicable laws, regulations, and conditions of approval.

(b) You must conduct such operations in a manner that protects against harm or damage to life (including fish and other aquatic life), property, natural resources of the OCS including any mineral deposits (in areas leased or not leased), the National security or defense, and the marine, coastal, or human environment.

§§ 250.1601–250.1634 [Removed and reserved]

- 3. Remove and reserve §§ 250.1601–250.1634:

[FR Doc. 2025–14618 Filed 7–31–25; 8:45 am]

BILLING CODE 4310–VH–P

DEPARTMENT OF HOMELAND SECURITY**Coast Guard****33 CFR Part 117**

[Docket No. USCG–2025–0182]

RIN 1625–AA09

Drawbridge Operation Regulation; Southern Branch of the Elizabeth River, Chesapeake, Virginia

AGENCY: Coast Guard, DHS.

ACTION: Final rule.

SUMMARY: The Coast Guard is removing the existing drawbridge operation regulation for the Dominion Boulevard (US17) Bridge, mile 8.8 across the Southern Branch of the Elizabeth River in Chesapeake, VA. The Dominion Boulevard (US17) Drawbridge has been removed in its entirety and replaced with a high-level fixed bridge as of October 20, 2016. The operating regulation for the bridge is no longer applicable or necessary and will be removed from the CFR.

DATES: This rule is effective August 1, 2025.

ADDRESSES: To view documents mentioned in this preamble as being available in the docket, go to <https://www.regulations.gov>. Type the docket number (USCG–2025–0182) in the “SEARCH” box and click “SEARCH”. In the Document Type column, select “Supporting & Related Material.”

FOR FURTHER INFORMATION CONTACT: If you have questions on this rule, call or email Mr. Hal Pitts, Fifth Coast Guard District Chief Bridge Branch (dpb); telephone 571–607–8298, email Hal.R.Pitts@uscg.mil.

SUPPLEMENTARY INFORMATION:**I. Table of Abbreviations [Delete/Add Any Abbreviations Not Used/Used in This Document]**

APA Administrative Procedure Act
CFR Code of Federal Regulations
DHS Department of Homeland Security
FR Federal Register
Pub. L. Public Law
§ Section
U.S.C. United States Code
US United States

II. Background Information and Regulatory History

The Coast Guard is issuing this final rule without prior notice and opportunity to comment pursuant to authority under section 4(a) of the Administrative Procedure Act (APA) (5 U.S.C. 553(b)). This provision authorizes an agency to issue a rule

without prior notice and opportunity to comment when the agency for good cause finds that those procedures are “impracticable, unnecessary, or contrary to the public interest.” Under 5 U.S.C. 553(b), the Coast Guard finds that good cause exists for not publishing a notice of proposed rulemaking (NPRM) with respect to this rule because the Dominion Boulevard (US 17) Drawbridge, governed by 33 CFR 117.997(f), was removed from the waterway and replaced with a fixed bridge in 2016. Therefore, the regulation is no longer applicable and shall be removed from publication. It is unnecessary to publish an NPRM because this regulatory action does not purport to place any restrictions on mariners but rather removes a restriction that has no further use or value.

Under 5 U.S.C. 553(d)(3), the Coast Guard finds that good cause exists for making this rule effective in less than 30 days after publication in the **Federal Register**. The Dominion Boulevard (US17) Bridge was removed from the waterway nearly nine years ago and this rule merely requires an administrative change to the **Federal Register**, in order to omit a regulatory requirement that is no longer applicable or necessary. The removal of the bridge has already taken place, and the removal of the regulation will not affect mariners currently operating on this waterway. Therefore, a delayed effective date is unnecessary.

III. Legal Authority and Need for Rule

The Coast Guard is issuing this rule under 33 U.S.C. 499.

The Dominion Boulevard (US17) Drawbridge, mile 8.8 across the Southern Branch of the Elizabeth River in Chesapeake, VA was removed and replaced with a fixed bridge in 2016. On May 23, 2012, the U.S. Coast Guard issued a permit authorizing replacement of the Dominion Boulevard (US17) Drawbridge with a high-level fixed bridge. On June 27, 2025, the U.S. Coast Guard signed the bridge completion report certifying the Dominion Boulevard (US17) Drawbridge has been removed in its entirety and replaced with a high-level fixed bridge as of October 20, 2016. It has come to the attention of the Coast Guard that the governing regulation for this drawbridge was never removed subsequent to the removal of the drawbridge. The replacement of this drawbridge necessitates the removal of the drawbridge operation regulation, 33 CFR 117.997(f), pertaining to the former drawbridge.

The purpose of this rule is to remove section of 33 CFR 117.997(f) from the

CFR since it governs a bridge that has been removed from the waterway and does not exist.

IV. Discussion of Final Rule

The Coast Guard seeks to update the CFR by removing the regulation in 33 CFR 117.997(f) related to the Dominion Boulevard (US 17) Drawbridge since the bridge was removed from the waterway and replaced with a fixed bridge nearly nine years ago. This change does not affect waterway or land traffic.

V. Regulatory Analyses

We developed the removal of this regulation/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 rule has not been designated a “significant regulatory action,” under section 3(f) of Executive Order 12866. Accordingly, it has not been reviewed by the Office of Management and Budget (OMB).

This regulatory action determination is based on the fact that the moveable bridge has been replaced with a fixed bridge and no longer crosses the waterway. The removal of the operating schedule from 33 CFR 117 Subpart B will have no effect on the movement of waterway or land traffic.

B. Impact on Small Entities

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

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

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

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

C. Collection of Information

This rule calls for no new collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520).

D. Federalism and Indian Tribal Government

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

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

E. Unfunded Mandates Reform Act

The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) requires Federal agencies to assess the effects of their discretionary regulatory actions. In

particular, the Act addresses actions that may result in the expenditure by a State, local, or tribal government, in the aggregate, or by the private sector of \$100,000,000 (adjusted for inflation) or more in any one year. Though this rule will not result in such an expenditure, we do discuss the effects of this rule elsewhere in this preamble.

F. Environment

We have analyzed this rule under Department of Homeland Security Management Directive 023–01, Rev.1, associated implementing instructions, and Environmental Planning Policy COMDTINST 5090.1 (series) which guide the Coast Guard in complying with the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321–4370f). The Coast Guard has determined that this action is one of a category of actions that do not individually or cumulatively have a significant effect on the human environment. This rule promulgates the operating regulations or procedures for drawbridges and is categorically excluded from further review, under paragraph L49, of Appendix A, Table 1 of DHS Instruction Manual 023–01–001–01, Rev. 1.

Neither a Record of Environmental Consideration nor a Memorandum for the Record are required for this rule.

List of Subjects in 33 CFR Part 117

Bridges.

For the reasons discussed in the preamble, the Coast Guard amends 33 CFR part 117 as follows:

PART 117—DRAWBRIDGE OPERATION REGULATIONS

■ 1. The authority citation for part 117 continues to read as follows:

Authority: 33 U.S.C. 499; 33 CFR 1.05–1; and DHS Delegation No. 00170.1, Revision No. 01.3.

§ 117.997 [Amended]

■ 2. Amend § 117.997 by removing paragraph (f) and redesignating paragraphs (g) through (i) as paragraphs (f) through (h), respectively.

J.C. Vann,

Rear Admiral (upper half), U.S. Coast Guard, Commander, Fifth Coast Guard District.

[FR Doc. 2025–14593 Filed 7–31–25; 8:45 am]

BILLING CODE 9110–04–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket No. USCG–2025–0677]

Safety Zone; Ski Show Sylvan Beach Eastern Great Lakes COTP Zone

AGENCY: Coast Guard, DHS.

ACTION: Notification of enforcement of regulation.

SUMMARY: The Coast Guard will enforce special local regulations for the Ski Show Sylvan Beach on August 10, 2025, to provide for the safety of life on navigable waterways during this event. Our regulation for marine events within the Great Lakes Coast Guard District identifies the regulated area for this event in Sylvan Beach, NY. During the enforcement periods, the operator of any vessel in the regulated area must comply with directions from the Patrol Commander or any Official Patrol displaying a Coast Guard ensign.

DATES: The regulations in 33 CFR 165.939 will be enforced for the Ski Show Sylvan Beach regulated area listed in paragraph (h) item no. 5 in Table 1 to § 165.939, from 11 a.m. through 8 p.m. on August 10, 2025.

FOR FURTHER INFORMATION CONTACT: If you have questions about this notification of enforcement, call or email MST1 Shawn Keeman, Marine Safety Unit Thousand Islands, Coast Guard; telephone 315–774–8546, Shawn.R.Keeman@uscg.mil.

SUPPLEMENTARY INFORMATION: The Coast Guard will enforce special local regulations in 33 CFR 165.939 for the Ski Show Sylvan Beach regulated area listed in paragraph (h) item no. 5 in Table 1 to § 165.939, from 11 a.m. to 8 p.m. on August 10, 2025. This action is being taken to provide for the safety of life on navigable waterways during this event. Our regulation for marine events within the Great Lakes Coast Guard District, paragraph (h) item no. 5 in Table 1 to § 165.939, specifies the location of the regulated area for the Ski Show Sylvan Beach which encompasses portions of Oneida Lake and Fish Creek. During the enforcement periods, § 165.939, if you are the operator of a vessel in the regulated area, you must comply with directions from the Patrol Commander or any Official Patrol displaying a Coast Guard ensign.

In addition to this notification of enforcement in the **Federal Register**, the Coast Guard plans to provide notification of this enforcement period

via the Local Notice to Mariners and Broadcast Notice to Mariners.

Dated: July 28, 2025.

M.J. Walter,

Captain, U.S. Coast Guard, Captain of the Port Eastern Great Lakes.

[FR Doc. 2025–14654 Filed 7–31–25; 8:45 am]

BILLING CODE 9110–04–P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

43 CFR Part 2800

[Docket No. BLM–2025–0142; PO #4820000251; Order #02412–014–004–047181.0]

RIN 1004–AF45

Revisions to the Regulations Regarding Intermittent Energy

AGENCY: Bureau of Land Management (BLM), Interior.

ACTION: Final rule.

SUMMARY: The Department of the Interior (Department) is amending the BLM rules governing acreage rent rate and capacity fee for solar and wind energy generation on Public Lands to effectuate changes required by the “One Big Beautiful Bill Act” (OBBA) enacted on July 4, 2025.

DATES: The final rule is effective on August 1, 2025.

ADDRESSES: The BLM has established a docket for this rulemaking in the *Federal eRulemaking Portal*: <https://www.regulations.gov>. In the Searchbox, enter “RIN 1004–AF45” and click the “Search” button. Follow the instructions at this website.

FOR FURTHER INFORMATION CONTACT: Jayme Lopez, Interagency Coordination Liaison, by phone at (520) 235–4581, or by email at energy@blm.gov for information relating to the rule. Please use “RIN 1004–AF45” in the subject line. 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: Historically, the BLM has set rental rates and capacity fees for solar and wind energy rights-of-way based on a determination of fair market value consistent with the Federal Land Policy and Management Act of 1976 (43 U.S.C.

1764(g)) (FLPMA). Congress, through Section 50302 of Public Law 119–21, 139 Stat. 71, enacted on July 4, 2025, (“OBBB”) established specific rent and capacity fees for rights-of-way authorizing solar and wind energy generation facilities on public lands. Section 50302’s provisions governing acreage rent rates and capacity fee supersede those in the BLM’s current right-of-way regulations governing solar and wind energy. The Department is therefore revising the BLM right-of-way regulations found at 43 CFR part 2800 to reflect the acreage rent rates and capacity fee required by statute. Specifically, through this final rule the Department is revising §§ 2801.5, 2805.12, 2806.50, 2806.51, 2806.52, 2807.21, and 2809.16.

The Title 43 CFR part 2800 regulations were updated to comprehensively address solar and wind energy generation by a final rule published in the **Federal Register** on December 19, 2016, titled “Competitive Processes, Terms, and Conditions for Leasing Public Lands for Solar and Wind Energy Development and Technical Changes and Corrections” (81 FR 92122). That rule built upon existing right-of-way regulations and policies to specifically address solar and wind energy development by establishing a competitive leasing framework, a formula that included an acreage rent along with a capacity fee, and incentives to encourage project siting within designated leasing areas (DLAs). On May 1, 2024, the Department issued a new rule entitled “Rights-of-Way, Leasing, and Operations for Renewable Energy.” These revisions included updates to the methodology for determining acreage rents and capacity fees for solar and wind energy development projects that significantly reduced revenue from these projects permitted on public lands and the establishment of financial incentives in the form of additional capacity fee reductions for projects utilizing American-made components or constructed using project labor agreements.

Section 50302(b) of the OBBB established a new formula for calculating the acreage rents for solar and wind generation facilities located on public lands. The statutory formula in section 50302(b)(2)(A) is $A \times B \times ((1 + C) \wedge D)$ where A is the per-acre rate, defined as the average of the per-acre pastureland rental rates published in the Cash Rents Survey by the National Agricultural Statistics Service for the State in which the right-of-way is located over the 5 calendar-year period preceding the issuance or renewal of the

right-of-way; B is the encumbrance factor, which is 100 percent for a solar energy generation facilities and not less than 10 percent for a wind energy generation facility, as determined by the Secretary; C is the Annual Adjustment Factor, which is set at 3 percent; and D is the year in the term of the right-of-way. Section 50302(b) also requires the Secretary to collect the rent not later than January 1 of each calendar year, consistent with section 504(g) of FLPMA.

Once a solar or wind generation facility is generating electricity, section 50302(c)(2) sets the capacity fee for solar and wind energy to be the greater of the acreage rent and 3.9 percent of the gross proceeds from the sale of electricity produced by the renewable energy project. Section 50302(c)(1) also allows the Secretary to collect the capacity fee annually based on energy produced and sold, rather than directing that it be collected not later than January 1 of each calendar year. Section 50302(c)(3) also allows holders of wind energy rights-of-way the opportunity to apply for a 10 percent reduction in their capacity fee if “not less than 25 percent of the land within the area of the right-of-way is authorized for use, occupancy, or development with respect to an activity other than the generation of wind energy for the entirety of the year in which the capacity fee is collected.” See Public Law 119–21, section 50302(c)(3)(B), 139 Stat. 71 (2025).

The Department is revising certain provisions in 43 CFR part 2800 to reflect Congress’s determination with regard to required acreage rent rate and capacity fee for solar and wind facilities on public lands. Because the rate and fee changes went into effect on July 4, 2025, the date that the OBBB was enacted, and these targeted revisions merely effectuate those changes, the Department is issuing this final rule revising the following provisions in 43 CFR part 2800: the definitions in § 2801.5(b), the rents and fees for solar and wind energy development provisions at § 2806.50, the grant and lease rate adjustments in § 2806.51, the acreage rent formula at § 2806.52(a), and the capacity fee formula at § 2806.52(b); as well as making conforming changes to § 2805.12(e)(2). Prompt issuance of this final rule will avoid any confusion on the part of the regulated community as to what the acreage rent rate and capacity fee will be due during the next billing cycle.

The enactment of section 50302, independently and alone, justifies these revisions to 43 CFR part 2800. The Department has no interest in maintaining regulations in the Code of

Federal Regulations that have been superseded by, and are contrary to, a lawfully enacted statute. This final rule simply aligns the BLM’s regulations in part 2800 with the specific statutory requirements established by Section 50302 that went into effect on July 4, 2025.

The Department’s authority for the rulemaking procedures followed in this action is provided by the Administrative Procedure Act (APA, 5 U.S.C. 551 through 559). In general, the APA requires an agency issuing a rule to provide prior notice and an opportunity for public comment. The APA section 553(b)(B), however, provides an exemption from notice-and-comment requirements “when the agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rule issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.” *Id.* § 553(b)(B). This action is being issued without prior notice or opportunity for public comment because the Department finds that the APA “good cause” exemption from notice-and-comment requirements applies here because the statutory direction in Section 50302 involves no agency discretion and issuing the rule will help reduce potential public confusion regarding paying rents and capacity fees for solar and wind energy generation facilities located on public lands.

Executive Order 12866—Regulatory Planning and Review and Executive Order 13563—Improving Regulation and Regulatory Review

Executive Order 12866 provides that the Office of Information and Regulatory Affairs (OIRA) in the Office of Management and Budget (OMB) will review all significant rules. Congress has defined the acreage rent rate and capacity fee that the BLM is required to collect for solar and wind generation facilities on public lands in Section 50302. This final rule simply updates the applicable BLM regulations to reflect these statutory provisions; therefore, this is not a significant rule.

Executive Order 13563 reaffirms the principles of Executive Order 12866, while calling for improvements in the Nation’s regulatory system to promote predictability, reduce uncertainty, and use the best, most innovative, and least burdensome tools for achieving regulatory ends. Executive Order 13563 directs agencies to consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public where these approaches are relevant, feasible, and

consistent with regulatory objectives. Executive Order 13563 emphasizes further that agencies must base regulations on the best available science and that the rulemaking process must allow for public participation and an open exchange of ideas. The Department developed this rule in a manner consistent with these requirements.

Regulatory Flexibility Act

Under the Regulatory Flexibility Act (RFA), as amended by the Small Business Regulatory Enforcement Fairness Act (SBREFA) of 1996), 5 U.S.C. 601 *et seq.*, generally, when a Federal agency undertakes a notice and comment rulemaking process under the APA, it must prepare a regulatory flexibility analysis that describes the reasons why the action is being considered, a statement of the objectives and legal basis for the final rule, and estimate of the number of small entities the final rule will apply to, a description of reporting and recordkeeping requirements, and an identification of overlapping rules and laws. 5 U.S.C. 603(b). However, the Regulatory Flexibility Act applies only to rules for which an agency is required to first publish a proposed rule. *See* 5 U.S.C. 603(a) and 604(a). As the Department is not required to publish a notice of proposed rulemaking for this direct final rule, the RFA does not apply.

Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501–3521) generally provides that an agency may not conduct or sponsor and, not withstanding any other provision of law, a person is not required to respond to, a collection of information, unless it displays a currently valid Office of Management and Budget (OMB) control number. Collections of information include any request or requirement that persons obtain, maintain, retain, or report information to an agency, or disclose information to a third party or to the public (44 U.S.C. 3502(3) and 5 CFR 1320.3(c)).

OMB has generally approved the existing information-collection requirements contained in 43 CFR part 2800 associated with solar and wind rights-of-way grants or leases under OMB control number 1004–0206 (expiration date: June 30, 2026). Additionally, the BLM's regulations at 43 CFR part 2800 require the use of Standard Form 299 (SF–299), “Application for Transportation and Utility Systems and Facilities on Federal Lands,” for right-of-way applications and the regulations at 43 CFR part 2800. OMB has approved the

requirements associated with SF–299 and has assigned control number 0596–0249. This rule would not result in changes to the Form SF–299.

The total annual burdens under this OMB Control Number are currently estimated as follows: 3,116 annual responses; 47,338, annual burden hours; and \$2,182,302 annual cost burden. The rule removes the annual certification requirement that was in the rescinded § 2806.52(b)(5). The removal of this requirement will result in a reduction of 75 annual responses and 150 annual burden hours.

The resulting new estimated total burdens for OMB Control Number 1004–0206 are provided below.

Title of Collection: Competitive Processes, Terms, and Conditions for Leasing Public Lands for Intermittent Energy Development.

OMB Control Number: 1004–0206.

Form Number: SF–299 (Burden approved by OMB in Request for Common Form under OMB Control No. 0596–0249).

Type of Review: Revision of a currently approved collection of information.

Respondents/Affected Public: Private sector (applicants for and holders of wind and solar rights-of-way grants or leases on Federal public lands).

Respondent's Obligation: Required to obtain or retain a benefit.

Frequency of Collection: On occasion and every ten years for *Plan of Development* ten-year update.

Number of Respondents: 75.

Annual Responses: 3,041.

Annual Burden Hours: 47,238.

Annual Burden Cost: \$2,182,302.

The complete information collection request that has been submitted to OMB for this rule is available at www.reginfo.gov/public/do/PRAMain. Find this information collection by selecting “Currently under Review—Open for Public Comments” or by using the search function. Written comments and recommendations for the information collection requirements 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 Review—Open for Public Comments” or by using the search function.

Congressional Review Act

This rule is not a major rule under the Congressional Review Act, 5 U.S.C. 804(2). Specifically, the final rule: (a) will not have an annual effect on the economy of \$100 million or more; (b) will not cause a major increase in costs or prices for consumers, individual

industries, Federal, State, or local government agencies, or geographic regions; and (c) will not have significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets.

Unfunded Mandates Reform Act

This rule does not impose an unfunded mandate on State, local, or Tribal governments, or the private sector, of more than \$100 million per year. The rule does not have a significant or unique effect on State, local, or Tribal governments, or the private sector. The rule merely revises the Federal regulations to remove an obsolete provision that is no longer used. Therefore, a statement containing the information required by the Unfunded Mandates Reform Act (2 U.S.C. 1531 *et seq.*) is not required.

Authority: This action is issued under Section 50302(c)(2) of Pub. L. 119–21, 139 Stat. 71 (2025) and Title V of the Federal Land Policy and Management Act (FLPMA), 43 U.S.C. 1761–1772.

List of Subjects in 43 CFR Part 2800

Communications, Electric power, Highways and roads, Penalties, Pipelines, Public lands—rights-of-way, Reporting and recordkeeping requirements.

Adam G. Suess

Acting Assistant Secretary, Land and Minerals Management.

Accordingly, for the reasons stated in the preamble, the BLM amends 43 CFR part 2800 as set forth below:

PART 2800—RIGHTS-OF-WAY UNDER THE FEDERAL LAND POLICY AND MANAGEMENT ACT

■ 1. The authority citation for part 2800 continues to read as follows:

Authority: 43 U.S.C. 1733, 1740, 1763, 1764, and 3003.

Subpart 2801—General information

- 2. Amend § 2801.5 in paragraph (b) by:
 - a. Revising the definition “Capacity fee”; and
 - b. Removing the definitions for “Domestic content reduction” and “Megawatt hour (MWh) rate”.

The revision reads as follows:

§ 2801.5 What acronyms and terms are used in the regulations in this part?

* * * * *

(b) * * *

Capacity fee means the fee charged to right-of-way holders once energy production commences that is equal to the greater of an acreage rent and 3.9 percent of the gross proceeds from the sale of electricity produced by the renewable energy project.

* * * * *

Subpart 2805—Terms and Conditions of Grants

- 3. Amend § 2805.12 by revising paragraph (e)(2) to read as follows:

§ 2805.12 What terms and conditions must I comply with?

* * * * *

(e) * * *

(2) You may also request that the BLM consider alternative stipulations, terms, or conditions, other than rents or fees. Any proposed alternative stipulation, term, or condition must comply with applicable law in order to be considered. Any proposed alternative to applicable bonding requirements must provide the United States with adequate financial assurance for potential liabilities associated with your right-of-way grant or lease. Any such request is not approved until you receive BLM approval in writing.

Subpart 2806—Annual Rents and Payments

- 4. Revise § 2806.50 to read as follows:

§ 2806.50 Rents and fees for solar energy rights-of-way.

If you hold a right-of-way for solar or wind energy development, you must pay an annual rent and fee in accordance with this section and subpart. The annual rent and fee is the greater of the acreage rent or the capacity fee that would be due in a given year. The acreage rent will be calculated consistent with § 2806.11 and prorated consistent with § 2806.12(a). The capacity fee will vary depending on the project's gross proceeds from the sale of electricity produced by the renewable energy project and will be calculated consistent with § 2806.52(b).

- 5. Revise § 2806.51 to read as follows:

§ 2806.51 Grant and lease rate adjustments.

The holder of a right-of-way for a wind energy generation project may request from the BLM to apply a multiple-use reduction factor of 10-percent to the amount of a capacity fee determined under § 2806.52. Such a request may be approved if the holder demonstrates that not less than 25 percent of the land within the right-of-way is authorized for use, occupancy, or

development with respect to an activity other than the generation of wind energy for the entirety of the year in which the capacity fee is collected.

- 6. Amend § 2806.52 by:

- a. Revising paragraphs (a)(1)(i) through (iv) and (b); and

- b. Removing paragraph (c).

The revisions read as follows:

§ 2806.52 Annual rents and fees for solar and wind energy development.

* * * * *

(a) * * *

(1) * * *

(i) A is the state per-acre value from the solar or wind energy acreage rent schedule published by the BLM for the year on which your right-of-way grant or lease is issued and is based on the average of the per-acre pastureland rental rates published in the Cash Rents Survey by the National Agricultural Statistics Service (NASS) for the State in which the right-of-way is located over the 5 calendar-year period preceding the issuance or renewal of the right-of-way. The BLM will calculate the average using only those years for which rent is reported by NASS.

(ii) B is the encumbrance factor, which is 100 percent for solar energy and for wind energy an amount determined by the Secretary, but not less than 10 percent;

(iii) C is the annual adjustment factor, which is 3 percent; and,

(iv) D is the year in the term of the right-of-way.

* * * * *

(b) *Capacity fee.* (1) The capacity fee is calculated as 3.9 percent of the project's annual gross proceeds from the sale of electricity produced by the renewable energy project. The capacity fee is due annually in the calendar year following the year in which the electricity was produced.

(2) For projects that include generation on public and non-public lands, the holder will be prorated the total energy generation by the percentage of the right-of-way footprint on public lands relative to the total development area footprint.

Subpart 2807—Grant Administration and Operation

- 7. Amend § 2807.21 by revising paragraph (e) to read as follows:

§ 2807.21 May I assign or make other changes to my grant or lease?

* * * * *

(e) Your assignment is not recognized until the BLM approves it in writing. We will approve the assignment if doing so is in the public interest. We may

modify the grant or lease or add bonding and other requirements, including additional terms and conditions, to the grant or lease when approving the assignment except that we may only modify wind energy leases where modification is warranted under § 2806.51(a). We may decrease rents if the new holder qualifies for an exemption (see § 2806.14) or waiver or reduction (see § 2806.15) and the previous holder did not. Similarly, we may increase rents if the previous holder qualified for an exemption or waiver or reduction and the new holder does not. If we approve the assignment, the benefits and liabilities of the grant or lease apply to the new grant or leaseholder.

* * * * *

Subpart 2809—Competitive Process for Solar and Wind Energy Development Applications or Leases

§ 2809.16 [Amended]

- 8. Amend § 2809.16 by:

- a. Adding the word “and” at the end of paragraph (c)(10);

- b. Removing paragraphs (c)(11) and (12); and

- c. Redesignating paragraph (c)(13) as paragraph (c)(11).

[FR Doc. 2025–14627 Filed 7–31–25; 8:45 am]

BILLING CODE 4331–27–P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

43 CFR Part 3100

[Docket No. BLM–2025–0140; A2407–014–004–065516; #O2412–014–004–047181.1]

RIN 1004–AF43

Revision to Regulations Regarding Oil and Gas Leasing; Stipulations and Information Notices

AGENCY: Bureau of Land Management, Interior.

ACTION: Direct final rule; request for comments.

SUMMARY: This direct final rule (DFR) removes existing Bureau of Land Management (BLM) regulations pertaining to stipulations and mitigation measures to effectuate changes required by the “One Big Beautiful Bill Act” (OBBA) enacted on July 4, 2025.

DATES: This DFR is effective September 30, 2025, unless significant adverse comments are received by September 2, 2025. If significant adverse comments are received, notice will be published in the **Federal Register** before the effective

date either withdrawing the rule or issuing a new final rule that responds to any significant adverse comments.

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

- *Federal eRulemaking Portal:* <https://www.regulations.gov>. In the Search box, enter the Docket Number “BLM–2025–0140” and click the “Search” button. Follow the instructions at this website.

- *Mail, personal, or messenger delivery:* U.S. Department of the Interior, Director (630), Bureau of Land Management, 1849 C St. NW, Room 5646, Washington, DC 20240, Attention: 1004–AF43.

FOR FURTHER INFORMATION CONTACT:

Peter Cowan, Senior Minerals Leasing Specialist, email: picowan@blm.gov, telephone: 720–838–1641. 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.

For a summary of the final rule, please see the abstract description of the document in Docket Number BLM–2025–0140 on www.regulations.gov.

SUPPLEMENTARY INFORMATION: Oil and gas leasing on Federal lands managed by the BLM is governed primarily by the Mineral Leasing Act of 1920 (MLA), 30 U.S.C. 181 *et seq.* Section 226 of the MLA sets out the general provisions governing oil and gas leasing on Federal lands, and section 226(a) provides the Secretary with the authority to lease the lands, as more fully set out in the succeeding subsections of section 226. The Department’s regulations implementing the provisions of section 226 of the MLA are found in 43 CFR part 3100.

Section 50101(d) of the OBBB amended the MLA by removing the existing language in section 226(a) and replacing it with new language that requires the Secretary to make lands in an expression of interest (EOI) available for leasing within 18 months of receipt of an EOI, subject to enumerated conditions. It adds a new subparagraph requiring any leases issued under the MLA to be subject to the terms and conditions of an approved resource management plan (RMP) and prohibits the Secretary from including any stipulations or mitigation in a lease, unless such stipulations or mitigation are included in an approved RMP. Section 50101(d) also provides that

initiation of an amendment to an RMP will not prevent the Secretary from leasing land, provided the other requirements of the section have been met.

To implement this statutorily required change, the BLM has determined that 43 CFR 3101.13(a) and (b) must be revised to reflect the prohibition on including stipulations or mitigation measures not included in an approved RMP. Specifically, the BLM is removing the existing language in 43 CFR 3101.13(a) and replacing it with the following:

(a) Leases issued by the BLM will include only those stipulations and mitigation measures included in the resource management plan covering that parcel of land that is being leased.

Further, the BLM is removing 43 CFR 3101.13(b) its entirety since the majority of the language no longer complies with the statute. The last sentence in 43 CFR 3101.13(b) has been moved into 43 CFR 3101.13(a). The remaining paragraphs of 43 CFR 3101.13 will be redesignated as required based on the removal of paragraph (b).

Because this new provision restricts the BLM’s authority to include stipulations and mitigation measures in the leases that it issues beyond those that are already contemplated in an approved RMP, the BLM believes the regulated community is best served by including this change now rather than waiting for the publication of any broader revisions to its oil and gas leasing regulations. To the extent required, any other regulatory revisions that are necessary due to the enactment of section 50101(d) of the OBBB will be included in the BLM’s overall revisions to part 3100.

The BLM has determined that enactment of the OBBB, independently and alone, justifies the revisions to 43 CFR 3101.13(a) and (b). The BLM has no interest in maintaining a regulation that no longer reflects the existing statutory obligations and could lead to confusion if left in place.

The BLM is issuing this rule as a DFR. Although the Administrative Procedure Act (APA, 5 U.S.C. 551 through 559) generally requires agencies to engage in notice and comment rulemaking, section 553 of the APA provides an exception when the agency “for good cause finds” that notice and comment are “impracticable, unnecessary, or contrary to the public interest.” *Id.* 553(b)(B). The BLM has determined that notice and comment are unnecessary because the revisions for this rule implement requirements for which the agency has no discretion; and is unlikely to receive any significant

adverse comments. Significant adverse comments are those that oppose the revision of the rule and raise, alone or in combination, (1) Reasons why the revision of the rule is inappropriate, including challenges to the revision’s underlying premise; or (2) Serious unintended consequences of the revision. A comment recommending an addition to the rule will not be considered significant and adverse unless the comment explains how this DFR would be ineffective without the addition.

Procedural Matters

Executive Order (E.O.) 12630—Governmental Actions and Interference With Constitutionally Protected Property Rights

This rule does not result in a taking of private property or otherwise have regulatory takings implications under E.O. 12630. The rule revises one provision that no longer reflects statutory authority and removes another one that is no longer supported by section 226(a) of the MLA as amended by section 5101(d) of the OBBB. The rule will not result in private property being taken for public use without just compensation. A takings implication assessment is not required.

E.O. 12866—Regulatory Planning and Review and E.O. 13563—Improving Regulation and Regulatory Review

E.O. 12866 provides that the Office of Information and Regulatory Affairs (OIRA) in the Office of Management and Budget (OMB) will review all significant rules. OIRA has determined that this rule is not significant.

E.O. 13563 reaffirms the principles of E.O. 12866, while calling for improvements in the Nation’s regulatory system to promote predictability, reduce uncertainty, and use the best, most innovative, and least burdensome tools for achieving regulatory ends. E.O. 13563 directs agencies to consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public where these approaches are relevant, feasible, and consistent with regulatory objectives. E.O. 13563 emphasizes further that agencies must base regulations on the best available science and that the rulemaking process must allow for public participation and an open exchange of ideas. The BLM developed this rule in a manner consistent with these requirements.

E.O. 12988—Civil Justice Reform

This DFR complies with the requirements of E.O. 12988. Among other things, this rule:

(a) Meets the criteria of section 3(a) requiring that all regulations be reviewed to eliminate errors and ambiguity and be written to minimize litigation;

(b) Meets the criteria of section 3(b)(2) requiring that all regulations be written in clear language and contain clear legal standards.

E.O. 13132—Federalism

Under the criteria of section 1 of E.O. 13132, this rule does not have sufficient federalism implications to warrant the preparation of a federalism summary impact statement. This rule will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. A federalism summary impact statement is not required.

E.O. 13175—Consultation and Coordination With Indian Tribal Governments

The Department of the Interior strives to strengthen its government-to-government relationship with Indian tribes through a commitment to consultation with Tribes and recognition of their right to self-governance and Tribal sovereignty. The BLM evaluated this DFR under E.O. 13175 and the Department's consultation policies and determined that it has no substantial direct effects on federally recognized Indian tribes and that consultation under the Department's Tribal consultation policies is not required. The rule merely revises the Federal regulations to revise obsolete regulatory language.

E.O. 13211—Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use

This DFR is not a significant energy action as defined in E.O. 13211. Therefore, a Statement of Energy Effects is not required.

National Environmental Policy Act (NEPA)

This DFR does not constitute a major Federal action significantly affecting the quality of the human environment. A detailed statement under NEPA (42 U.S.C. 4321 *et seq.*) is not required because this rule is covered by a categorical exclusion applicable to regulatory functions “that are of an administrative, financial, legal, technical, or procedural nature.” 43 CFR

46.210(i). In addition, the BLM has determined that this rule does not involve any of the extraordinary circumstances listed in 43 CFR 46.215 that would require further analysis under NEPA.

Paperwork Reduction Act

This rule does not impose any new information collection burden under the Paperwork Reduction Act. OMB previously approved the information collection activities contained in the existing regulations and assigned OMB control number 1004–0185. This rule does not impose an information collection burden because the Department is not making any changes to the information collection requirements.

Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA, 5 U.S.C. 601–612) requires an agency to prepare a regulatory flexibility analysis for all rules unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. The RFA applies only to rules for which an agency is required to first publish a proposed rule. *See* 5 U.S.C. 603(a) and 604(a). As the BLM is not required to publish a notice of proposed rulemaking for this DFR, the RFA does not apply.

Congressional Review Act

This DFR is not a major rule under the Congressional Review Act, 5 U.S.C. 804(2). Specifically, the DFR: (a) Will not have an annual effect on the economy of \$100 million or more; (b) Will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; and (c) Will not have significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets.

Unfunded Mandates Reform Act

This rule does not impose an unfunded mandate on State, local, or Tribal governments, or the private sector, of more than \$100 million per year. The rule does not have a significant or unique effect on State, local, or Tribal governments, or the private sector. The rule merely revises the Federal regulations to revise a provision to reflect a new statutory requirement and remove one that is no longer authorized by the statute. Therefore, a statement containing the information required by the Unfunded

Mandates Reform Act (2 U.S.C. 1531 *et seq.*) is not required.

List of Subjects in 43 CFR Part 3100

Government contracts, Government employees, Mineral royalties, Oil and gas exploration, Oil and gas reserves, Public lands—mineral resources, Reporting and recordkeeping requirements, Surety bonds.

Adam G. Suess,

Acting Assistant Secretary, Land and Minerals Management.

For the reasons stated in the preamble, the Bureau of Land Management amends 43 CFR part 3100 as follows:

PART 3100—OIL AND GAS LEASING

■ 1. The authority citation for part 3100 continues to read as follows:

Authority: 25 U.S.C. 396d and 2107; 30 U.S.C. 189, 306, 359, and 1751; 43 U.S.C. 1701 *et seq.*; and 42 U.S.C. 15801.

■ 2. Revise § 3101.13 to read as follows:

§ 3101.13 Stipulations and information notices.

(a) Leases issued by the BLM will include only those stipulations and mitigation measures included in the resource management plan covering that parcel of land that is being leased.

(b) The BLM may attach an information notice to the lease. An information notice has no legal consequences, except to give notice of existing requirements, and may be attached to a lease by the authorized officer at the time of lease issuance to convey certain operational, procedural or administrative requirements relative to lease management within the terms and conditions of the standard lease form. Information notices may not be a basis for denial of lease operations.

(c) Where the surface managing agency is the Fish and Wildlife Service, leases will be issued subject to stipulations prescribed by the Fish and Wildlife Service as to the time, place, nature and condition of such operations in order to minimize impacts to fish and wildlife populations and habitat and other refuge resources on the areas leased. The specific conduct of lease activities on any refuge lands will be subject to site-specific stipulations prescribed by the Fish and Wildlife Service.

[FR Doc. 2025–14625 Filed 7–31–25; 8:45 am]

BILLING CODE 4331–29–P

DEPARTMENT OF THE INTERIOR**Bureau of Land Management****43 CFR Part 3100**

[Docket No. BLM–2025–0137; A2407–014–004–065516; #O2412–014–004–047181.1]

RIN 1004–AF40

Revision to Regulations Regarding Onshore Oil and Gas Leasing; General

AGENCY: Bureau of Land Management, Interior.

ACTION: Final rule.

SUMMARY: The Bureau of Land Management (BLM) is amending its rules governing oil and gas leasing to effectuate changes to the definitions for “eligible” and “available” as required by the “One Big Beautiful Bill Act” (OBBB) enacted on July 4, 2025.

DATES: This final rule is effective on August 1, 2025.

FOR FURTHER INFORMATION CONTACT: Peter Cowan, Senior Minerals Leasing Specialist, email: picowan@blm.gov, telephone: 720–838–1641. 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.

For a summary of the final rule, please see the abstract description of the document in Docket Number BLM–2025–0137 on www.regulations.gov.

SUPPLEMENTARY INFORMATION: Oil and gas leasing on Federal lands managed by the BLM is governed by the Mineral Leasing Act of 1920 (MLA), 30 U.S.C. 181 *et seq.*, and other pertinent statutes. The BLM’s regulations applicable to oil and gas operations on BLM-managed lands are generally contained in 43 CFR part 3100. 43 CFR 3100.5 contains the definitions applicable to oil and gas operations.

Section 50101(d)(3) of the OBBB amended section 226(b)(1)(A) of the MLA to include definitions for “eligible” and “available” lands in reference to lands the BLM can lease for oil and gas development. The OBBB defines “eligible” as all lands that are subject to leasing under this Act and are not excluded from leasing by a statutory prohibition. The OBBB defines “available” as those lands that have been designated as open for leasing under a land use plan developed under section 202 of the Federal Land Policy

and Management Act of 1976 (43 U.S.C. 1712) and that have been nominated for leasing through the submission of an expression of interest, are subject to drainage in the absence of leasing, or are otherwise designated as available pursuant to regulations adopted by the Secretary. These terms are integral to the BLM’s determination of the lands that can be leased for oil and gas development and have been the subject of litigation in the past. The BLM is amending 43 CFR 3100.5 to include these two statutory definitions.

The BLM has determined that 43 CFR 3100.5 must be revised to reflect these critical statutory definitions and to avoid any confusion on the part of the public about how these terms will be applied by the BLM in determining which lands it can lease.

The BLM has determined that enactment of the OBBB, independently and alone, justifies the revisions to 43 CFR 3100.5. The Department has no interest in maintaining regulations that are not consistent with statutory requirements.

The BLM is issuing this rule as a final rule. Although the Administrative Procedure Act (APA, 5 U.S.C. 551 through 559) generally requires agencies to engage in notice and comment rulemaking, section 553 of the APA provides an exception when the agency “for good cause finds” that notice and comment are “impracticable, unnecessary, or contrary to the public interest.” *Id.* 553(b)(B). The BLM has determined that notice and comment are unnecessary because this rule is noncontroversial; of a minor, technical nature and involves no agency discretion.

Procedural Matters**Executive Order (E.O.) 12630—Governmental Actions and Interference With Constitutionally Protected Property Rights**

This rule does not result in a taking of private property or otherwise have regulatory takings implications under E.O. 12630. The rule amends the regulations to include a definition required by the OBBB. The rule will not result in private property being taken for public use without just compensation. A takings implication assessment is not required.

E.O. 12866—Regulatory Planning and Review and Executive Order 13563—Improving Regulation and Regulatory Review

E.O. 12866 provides that the Office of Information and Regulatory Affairs (OIRA) in the Office of Management and

Budget (OMB) will review all significant rules. OIRA has determined that this rule is not significant.

E.O. 13563 reaffirms the principles of E.O. 12866, while calling for improvements in the Nation’s regulatory system to promote predictability, reduce uncertainty, and use the best, most innovative, and least burdensome tools for achieving regulatory ends. E.O. 13563 directs agencies to consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public where these approaches are relevant, feasible, and consistent with regulatory objectives. E.O. 13563 emphasizes further that agencies must base regulations on the best available science and that the rulemaking process must allow for public participation and an open exchange of ideas. The BLM developed this rule in a manner consistent with these requirements.

E.O. 12988—Civil Justice Reform

This final rule complies with the requirements of E.O. 12988. Among other things, this rule:

(a) Meets the criteria of section 3(a) requiring that all regulations be reviewed to eliminate errors and ambiguity and be written to minimize litigation;

(b) Meets the criteria of section 3(b)(2) requiring that all regulations be written in clear language and contain clear legal standards.

E.O. 13132—Federalism

Under the criteria of section 1 of E.O. 13132, this rule does not have sufficient federalism implications to warrant the preparation of a federalism summary impact statement. This rule will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. A federalism summary impact statement is not required.

E.O. 13175—Consultation and Coordination With Indian Tribal Governments

The Department of the Interior strives to strengthen its government-to-government relationship with Indian tribes through a commitment to consultation with Tribes and recognition of their right to self-governance and Tribal sovereignty. The BLM evaluated this final rule under E.O. 13175 and the Department’s consultation policies and determined that it has no substantial direct effects on federally recognized Indian Tribes

and that consultation under the Department's Tribal consultation policies is not required. The rule merely amends the regulations to include statutorily required definitions.

E.O. 13211—Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use

This final rule is not a significant energy action as defined in E.O. 13211. Therefore, a Statement of Energy Effects is not required.

National Environmental Policy Act (NEPA)

This final rule does not constitute a major Federal action significantly affecting the quality of the human environment. A detailed statement under NEPA (42 U.S.C. 4321 *et seq.*) is not required because this rule is covered by a categorical exclusion applicable to regulatory functions “that are of an administrative, financial, legal, technical, or procedural nature.” 43 CFR 46.210(i). In addition, the BLM has determined that this rule does not involve any of the extraordinary circumstances listed in 43 CFR 46.215 that would require further analysis under NEPA.

Paperwork Reduction Act

This rule does not impose any new information collection burden under the Paperwork Reduction Act. OMB previously approved the information collection activities contained in the existing regulations and assigned OMB control number 1004–0185. This rule does not impose an information collection burden because the BLM is not making any changes to the information collection requirements.

Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA, 5 U.S.C. 601–612) requires an agency to prepare a regulatory flexibility analysis for all rules unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. The RFA applies only to rules for which an agency is required to first publish a proposed rule. *See* 5 U.S.C. 603(a) and 604(a). As the BLM is not required to publish a notice of proposed rulemaking for this final rule, the RFA does not apply.

Congressional Review Act

This rule is not a major rule under the Congressional Review Act, 5 U.S.C. 804(2). Specifically, the final rule: (a) Will not have an annual effect on the economy of \$100 million or more; (b) Will not cause a major increase in costs

or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; and (c) Will not have significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets.

Unfunded Mandates Reform Act

This rule does not impose an unfunded mandate on State, local, or Tribal governments, or the private sector, of more than \$100 million per year. The rule does not have a significant or unique effect on State, local, or Tribal governments, or the private sector. The rule merely revises the Federal regulations to include statutorily required definitions. Therefore, a statement containing the information required by the Unfunded Mandates Reform Act (2 U.S.C. 1531 *et seq.*) is not required.

List of Subjects in 43 CFR Part 3100

Government contracts, Government employees, Mineral royalties, Oil and gas exploration, Oil and gas reserves, Public lands—mineral resources, Reporting and recordkeeping requirements, Surety bonds.

Adam G. Suess,

Acting Assistant Secretary, Land and Minerals Management.

For the reasons stated in the preamble, the Bureau of Land Management amends 43 CFR part 3100 as follows:

PART 3100—OIL AND GAS LEASING

■ 1. The authority citation for part 3100 continues to read as follows:

Authority: 25 U.S.C. 396d and 2107; 30 U.S.C. 189, 306, 359, and 1751; 43 U.S.C. 1701 *et seq.*; and 42 U.S.C. 15801.

■ 2. Amend § 3100.5 by adding in alphabetical order definitions for “Available” and “Eligible” to read as follows:

§ 3100.5 Definitions.

* * * * *

Available means those lands that have been designated as open for leasing under a land use plan developed under section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712) and that have been nominated for leasing through the submission of an expression of interest, are subject to drainage in the absence of leasing, or are otherwise designated as available

pursuant to regulations adopted by the Secretary.

* * * * *

Eligible means all lands that are subject to leasing under the Mineral Leasing Act of 1920 and are not excluded from leasing by a statutory prohibition.

* * * * *

[FR Doc. 2025–14626 Filed 7–31–25; 8:45 am]

BILLING CODE 4331–29–P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

43 CFR Parts 3100 and 3120

[Docket No. BLM–2025–0139; A2407–014–004–065516; #O2412–014–004–047181.1]

RIN 1004–AF42

Revision to Regulations Regarding Competitive Leases; Expression of Interest Process

AGENCY: Bureau of Land Management, Interior.

ACTION: Final rule.

SUMMARY: The Bureau of Land Management (BLM) is amending its rules governing fees for expressions of interest (EOI) to effectuate changes required by the “One Big Beautiful Bill Act” (OBBA) enacted on July 4, 2025.

DATES: This final rule is effective on August 1, 2025.

ADDRESSES: You may send inquiries to Director (630), Bureau of Land Management, 1849 C St. NW, Room 5646, Washington, DC 20240; Attention: RIN 1004–AF42.

FOR FURTHER INFORMATION CONTACT:

Peter Cowan, Senior Minerals Leasing Specialist, email: picowan@blm.gov, telephone: 720–838–1641. 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.

For a summary of the final rule, please see the abstract description of the document in Docket Number BLM–2025–0139 on www.regulations.gov.

SUPPLEMENTARY INFORMATION: Oil and gas leasing on Federal lands managed by the BLM is governed by the Mineral Leasing Act of 1920 (MLA), 30 U.S.C. 181 *et seq.*, and other pertinent statutes. See 43 CFR 3100.3. Section 226 of the

MLA sets out the general provisions governing oil and gas leasing on Federal lands. In 2022, Congress passed the Inflation Reduction Act (IRA), Public Law 117–169 (136 Stat.2056). Section 50262(d) of the IRA amended section 226 by adding a new subparagraph (q) that addressed EOIs and imposed a fee of \$5 per acre to be paid when a party submitted an EOI to the BLM indicating an interest in leasing the lands included in the EOI. The new subparagraph (q) also required the fee to be adjusted every 4 years for inflation. Before enactment of the IRA, the term “EOI” referred to an informal notice from a company or a member of the public indicating interest in leasing specific lands. At that time, the BLM’s regulations did not provide for an EOI process; instead, the BLM treated the EOI as a suggestion that the BLM should consider for offering specific lands on a competitive oil and gas lease sale. Therefore, the BLM promulgated a new regulatory requirement in 2024 when it issued new oil and gas regulations to implement this and other provisions of the IRA. The BLM promulgated the regulatory fee requirement to implement the IRA provision regarding EOI fees in 43 CFR 3120.31—Expression of Interest Process. This section set out the general requirements for submitting EOIs and set out the fee at 43 CFR 3120.31(d). The fee was also added to BLM’s fiscal terms schedule found at 43 CFR 3103.1(a) Table 1, since it was to be adjusted for inflation on a regular schedule.

Section 50101(a)(1) of the OBBB repealed section 50262(d) of the IRA in its entirety. Based on the language in the OBBB, the BLM may no longer charge a fee for submission of an EOI. To effectuate this requirement, the BLM is issuing this final rule to remove the inclusion of the fee in Table 1 of 43 CFR 3103.1(a) and 43 CFR 3120.31(d). Because the BLM is removing 43 CFR 3120.31(d), it is also making a conforming change by redesignating the existing 43 CFR 3120.31(e) to 3120.31(d). Issuance of this final rule will avoid any confusion on the part of the regulated community as to whether a fee is required when submitting an EOI to the BLM.

The BLM has determined that 43 CFR 3120.31(d) must be revised to reflect the fact that the BLM no longer has any authority to collect such a fee after the enactment of the OBBB. Because the BLM is removing the existing 43 CFR 3120.31(d), it must make the conforming change to existing 43 CFR 3120.31(e) by redesignating paragraph “(e)” to paragraph “(d)”.

The BLM has determined that enactment of the OBBB, independently

and alone, justifies the revisions to 43 CFR 3121.31(d) and (e), as well as the change to Table 1 in 3103.1(a). The BLM has no interest in maintaining a regulation that has been repealed by statute and could cause confusion.

The BLM is issuing this rule as a final rule. Although the Administrative Procedure Act (APA, 5 U.S.C. 551 through 559) generally requires agencies to engage in notice and comment rulemaking, section 553 of the APA provides an exception when the agency “for good cause finds” that notice and comment are “impracticable, unnecessary, or contrary to the public interest.” *Id.* 553(b)(B). The BLM has determined that public notice and comment are unnecessary because this rule is noncontroversial, of a minor, technical nature, and involves no agency discretion.

Procedural Matters

Executive Order (E.O.) 12630—Governmental Actions and Interference With Constitutionally Protected Property Rights

This rule does not result in a taking of private property or otherwise have regulatory takings implications under E.O. 12630. The rule rescinds a regulatory provision that implemented a provision of law that has been repealed by enactment of the OBBB. The rule will not result in private property being taken for public use without just compensation. A takings implication assessment is not required.

E.O. 12866—Regulatory Planning and Review and E.O. 13563—Improving Regulation and Regulatory Review

E.O. 12866 provides that the Office of Information and Regulatory Affairs (OIRA) in the Office of Management and Budget (OMB) will review all significant rules. OIRA has determined that this rule is not significant.

E.O. 13563 reaffirms the principles of E.O. 12866, while calling for improvements in the Nation’s regulatory system to promote predictability, reduce uncertainty, and use the best, most innovative, and least burdensome tools for achieving regulatory ends. E.O. 13563 directs agencies to consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public where these approaches are relevant, feasible, and consistent with regulatory objectives. E.O. 13563 emphasizes further that agencies must base regulations on the best available science and that the rulemaking process must allow for public participation and an open exchange of ideas. The BLM

developed this rule in a manner consistent with these requirements.

E.O. 12988—Civil Justice Reform

This final rule complies with the requirements of E.O. 12988. Among other things, this rule:

(a) Meets the criteria of section 3(a) requiring that all regulations be reviewed to eliminate errors and ambiguity and be written to minimize litigation;

(b) Meets the criteria of section 3(b)(2) requiring that all regulations be written in clear language and contain clear legal standards.

E.O. 13132—Federalism

Under the criteria of section 1 of E.O. 13132, this rule does not have sufficient federalism implications to warrant the preparation of a federalism summary impact statement. This rule will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. A federalism summary impact statement is not required.

E.O. 13175—Consultation and Coordination With Indian Tribal Governments

The Department of the Interior strives to strengthen its government-to-government relationship with Indian Tribes through a commitment to consultation with Tribes and recognition of their right to self-governance and Tribal sovereignty. The BLM evaluated this final rule under E.O. 13175 and the Department’s consultation policies and determined that it has no substantial direct effects on federally recognized Indian Tribes and that consultation under the Department’s Tribal consultation policies is not required. The rule merely revises the Federal regulations to remove obsolete regulatory language.

E.O. 13211—Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use

This final rule is not a significant energy action as defined in E.O. 13211. Therefore, a Statement of Energy Effects is not required.

National Environmental Policy Act (NEPA)

This final rule does not constitute a major Federal action significantly affecting the quality of the human environment. A detailed statement under NEPA (42 U.S.C. 4321 *et seq.*) is not required because this rule is covered

by a categorical exclusion applicable to regulatory functions “that are of an administrative, financial, legal, technical, or procedural nature.” 43 CFR 46.210(i). In addition, the BLM has determined that this rule does not involve any of the extraordinary circumstances listed in 43 CFR 46.215 that would require further analysis under NEPA.

Paperwork Reduction Act

This rule does not impose any new information collection burden under the Paperwork Reduction Act. OMB previously approved the information collection activities contained in the existing regulations and assigned OMB control number 1004–0185. This rule does not impose an information collection burden because the BLM is not making any changes to the information collection requirements.

Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA, 5 U.S.C. 601–612) requires an agency to prepare a regulatory flexibility analysis for all rules unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. The RFA applies only to rules for which an agency is required to first publish a proposed rule. *See* 5 U.S.C. 603(a) and 604(a). As the BLM is not required to publish a notice of proposed rulemaking for this direct final rule, the RFA does not apply.

Congressional Review Act

This rule is not a major rule under the Congressional Review Act, 5 U.S.C. 804(2). Specifically, the final rule: (a) Will not have an annual effect on the economy of \$100 million or more; (b) Will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; and (c) Will not have significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets.

Unfunded Mandates Reform Act

This rule does not impose an unfunded mandate on State, local, or Tribal governments, or the private sector, of more than \$100 million per year. The rule does not have a significant or unique effect on State, local, or Tribal governments, or the private sector. The rule merely revises the Federal regulations to remove an obsolete provision that is no longer

used. Therefore, a statement containing the information required by the Unfunded Mandates Reform Act (2 U.S.C. 1531 *et seq.*) is not required.

List of Subjects

43 CFR Part 3100

Government contracts, Government employees, Mineral royalties, Oil and gas exploration, Oil and gas reserves, Public lands—mineral resources, Reporting and recordkeeping requirements, Surety bonds.

43 CFR Part 3120

Government contracts, Government employees, Oil and gas exploration, Public lands—mineral resources, Reporting and recordkeeping requirements.

Adam G. Suess,

Acting Assistant Secretary, Land and Minerals Management.

For the reasons stated in the preamble, the Bureau of Land Management amends 43 CFR parts 3100 and 3120 as follows:

PART 3100—OIL AND GAS LEASING

- 1. The authority citation for part 3100 continues to read as follows:

Authority: 25 U.S.C. 396d and 2107; 30 U.S.C. 189, 306, 359, and 1751; 43 U.S.C. 1701 *et seq.*; and 42 U.S.C. 15801.

§ 3103.1 [Amended]

- 2. In § 3103.1, amend table 1 to paragraph (a) by removing the entry “Expression of Interest filing fee.”

PART 3120—COMPETITIVE LEASES

- 3. The authority citation for part 3120 continues to read as follows:

Authority: 16 U.S.C. 3101 *et seq.*; 30 U.S.C. 181 *et seq.* and 351–359; 40 U.S.C. 471 *et seq.*; 43 U.S.C. 1701 *et seq.*; Pub. L. 113–291, 128 Stat. 3762; and the Attorney General’s Opinion of April 2, 1941 (40 Op. Atty. Gen. 41).

§ 3120.31 [Amended]

- 4. Amend § 3120.31 by removing paragraph (d) and redesignating paragraph (e) as paragraph (d).

[FR Doc. 2025–14621 Filed 7–31–25; 8:45 am]

BILLING CODE 4331–29–P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

43 CFR Part 3170

[Docket No. BLM–2025–0136; A2407–014–004–065516; #O2412–014–004–047181.1]

RIN 1004–AF39

Revision to Regulations Regarding Approval of Operations; Valid Period of Approved Application for Permit To Drill

AGENCY: Bureau of Land Management, Interior.

ACTION: Direct final rule; request for comments.

SUMMARY: This direct final rule (DFR) revises existing Bureau of Land Management (BLM) regulations pertaining to application for permit to drill (APD) to effectuate changes required by the “One Big Beautiful Bill Act” (OBBA) enacted on July 4, 2025.

DATES: The final rule is effective on September 30, 2025, unless significant adverse comments are received by September 2, 2025. If significant adverse comments are received, notice will be published in the **Federal Register** before the effective date either withdrawing the rule or issuing a new final rule that responds to any significant adverse comments.

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

- **Federal eRulemaking Portal:** <https://www.regulations.gov>. In the Search box, enter the Docket Number “BLM–2025–0136” and click the “Search” button. Follow the instructions at this website.
- **Mail, personal, or messenger delivery:** U.S. Department of the Interior, Director (630), Bureau of Land Management, 1849 C St. NW, Room 5646, Washington, DC 20240, Attention: 1004–AF39.

FOR FURTHER INFORMATION CONTACT:

Peter Cowan, Senior Minerals Leasing Specialist, email: picowan@blm.gov, telephone: 720–838–1641. 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.

For a summary of the rule, please see the abstract description of the document in Docket Number BLM–2025–0136 on www.regulations.gov.

SUPPLEMENTARY INFORMATION: Oil and gas leasing on Federal lands managed by the BLM is governed primarily by the Mineral Leasing Act of 1920 (MLA), 30 U.S.C. 181 *et seq.*, and other pertinent statutes. See 43 CFR 3100.3. Section 226 of the MLA sets out the general provisions governing oil and gas leasing on Federal lands. Specifically, section 226(p) describes the requirements applicable to issuance of APDs but does not set the term of an approved APD. This has been left to the discretion of the Secretary. In 2024, the BLM promulgated the current regulation at 43 CFR 3171.14(a), which provides for a single, non-renewable term of 3 years for approved APDs.

Section 50101(d) of the OBBS amended the MLA by adding a new subparagraph to section 226(p) that establishes a 4-year term for approved APDs. The new subparagraph states that a permit to drill approved under this subsection shall be valid for a single, non-renewable 4-year period beginning on the date that the permit to drill is approved. To implement this required change, the BLM has determined that 43 CFR 3171.14(a) must be revised to reflect this non-discretionary statutory change.

The BLM has determined that this reason, independently and alone, justifies the revisions to 43 CFR 3171.14(a). The BLM has no interest in maintaining a regulation that is obsolete and could cause confusion.

The BLM is issuing this rule as a DFR. Although the Administrative Procedure Act (APA, 5 U.S.C. 551 through 559) generally requires agencies to engage in notice and comment rulemaking, section 553 of the APA provides an exception when the agency “for good cause finds” that notice and comment are “impracticable, unnecessary, or contrary to the public interest.” *Id.* 553(b)(B). The BLM has determined that notice and comment are unnecessary because this rule is noncontroversial; of a minor, technical nature; involves no agency discretion; and is unlikely to receive any significant adverse comments. Significant adverse comments are those that oppose the revision of the rule and raise, alone or in combination, (1) Reasons why the revision of the rule is inappropriate, including challenges to the revision’s underlying premise; or (2) Serious unintended consequences of the revision. A comment recommending an addition to the rule will not be considered significant and adverse unless the comment explains how this DFR would be ineffective without the addition.

Procedural Matters

Executive Order (E.O.) 12630—Governmental Actions and Interference With Constitutionally Protected Property Rights

This rule does not result in a taking of private property or otherwise have regulatory takings implications under E.O. 12630. The rule rescinds an obsolete regulatory provision and replaces it with the new statutory provision; therefore, the rule will not result in private property being taken for public use without just compensation. A takings implication assessment is not required.

E.O. 12866—Regulatory Planning and Review and Executive Order 13563—Improving Regulation and Regulatory Review

E.O. 12866 provides that the Office of Information and Regulatory Affairs (OIRA) in the Office of Management and Budget (OMB) will review all significant rules. OIRA has determined that this rule is not significant.

E.O. 13563 reaffirms the principles of E.O. 12866, while calling for improvements in the Nation’s regulatory system to promote predictability, reduce uncertainty, and use the best, most innovative, and least burdensome tools for achieving regulatory ends. E.O. 13563 directs agencies to consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public where these approaches are relevant, feasible, and consistent with regulatory objectives. E.O. 13563 emphasizes further that agencies must base regulations on the best available science and that the rulemaking process must allow for public participation and an open exchange of ideas. The BLM developed this rule in a manner consistent with these requirements.

E.O. 12988—Civil Justice Reform

This DFR complies with the requirements of E.O. 12988. Among other things, this rule:

- (a) Meets the criteria of section 3(a) requiring that all regulations be reviewed to eliminate errors and ambiguity and be written to minimize litigation;
- (b) Meets the criteria of section 3(b)(2) requiring that all regulations be written in clear language and contain clear legal standards.

E.O. 13132—Federalism

Under the criteria of section 1 of E.O. 13132, this rule does not have sufficient federalism implications to warrant the preparation of a federalism summary

impact statement. This rule will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. A federalism summary impact statement is not required.

E.O. 13175—Consultation and Coordination With Indian Tribal Governments

The Department of the Interior strives to strengthen its government-to-government relationship with Indian tribes through a commitment to consultation with Tribes and recognition of their right to self-governance and Tribal sovereignty. The BLM evaluated this DFR under Executive Order 13175 and the Department’s consultation policies and determined that it has no substantial direct effects on federally recognized Indian Tribes and that consultation under the Department’s Tribal consultation policies is not required. The rule merely revises the Federal regulations to remove obsolete regulatory language.

E.O. 13211—Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use

This DFR is not a significant energy action as defined in E.O. 13211. Therefore, a Statement of Energy Effects is not required.

National Environmental Policy Act (NEPA)

This DFR does not constitute a major Federal action significantly affecting the quality of the human environment. A detailed statement under NEPA (42 U.S.C. 4321 *et seq.*) is not required because this rule is covered by a categorical exclusion applicable to regulatory functions “that are of an administrative, financial, legal, technical, or procedural nature.” 43 CFR 46.210(i). In addition, the BLM has determined that this rule does not involve any of the extraordinary circumstances listed in 43 CFR 46.215 that would require further analysis under NEPA.

Paperwork Reduction Act

This rule does not impose any new information collection burden under the Paperwork Reduction Act. OMB previously approved the information collection activities contained in the existing regulations and assigned OMB control number 1004–0220. This rule does not impose an information collection burden because the BLM is

not making any changes to the information collection requirements.

Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA, 5 U.S.C. 601–612) requires an agency to prepare a regulatory flexibility analysis for all rules unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. The RFA applies only to rules for which an agency is required to first publish a proposed rule. *See* 5 U.S.C. 603(a) and 604(a). As the BLM is not required to publish a notice of proposed rulemaking for this DFR, the RFA does not apply.

Congressional Review Act

This rule is not a major rule under the Congressional Review Act, 5 U.S.C. 804(2). Specifically, the DFR: (a) Will not have an annual effect on the economy of \$100 million or more; (b) Will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; and (c) Will not have significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets.

Unfunded Mandates Reform Act

This rule does not impose an unfunded mandate on State, local, or Tribal governments, or the private sector, of more than \$100 million per year. The rule does not have a significant or unique effect on State, local, or Tribal governments, or the private sector. The rule merely revises the Federal regulations to remove an obsolete provision that is no longer used. Therefore, a statement containing the information required by the Unfunded Mandates Reform Act (2 U.S.C. 1531 *et seq.*) is not required.

List of Subjects in 43 CFR Part 3170

Administrative practice and procedure, Immediate assessments, Indians—lands, Mineral royalties, Oil and gas reserves, Public lands—mineral resources.

Adam G. Suess,

Acting Assistant Secretary, Land and Minerals Management.

For the reasons stated in the preamble, the Bureau of Land Management amends 43 CFR part 3170 as follows:

PART 3170—ONSHORE OIL AND GAS PRODUCTION

■ 1. The authority citation for part 3170 continues to read as follows:

Authority: 25 U.S.C. 396d and 2107; 30 U.S.C. 189, 306, 359, and 1751; and 43 U.S.C. 1732(b), 1733, and 1740.

■ 2. Amend § 3171.14 by revising paragraph (a) to read as follows:

§ 3171.14 Valid Period of Approved APD.

(a) For APDs approved on or after July 4, 2025, an APD approval is valid for a single 4-year period from the date that it is approved, or until lease expiration, whichever occurs first.

* * * * *

[FR Doc. 2025–14642 Filed 7–31–25; 8:45 am]

BILLING CODE 4331–29–P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

43 CFR Part 3470

[Docket No. BLM–2025–0141; A2407–014–004–065516; #O2412–014–004–047181.1]

RIN 1004–AF44

Revision to Regulations Regarding Coal Management Provisions and Limitations; Fees, Rentals, and Royalties

AGENCY: Bureau of Land Management, Interior.

ACTION: Direct final rule; request for comments.

SUMMARY: This direct final rule (DFR) revises existing Bureau of Land Management (BLM) regulations pertaining to coal royalties to effectuate changes required by the One Big Beautiful Bill Act (OBBA) enacted on July 4, 2025.

DATES: This DFR is effective on September 30, 2025, unless significant adverse comments are received by September 2, 2025. If significant adverse comments are received, notice will be published in the **Federal Register** before the effective date either withdrawing the rule or issuing a new final rule that responds to any significant adverse comments.

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

- **Federal eRulemaking Portal:** <https://www.regulations.gov>. In the Search box, enter the Docket Number “BLM–2025–0141” and click the “Search” button. Follow the instructions at this website.

- **Mail, personal, or messenger delivery:** U.S. Department of the

Interior, Director (630), Bureau of Land Management, 1849 C St. NW, Room 5646, Washington, DC 20240, Attention: 1004–AF44.

FOR FURTHER INFORMATION CONTACT:

Thomas Huebner, Geologist, email: thuebner@blm.gov, telephone: 307–775–6195. 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.

For a summary of the final rule, please see the abstract description of the document in Docket Number BLM–2025–0141 on www.regulations.gov.

SUPPLEMENTARY INFORMATION: Coal leasing on Federal lands managed by the BLM is governed by the Mineral Leasing Act of 1920 (MLA), 30 U.S.C. 181 *et seq.*, and other pertinent statutes. *See* 43 CFR 3400.0–3. Section 7(a) of the MLA (30 U.S.C. 207(a)) sets out provisions governing the conditions of coal leases issued on Federal lands, including the royalty rates. Before passage of the OBBA on July 4, 2025, section 7(a) of the MLA prescribed the royalty rate for coal leases to be set at not less than 12½ percent of the value of coal as defined by regulation, except the Secretary may determine a lesser amount in the case of coal recovered by underground mining operations. The BLM’s regulations implementing the royalty rate provisions of section 7(a) are contained in 43 CFR subpart 3473—Fees, Rentals and Royalties. The regulations at 43 CFR 3473.3–2 specify that a lease shall require payment of a royalty of not less than 12½ percent of the value of the coal removed from a surface mine, 43 CFR 3473.3–2(a)(1), and that a lease shall require payment of a royalty of 8 percent of the value of coal removed from an underground mine. 43 CFR 3473.3–2(a)(2). Lastly, 43 CFR 3473.3–2 specifies that the royalty rates in these provisions shall be applied to new leases at the time of issuance and to previously issued leases at the time of the next scheduled readjustment of the lease. 43 CFR 3473.3–2(b).

Section 50202(a) of the OBBA amends the fourth sentence of section 7(a) of the MLA by striking “12½ percentum” and inserting “12½ percent, except such amount shall be not more than 7 percent during the period that begins on the date of enactment of the Act entitled ‘An Act to provide for reconciliation pursuant to title II of H. Con. Res. 14’ (119th Congress) and ends September

30, 2034.” Section 50202(b) of the OBBB makes these royalty rate changes applicable to all existing Federal coal leases that are in effect and that have not been terminated, as well as to all future federal coal leases, until the provision sunsets on September 30, 2034.

As provided in section 50202 of the OBBB, the applicable coal royalty provision in the MLA is now set at 12½ percent, except such amount shall be not more than 7 percent during the period that begins on July 4, 2025, and ends September 30, 2034. To effectuate this revision, the BLM is issuing this DFR to amend the royalty rate regulations in 43 CFR 3473.3–2 to reflect this change. This DFR sets the royalty rate for coal removed from surface mines at not less than 12½ percent of the value of the coal removed from a surface mine, except that such royalty shall be not more than 7 percent during the period beginning on July 4, 2025, and ending on September 30, 2034. It also sets the royalty rate for coal removed from underground mines at 8 percent of the value of the coal removed from an underground mine, except that such royalty shall be not more than 7 percent during the period beginning on July 4, 2025, and ending on September 30, 2034. Issuance of this DFR will avoid any confusion on the part of the regulated community as to the royalty rate for production from Federal coal leases beginning on July 4, 2025, and ending on September 30, 2034.

The BLM has determined that 43 CFR 3473.3–2(a)(1) and (2) must be revised to reflect the temporary “not less than 7 percent” royalty rate applicable to all coal leases until the statutory sunset date, such that these sections will now include a statement that the royalty rate is not more than 7 percent beginning on July 4, 2025, and ending on September 30, 2034. The pre-existing regulations at 43 CFR 3473.3–2(b) are revised to remove the current language in its entirety, as this provision allowed for a phase in of the prior royalty rates that has now concluded. The revised § 3473.3–2(b) states that the temporary “not less than 7 percent” royalty rate is immediately applicable to all existing and future leases beginning on July 4, 2025, and ending on September 30, 2034, as section 50202(b) of the OBBB directs. With these changes, the BLM’s coal leasing regulations will conform to the requirements of section 50202 of the OBBB regarding the royalty rate for Federal coal leases.

The BLM has determined that it must conform its regulations to newly enacted legislation and that legislation, independently and alone, justifies the

revisions to 43 CFR 3473.3–2. The BLM has no interest in maintaining a regulation that is obsolete, inconsistent with more recent controlling legislation, and could cause confusion.

The BLM is issuing this rule as a DFR. Although the Administrative Procedure Act (APA, 5 U.S.C. 551 through 559) generally requires agencies to engage in notice and comment rulemaking, section 553 of the APA provides an exception when the agency “for good cause finds” that notice and comment are “impracticable, unnecessary, or contrary to the public interest.” *Id.* 553(b)(B). The BLM has determined that notice and comment are unnecessary because this rule is noncontroversial and involves no agency discretion to conform with a recent statute; and is unlikely to receive any significant adverse comments. Significant adverse comments are those that oppose the revision of the rule and raise, alone or in combination, (1) Reasons why the revision of the rule is inappropriate, including challenges to the revision’s underlying premise; or (2) Serious unintended consequences of the revision. A comment recommending an addition to the rule will not be considered significant and adverse unless the comment explains how this direct final rule would be ineffective without the addition.

Procedural Matters

Executive Order (E.O.) 12630—Governmental Actions and Interference With Constitutionally Protected Property Rights

This rule does not result in a taking of private property or otherwise have regulatory takings implications under E.O. 12630. The rule revises provisions that no longer reflect existing statutory authority and removes and replaces and obsolete regulatory provisions, as required by the OBBB. The rule will not result in private property being taken for public use without just compensation. A takings implication assessment is not required.

E.O. 12866—Regulatory Planning and Review and Executive Order 13563—Improving Regulation and Regulatory Review

E.O. 12866 provides that the Office of Information and Regulatory Affairs (OIRA) in the Office of Management and Budget (OMB) will review all significant rules. OIRA has determined that this rule is not significant.

E.O. 13563 reaffirms the principles of E.O. 12866, while calling for improvements in the Nation’s regulatory system to promote predictability, reduce

uncertainty, and use the best, most innovative, and least burdensome tools for achieving regulatory ends. E.O. 13563 directs agencies to consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public where these approaches are relevant, feasible, and consistent with regulatory objectives. E.O. 13563 emphasizes further that agencies must base regulations on the best available science and that the rulemaking process must allow for public participation and an open exchange of ideas. The BLM developed this rule in a manner consistent with these requirements.

E.O. 12988—Civil Justice Reform

This DFR complies with the requirements of E.O. 12988. Among other things, this rule:

(a) Meets the criteria of section 3(a) requiring that all regulations be reviewed to eliminate errors and ambiguity and be written to minimize litigation;

(b) Meets the criteria of section 3(b)(2) requiring that all regulations be written in clear language and contain clear legal standards.

E.O. 13132—Federalism

Under the criteria of section 1 of E.O. 13132, this rule does not have sufficient federalism implications to warrant the preparation of a federalism summary impact statement. This rule will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. A federalism summary impact statement is not required.

E.O. 13175—Consultation and Coordination With Indian Tribal Governments

The Department of the Interior strives to strengthen its government-to-government relationship with Indian tribes through a commitment to consultation with Tribes and recognition of their right to self-governance and Tribal sovereignty. The BLM evaluated this DFR under E.O. 13175 and the Department’s consultation policies and determined that it has no substantial direct effects on federally recognized Indian tribes and that consultation under the Department’s Tribal consultation policies is not required. The rule merely revises the Federal regulations as required by the OBBB and removes obsolete regulatory language.

E.O. 13211—Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use

This DFR is not a significant energy action as defined in E.O. 13211. Therefore, a Statement of Energy Effects is not required.

National Environmental Policy Act (NEPA)

This DFR does not constitute a major Federal action significantly affecting the quality of the human environment. A detailed statement under NEPA (42 U.S.C. 4321 *et seq.*) is not required because this rule is covered by a categorical exclusion applicable to regulatory functions “that are of an administrative, financial, legal, technical, or procedural nature.” 43 CFR 46.210(i). In addition, the BLM has determined that this rule does not involve any of the extraordinary circumstances listed in 43 CFR 46.215 that would require further analysis under NEPA.

Paperwork Reduction Act

This rule does not impose any new information collection burden under the Paperwork Reduction Act. OMB previously approved the information collection activities contained in the existing regulations and assigned OMB control number #####–####. This rule does not impose an information collection burden because the Department is not making any changes to the information collection requirements.

Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA, 5 U.S.C. 601–612) requires an agency to prepare a regulatory flexibility analysis for all rules unless the agency certifies that the rule will not have a significant economic impact on a substantial

number of small entities. The RFA applies only to rules for which an agency is required to first publish a proposed rule. *See* 5 U.S.C. 603(a) and 604(a). As the BLM is not required to publish a notice of proposed rulemaking for this direct final rule, the RFA does not apply.

Congressional Review Act

This rule is not a major rule under the Congressional Review Act, 5 U.S.C. 804(2). Specifically, the DFR: (a) Will not have an annual effect on the economy of \$100 million or more; (b) Will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; and (c) Will not have significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets.

Unfunded Mandates Reform Act

This rule does not impose an unfunded mandate on State, local, or Tribal governments, or the private sector, of more than \$100 million per year. The rule does not have a significant or unique effect on State, local, or Tribal governments, or the private sector. The rule merely revises the Federal regulations in compliance with the OBBB and to remove an obsolete provision. Therefore, a statement containing the information required by the Unfunded Mandates Reform Act (2 U.S.C. 1531 *et seq.*) is not required.

List of Subjects in 43 CFR Part 3470

Coal, Government contracts, Mineral royalties, Mines, Public lands—mineral

resources, Reporting and recordkeeping requirements, Surety bonds

Adam G. Suess,

Acting Assistant Secretary, Land and Minerals Management.

For the reasons stated in the preamble, the Bureau of Land Management amends 43 CFR part 3470 as follows:

PART 3470—COAL MANAGEMENT PROVISIONS AND LIMITATIONS

■ 1. The authority citation for part 3470 continues to read as follows:

Authority: 30 U.S.C. 189 and 359; and 43 U.S.C. 1701 *et seq.*

■ 2. Amend § 3473.3–2 by revising paragraphs (a) and (b) to read as follows:

(a)(1) A lease shall require payment of a royalty of not less than 12½ percent of the value of the coal removed from a surface mine, except that such royalty rate shall be not more than 7 percent during the period beginning on July 4, 2025, and ending on September 30, 2034.

(2) A lease shall require payment of a royalty of 8 percent of the value of the coal removed from an underground mine, except that such royalty rate shall be not more than 7 percent during the period beginning on July 4, 2025, and ending on September 30, 2034.

(3) The value of coal removed from a mine is defined for royalty purposes in § 3483.4 of this title.

(b) The temporary royalty rate of not more than 7 percent during the period beginning on July 4, 2025, and ending on September 30, 2034, is applicable to all existing Federal coal leases that have not been terminated.

* * * * *

[FR Doc. 2025–14623 Filed 7–31–25; 8:45 am]

BILLING CODE 4331–29–P

Proposed Rules

Federal Register

Vol. 90, No. 146

Friday, August 1, 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.

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Parts 85, 86, 600, 1036, 1037, and 1039

[EPA-HQ-OAR-2025-0194; FRL-12744-01-OAR]

Public Hearing for Reconsideration of 2009 Endangerment Finding and Greenhouse Gas Vehicle Standards

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notification of public hearing.

SUMMARY: The Environmental Protection Agency (EPA) is announcing a virtual public hearing to be held August 19 and 20, 2025, on its proposal for the “Reconsideration of 2009 Endangerment Finding and Greenhouse Gas Vehicle Standards,” which was signed on July 29, 2025. An additional session will be held on August 21, 2025 if necessary, to accommodate the number of testifiers that sign up to testify. EPA is proposing to rescind EPA’s 2009 Greenhouse Gas Endangerment Finding and repeal all greenhouse gas (GHG) emission standards for light-duty, medium-duty, and heavy-duty vehicles and engines.

DATES: EPA will hold a virtual public hearing on August 19 and 20, 2025. An additional session will be held on August 21, 2025, if necessary to accommodate the number of testifiers that sign up. Please refer to the **SUPPLEMENTARY INFORMATION** section for additional information on the public hearing.

ADDRESSES: The public hearing for the proposed rule, “Reconsideration of 2009 Endangerment Finding and Greenhouse Gas Vehicle Standards,” will be held virtually. All hearing attendees (including those who do not intend to provide testimony) should notify the contact person listed under **FOR FURTHER INFORMATION CONTACT** by August 12,

2025, preferably by email to *EPA-MobileSource-Hearings@epa.gov*. Additional information regarding the hearing appears below under **SUPPLEMENTARY INFORMATION**.

FOR FURTHER INFORMATION CONTACT:

Elizabeth Miller, Office of Transportation and Air Quality, Assessment and Standards Division (ASD), Environmental Protection Agency, 2000 Traverwood Drive, Ann Arbor, MI 48105; telephone number: (734) 214-4703; email address: *EPA-MobileSource-Hearings@epa.gov*.

SUPPLEMENTARY INFORMATION: In the action listed in this notice, the U.S. Environmental Protection Agency (EPA) is proposing to repeal all greenhouse gas (GHG) emission standards for light-duty, medium-duty, and heavy-duty vehicles and engines to effectuate the best reading of Clean Air Act (CAA) section 202(a). In the notice, we propose that CAA section 202(a) does not authorize the EPA to prescribe emission standards to address global climate change concerns and, on that basis, propose to rescind EPA’s prior 2009 findings that GHG emissions from new motor vehicles and engines contribute to air pollution which may endanger public health or welfare. In the notice, we further propose, in the alternative, to rescind those prior findings because the EPA analyzed unreasonably the scientific record and because developments cast significant doubt on the reliability of the findings. Lastly, in the notice, we propose to repeal all GHG emission standards on the alternative basis that no requisite technology for vehicle and engine emission control can address the global climate change concerns identified in the findings without risking greater harms to public health and welfare.

The “Reconsideration of 2009 Endangerment Finding and Greenhouse Gas Vehicle Standards” proposal was signed on July 29, 2025 and will be published separately in the **Federal Register**. The pre-publication version is available at <https://www.epa.gov/regulations-emissions-vehicles-and-engines/proposed-rule-reconsideration-2009-endangerment-finding>. Supporting documents can be found in the docket

for this rule established under Docket ID No. EPA-HQ-OAR-2025-0194.

Participation in Virtual Public Hearing

EPA is not holding in-person public meetings at this time. EPA will begin pre-registering speakers for the hearing upon publication of this document in the **Federal Register**. To register to speak at the virtual hearing, please contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section, preferably by email to *EPA-MobileSource-Hearings@epa.gov*. Registration will be open through the last day of the hearing; however, we ask that you pre-register by August 12, 2025 if you intend to testify or are requesting special accommodations.

Each commenter will have 3 minutes to provide oral testimony. EPA may ask clarifying questions during the oral presentations but will not respond to the presentations at that time. EPA recommends submitting the text of your oral comments as written comments to the rulemaking docket. Written statements and supporting information submitted during the comment period will be considered with the same weight as oral comments and supporting information presented at the public hearing.

Please note that any updates made to any aspect of the hearing logistics, including any change to the date of the hearing or a potential additional session on August 21, 2025, will be posted online at <https://www.epa.gov/regulations-emissions-vehicles-and-engines/proposed-rule-reconsideration-2009-endangerment-finding>. While EPA expects the hearing to go forward as set forth above, please monitor our website or contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section to determine if there are any updates. EPA does not intend to publish a document in the **Federal Register** announcing updates.

If you require the services of a translator or special accommodations such as audio description, please preregister for the hearing and describe your needs by August 12, 2025. EPA may not be able to arrange accommodations without advance notice.

How can I get copies of the proposed action and other related information?

EPA has established a docket for this action under Docket ID No. EPA-HQ-OAR-2025-0194. EPA has also developed a website for this proposal, which is available at [https://www.epa.gov/regulations-emissions-](https://www.epa.gov/regulations-emissions-vehicles-and-engines/proposed-rule-reconsideration-2009-endangerment-finding)

[vehicles-and-engines/proposed-rule-reconsideration-2009-endangerment-finding](https://www.epa.gov/regulations-emissions-vehicles-and-engines/proposed-rule-reconsideration-2009-endangerment-finding). Please refer to the notice of proposed rulemaking for detailed information on accessing information related to the proposal.

Authority: 42 U.S.C. 7401–7675.

Dated: July 29, 2025.

William Charmley,

*Director, Assessment and Standards Division,
Office of Transportation and Air Quality,
Office of Air and Radiation.*

[FR Doc. 2025–14555 Filed 7–31–25; 8:45 am]

BILLING CODE 6560–50–P

Notices

Federal Register

Vol. 90, No. 146

Friday, August 1, 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

Agricultural Marketing Service

[Doc. No. AMS-AMS-25-0010]

2025/2026 Rates Charged for AMS Services; Correction

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Notice; correction.

SUMMARY: On April 29, 2025, the Agricultural Marketing Service (AMS)

published a notice in the **Federal Register** announcing the 2025/2026 rates it will charge for voluntary grading, inspection, certification, auditing, and laboratory services for a variety of agricultural commodities including meat and poultry, fruits and vegetables, eggs, dairy products, rice, and cotton and tobacco. This document corrects typographical errors in a table.

FOR FURTHER INFORMATION CONTACT: Melissa Bailey, Associate Administrator, AMS, USDA, Room 2036-S, 1400 Independence Ave. SW, Washington, DC 20250; Telephone: (202) 205-9356 or Email: melissa.bailey@usda.gov.

SUPPLEMENTARY INFORMATION: The Agricultural Marketing Act of 1946, as amended (AMA) (7 U.S.C. 1621-1627), provides for the collection of fees to cover costs of various inspection, grading, certification, or auditing services covering many agricultural commodities and products. On April 29,

2025, the Agricultural Marketing Service (AMS) published a notice announcing the 2025/2026 rates it will charge for voluntary grading, inspection, certification, auditing, and laboratory services for a variety of agricultural commodities including meat and poultry, fruits and vegetables, eggs, dairy products, rice, and cotton and tobacco. This document corrects typographical errors in the fee table for 2025/2026 Export Food Aid Commodities, which was published as part of a larger table describing all 2025/2026 United States Warehouse Act Fees. This correction will not change the fees charged, only the description of services provided.

Correction

In the **Federal Register** of April 29, 2025, in FR Doc. 2025-07349, on page 17762, correct the table titled “Export Food Aid Commodities” to read:

EXPORT FOOD AID COMMODITIES

Export food aid commodities License Action Fee	\$116
Inspection Fee (per location)	900
Annual User Fee (per location)	1,000

Melissa Bailey,
Associate Administrator, Agricultural
Marketing Service.
[FR Doc. 2025-14523 Filed 7-31-25; 8:45 am]
BILLING CODE 3410-02-P

DEPARTMENT OF AGRICULTURE

Rural Utilities Service

[DOCKET #: RUS-25-ELECTRIC-0068]

Notice of Extension of a Currently Approved Information Collection

AGENCY: Rural Utilities Service, USDA.

ACTION: Notice; request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 the Rural Utilities Service (RUS or Agency), an agency within the United States Department of Agriculture (USDA), Rural Development (RD), announces its intention to request a extension to a currently approved information collection package. The Agency invites comments on this information collection for which it intends to

request approval from the Office of Management and Budget (OMB).
DATES: Comments on this notice must be received by September 30, 2025 to be assured of consideration.

ADDRESSES: Comments may be submitted through the Federal eRulemaking Portal: Go to <http://www.regulations.gov> and, in the “Search Field” box, labeled “Search for dockets and documents on agency actions,” enter the following docket number: (RUS-25-ELECTRIC-0068), and click “Search.” To submit public comments, select the “Comment” button. Before inputting your comments, you may also review the “Commenter’s Checklist” (optional). Insert your comments under the “Comment” title, click “Browse” to attach files (if applicable). Input your email address and select an identity category then click “Submit Comment.” Information on using *Regulations.gov*, including instructions for accessing documents, submitting comments, and viewing the docket after the close of the comment period, is available through the site’s “FAQ” link.

FOR FURTHER INFORMATION CONTACT: Kimble Brown, RD Innovation Center—Regulations Management Division, U.S. Department of Agriculture, 1400 Independence Avenue SW, Washington, DC 20250, Email: Kimble.Brown@usda.gov.

SUPPLEMENTARY INFORMATION: The OMB regulation (5 CFR part 1320) implementing provisions of the Paperwork Reduction Act of 1995 (Pub. L. 104-13) requires that interested members of the public and affected agencies have an opportunity to comment on information collection and recordkeeping activities (see 5 CFR 1320.8(d)). This notice identifies an information collection that the Agency is submitting to OMB for extension.

Comments are invited on (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Agency, including whether the information will have practical utility; (b) the accuracy of the Agency’s estimate of the burden of the proposed collection of information including the validity of the methodology and assumptions used; (c)

ways to enhance the quality, utility and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on 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.

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. Data furnished by the applicants will be used to determine eligibility for program benefits. Furnishing the data is voluntary; however, failure to provide data could result in program benefits being withheld or denied.

Title: 7 CFR part 1717, subpart Y, “Settlement of Debt Owed by Electric Borrowers.

OMB Control Number: 0572–0116.

Type of Request: Extension of a currently approved information collection.

Abstract: The Rural Utilities Service makes mortgage loans and loan guarantees to electric systems to provide and improve electric service in rural areas pursuant to the Rural Electrification Act of 1936, as amended (7 U.S.C. 901 *et seq.*) (RE Act). This information collection requirement stems from passage of Public Law 104–127, on April 4, 1996, which amended section 331(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 *et seq.*) to extend to RUS the Secretary of Agriculture’s authority to settle debts with respect to loans made or guaranteed by RUS. Only those electric borrowers that are unable to fully repay their debts to the Government and who apply to RUS for relief will be affected by this information collection. The collection will require only that information which is essential for determining: The need for debt settlement; the amount of relief that is needed; the amount of debt that can be repaid; the scheduling of debt repayment; and the range of opportunities for enhancing the amount of debt that can be recovered. The information to be collected will be similar to that which any prudent lender would require to determine whether debt settlement is required and the amount of relief that is needed. Since the need for relief is expected to vary substantially from case to case, so will the required information collection.

et seq.) to extend to RUS the Secretary of Agriculture’s authority to settle debts with respect to loans made or guaranteed by RUS. Only those electric borrowers that are unable to fully repay their debts to the Government and who apply to RUS for relief will be affected by this information collection. The collection will require only that information which is essential for determining: The need for debt settlement; the amount of relief that is needed; the amount of debt that can be repaid; the scheduling of debt repayment; and the range of opportunities for enhancing the amount of debt that can be recovered. The information to be collected will be similar to that which any prudent lender would require to determine whether debt settlement is required and the amount of relief that is needed. Since the need for relief is expected to vary substantially from case to case, so will the required information collection.

Estimate of Burden: Public reporting burden for this collection of information is estimated to average 1,000 hours per response.

Respondents: Nonprofit corporations and institutions of higher education.

Estimated Number of Respondents: 1.

Estimated Number of Responses per Respondent: 1.

Estimated Number of Responses: 1.

Estimated Total Annual Burden on Respondents: 1,000 hours.

Copies of this information collection can be obtained from Kimble Brown, RD Innovation Center—Regulations Management Division, Email: Kimble.Brown@usda.gov.

All responses to this notice will be summarized and included in the request for OMB approval. All comments will also become a matter of public record.

Karl Elmshaeuser,

Administrator, Rural Utilities Service.

[FR Doc. 2025–14646 Filed 7–31–25; 8:45 am]

BILLING CODE 3410–15–P

DEPARTMENT OF COMMERCE

Census Bureau

Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Annual Survey of School System Finances

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 May 8, 2025, during a 60-day comment period. This notice allows for an additional 30 days for public comments.

Agency: U.S. Census Bureau, Department of Commerce.

Title: Annual Survey of School System Finances.

OMB Control Number: 0607–0700.

Form Number(s): F–33, F–33–L1, F–33–L2, F–33–L3.

Type of Request: Regular submission, Request for an Extension without change of a currently approved collection.

Number of Respondents: 2,081.

Average Hours per Response: 1 hour and 58 minutes.

Burden Hours: 4,116.

Needs and Uses: The U.S. Census Bureau requests an extension of approval for the Annual Survey of School System Finances (F–33). The Annual Survey of School System Finances is a comprehensive source of prekindergarten through 12th grade public elementary-secondary school system finance data collected on a nationwide scale. This survey and the Annual Surveys of State and Local Government Finances (OMB No. 0607–0585) are conducted as part of the Census Bureau’s State and Local Government Finance program. Data collected from cities, counties, states, and special district governments are combined with data collected from local school systems to produce state and national totals of government spending. Local school system spending comprises a significant portion of total government spending. In 2022, public elementary-secondary expenditures accounted for 36 percent of local government spending. This comprehensive and ongoing time series collection of school district finances maintains historical continuity in the state and local government statistics community.

This data collection is cosponsored by and coordinated with the National Center for Education Statistics (NCES) under interagency agreement in conjunction with the National Public Education Financial Survey (NPEFS) (OMB #1850–0067) and the School-Level Finance Survey (SLFS) (OMB #1850–0930). The NCES uses this

collection to satisfy its need for school district-level finance data.

Education finance statistics provided by the Census Bureau allow for analyses of how public elementary-secondary school systems receive and spend funds. Uniform and comparable data on resources and spending patterns help states measure the effectiveness of resource allocation. The products of this data collection make it possible for data users to obtain information on statistics such as per pupil expenditures, the proportion of spending that goes to instruction and support services, and the percent of state, local, and federal funding for each school system. State legislatures, local leaders, academia, and parents increasingly rely on data to make substantive decisions about education.

Data is collected from State Education Agencies (SEAs) for all 50 states and the District of Columbia. SEAs appoint state fiscal coordinators to work with NCES and the U.S. Census Bureau to provide accurate and comparable data for all local education agencies (LEAs). SEAs typically collect finance data from school districts for their own uses. Many states produce a state-specific chart of accounts or accounting manual to assist school districts in classifying and reporting finance data and producing government-wide financial statements. Uniform definitions and concepts are defined by the NCES handbook *Financial Accounting for Local and State School Systems*.

The FY 2025 survey content is unchanged from what was collected during the FYs 2022–2024 survey cycles. The Census Bureau uses an announcement letter and form to collect state and local government public education finance data. We mail the letter electronically to respondents at the beginning of each survey period soliciting the assistance of the SEAs in providing data centrally for their public school systems. The letter officially announces the opening of the collection period and requests administrative data, such as estimated date of submission, changes to reporting format from prior year, and updated contact information for the state coordinator. Census Bureau staff use the response to this letter to plan for the processing of state education agency data submissions. The form (F–33) contains the elementary-secondary education finance items. In practice, this form serves more as a data processing guide rather than as a data collection instrument. The Census Bureau relies heavily on collecting this public school system finance data centrally from state education agencies. All states provide significant amounts of

this data centrally to the Census Bureau via the internet using File Transfer Protocol (FTP). Supplemental forms are sent to school systems in states where the state education agency cannot provide information on assets (F–33–L1), indebtedness (F–33–L2), or both (F–33–L3).

The Census Bureau facilitates central collection by accepting states' data in one of two formats. Currently, 17 states provide the Census Bureau with electronic copies of state-specific detailed education finance data files. The Census Bureau maintains programs for converting these data from the state agency format to the Census Bureau F–33 format. Thirty-four states reformat state-specific data files into the Census Bureau's format prior to submitting the data electronically to the Census Bureau.

The education finance data collected and processed by the Census Bureau are an essential component of the agency's state and local government finance collection and provide unique products for users of education finance data.

The Bureau of Economic Analysis (BEA) uses data from the survey to develop figures for the Gross Domestic Product (GDP). Annual Survey of School System Finances data items specifically contribute to the estimates for National Income and Product Accounts (NIPA), Input-Output accounts (I–O), and gross domestic investments. BEA also uses the data to assess other public fiscal spending trends and events.

The Census Bureau's Government Finances program has disseminated comprehensive and comparable public fiscal data since 1902. School finance data are incorporated into the local government statistics reported on the Annual Surveys of State and Local Government Finances. The report contains benchmark statistics on public revenue, expenditure, debt, and assets. They are widely used by economists, legislators, social and political scientists, and government administrators.

The Census Bureau makes available detailed files for all school systems from its internet website, <https://www.census.gov/programs-surveys/school-finance.html>. This website currently contains data files and statistical tables for the 1992 through 2023 fiscal year surveys. Historical files and publications prior to 1992 are available upon request for data users engaged in longitudinal studies. The Census Bureau also receives inquiries on using these data products from state government officials, legislatures, public policy analysts, local school officials,

non-profit organizations, and various Federal agencies.

The NCES use these annual data as part of the Common Core of Data (CCD) program where the survey is known as the School District Finance Survey. The education finance data collected by the Census Bureau are the sole source of school district fiscal information for the CCD. NCES data users utilize electronic tools to search CCD databases for detailed fiscal and non-fiscal variables. Additionally, NCES uses Annual Survey of School System Finances education finance files to publish annual reports on the fiscal state of education. The Secretary of Education uses the School District Finance Survey data in calculating allocations for certain formula grant programs, including Title I, Part A of the Elementary and Secondary Education Act of 1965 (ESEA) and Impact Aid.

Frequency: Annually.

Respondent's Obligation: Voluntary.

Legal Authority: Title 13 U.S.C., Sections 8(b), 161 and 182; Title 20 U.S.C., Sections 9543–44.

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 0607–0700.

Sheleen Dumas,

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

[FR Doc. 2025–14603 Filed 7–31–25; 8:45 am]

BILLING CODE 3510–07–P

DEPARTMENT OF COMMERCE

Census Bureau

Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Direct Digital Data Feeds

AGENCY: Census Bureau, Department of Commerce.

ACTION: Notice of information collection, request for comment.

SUMMARY: The Department of Commerce, in accordance with the Paperwork Reduction Act (PRA) of 1995, 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 on the proposed new information collection prior to the submission of the information collection request (ICR) to OMB for approval.

DATES: To ensure consideration, comments regarding this proposed information collection must be received on or before September 30, 2025.

ADDRESSES: Interested persons are invited to submit written comments by email to Thomas.J.Smith@census.gov and PRAComments@doc.gov. Please reference Direct Digital Data Feeds in the subject line of your comments. You may also submit comments, identified by Docket Number USBC–2025–0038, to the Federal e-Rulemaking Portal: <http://www.regulations.gov>. All comments received are part of the public record. No comments will be posted to <http://www.regulations.gov> for public viewing until after the comment period has closed. Comments will generally be posted without change. All Personally Identifiable Information (for example, name and address) voluntarily submitted by the commenter may be publicly accessible. Do not submit Confidential Business Information or otherwise sensitive or protected information. You may submit attachments to electronic comments in Microsoft Word, Excel, or Adobe PDF file formats.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or specific questions related to collection activities should be directed to Omari S. Wooden, U.S. Census Bureau at (301) 763–3829 or by email at Omari.S.Wooden@census.gov.

SUPPLEMENTARY INFORMATION:

I. Abstract

The Census Bureau plans to seek approval for a new program which will allow businesses, state and local government and education agencies, and other entities normally reporting in private- and public-sector business surveys to provide us with Direct Digital Data Feeds. A data feed is an automated transmission of data from an organization's existing digital systems such as databases, accounting software, or administrative records directly to the Census Bureau, without requiring

manual data entry or separate survey responses. Data feeds may include information such as organization and financial data, employment, enrollment, payroll, production, sales, inventories, and other business-related data.

Organizations choosing to participate in the program will be excused from requirements to respond to future private- and public-sector business surveys. The information they provide in their data feed will be considered as their survey response. Future engagements with program participants, outside of receiving their periodic data feeds, will be limited to reporting process changes or major organizational updates.

This effort will support a variety of survey and census programs including but not limited to the economic census, economic indicators, and other programs to improve both research and operational efficiencies. The information provided by program participants will be used for statistical purposes only and will be kept confidential under Title 13 of the United States Code.

Data feeds will offer an efficient, voluntary alternative for organizations to provide data, reducing reporting burden and improving the quality and timeliness of economic and educational statistics. Participating organizations will benefit from streamlined reporting processes, reduced reporting burdens, and reduced compliance risks, while the Census Bureau gains improved data accuracy, enhanced survey frames, better capacity for statistical modeling and analysis, and reduced costs. Data feeds will also ensure the Census Bureau can continue fulfilling its mission of accurately measuring the economy, without relying solely on traditional survey responses.

II. Method of Collection

Initially, the Census Bureau will focus on inviting large businesses, which are typically included in multiple surveys, to participate in the program. These businesses will see the largest benefit in terms of reporting burden savings. Agreements between participating organizations and the Census Bureau will establish the content, method and frequency of data feed transmissions. Program participants will provide their data feeds through secure transfer mechanisms such as Secure File Transfer Protocol, the Census Bureau's Centurion Upload Portal, or encrypted file sharing through Kiteworks.

III. Data

OMB Control Number: 0607–XXXX.
Form Number(s): None.

Type of Review: Regular submission.

Affected Public: Business or other for-profit organizations; not-for-profit institutions; state, local or Tribal governments.

Estimated Number of Respondents:

We estimate that 50,000 organizations will participate in this program annually over the upcoming three years. We do expect this number to increase once we expand our efforts to invite more organizations to participate.

Estimated Time per Response: We estimate it will take an organization 2 hours and 30 minutes on average to prepare and transmit their data feed. This estimate will be re-evaluated once the program is in operation.

Estimated Total Annual Burden Hours: 125,000. The burden of this collection will eventually be offset by future reductions in burden of other private- and public-sector business surveys as organizations' survey responses are replaced by data feeds.

Estimated Total Annual Cost to Public: \$0. (This is not the cost of respondents' time, but the indirect costs respondents may incur for such things as purchases of specialized software or hardware needed to report, or expenditures for accounting or records maintenance services required specifically by the collection.)

Respondent's Obligation:

Participation in the Direct Digital Data Feeds program is voluntary.

Legal Authority: Title 13 U.S.C. 6, 131, 161, 182 and 193.

IV. Request for Comments

We are soliciting public comments to permit the Department/Bureau 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 the Under Secretary for Economic Affairs, Commerce Department.

[FR Doc. 2025–14574 Filed 7–31–25; 8:45 am]

BILLING CODE 3510–07–P

DEPARTMENT OF COMMERCE

Bureau of Industry and Security

Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Inclusions to the Section 232 National Security Adjustments to Imports

AGENCY: Bureau of Industry and Security, 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 30, 2025.

ADDRESSES: Interested persons are invited to submit comments by email to Nancy Kook, IC Liaison, Bureau of Industry and Security, at PRA@bis.doc.gov or to PRAComments@doc.gov. Please reference OMB Control Number 0694–0146 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 Nancy Kook, IC Liaison, Bureau of Industry and Security, phone 202–482–2440 or by email at PRA@bis.doc.gov.

SUPPLEMENTARY INFORMATION:

I. Abstract

Section 232 of the Trade Expansion Act of 1962 (19 U.S.C. 1862) authorizes the Secretary of Commerce (Secretary) to conduct comprehensive investigations to determine the effects of imports of an article on the national security of the United States. Such investigations can be initiated by an application by an interested party, a request from the head of any department or agency, or self-initiated by the Secretary. Once an investigation is initiated, the Secretary has 270 days to submit a report to the President on whether the importation of the article in question is occurring in such quantities or under such circumstances as to threaten to impair the national security of the United States. The President then has 90 days to determine whether to concur with the findings, and, if necessary, take action to “adjust the imports of an article and its derivatives” under Section 232 to address the identified threat to the national security of the United States.

Presidential Proclamations 10895 and 10896 of February 2025 required the Secretary of Commerce (the Secretary) to establish within ninety days a process for including additional derivative aluminum and steel articles within the scope of the *ad valorem* Section 232 Steel and Aluminum Tariffs established in Presidential Proclamation 9704 and Presidential Proclamation 9705 of March 2018, as subsequently modified. Proclamations 10895 and 10896 authorize the Secretary to include additional derivative steel or aluminum articles within the scope of the tariffs unilaterally, or at the request of a producer (or an industry association representing one or more such producers) of steel or aluminum articles or derivative articles within the United States. Proclamations 10895 and 10896 further state that submissions must establish that imports of a derivative article have increased in a manner that threatens to impair the national security of the United States or otherwise undermine the objectives set forth in the 2018 Section 232 Investigations or any associated Presidential Proclamations.

II. Method of Collection

Electronically.

III. Data

OMB Control Number: 0694–0146.

Form Number(s): N/A.

Type of Review: Regular submission, revision of a currently approved collection.

Affected Public: Business or other for-profit organizations.

Estimated Number of Respondents: 250.

Estimated Time per Response: 16 hours.

Estimated Total Annual Burden Hours: 4,000 hours.

Estimated Total Annual Cost to Public: \$176,000.

Respondent's Obligation: Voluntary.

Legal Authority: Section 232 of the Trade Expansion Act of 1962, Presidential Proclamations 10895 and 10896 of February 10, 2025.

IV. Request for Comments

We are soliciting public comments to permit the Department/Bureau 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 the Under Secretary for Economic Affairs, Commerce Department.

[FR Doc. 2025–14641 Filed 7–31–25; 8:45 am]

BILLING CODE 3510–33–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-847]

Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes From Mexico: Final Results of Antidumping Duty Administrative Review; 2022–2023; Correction

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

ACTION: Notice; correction.

SUMMARY: The U.S. Department of Commerce (Commerce) published notice in the *Federal Register* on July 24, 2025, in which Commerce announced the final results of the 2022–2023 administrative review of the antidumping duty (AD) order on heavy-walled rectangular welded carbon steel pipes and tubes (HWR) from Mexico. This notice corrects the spelling of a non-examined company name that was inadvertently listed incorrectly as Acro Metal S.A. de C.V.

FOR FURTHER INFORMATION CONTACT: Katie Smith, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-0557.

SUPPLEMENTARY INFORMATION:**Background**

On June 24, 2025, Commerce published in the *Federal Register* the *Final Results of the 2022–2023 administrative review*¹ of the antidumping duty order on HWR from Mexico. In it, we misspelled the company name “Arco Metal S.A. de C.V.” as “Acro Metal S.A. de C.V.”

Correction

In the *Federal Register* of July 24, 2025, in FR Doc 2025–13985, on page 34843, within the table entitled, “Review Specific Rate for Non-Examined Companies,” correct the name of the third listed as follows: Arco Metal S.A. de C.V.

Notification to Interested Parties

This notice is issued and published in accordance with sections 751(a)(1) and 777(i) of the Tariff Act of 1930, as amended, and 19 CFR 351.221(b)(5).

¹ See *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico: Final Results of Antidumping Duty Administrative Review; 2022–2023*, 90 FR 34842 (July 24, 2025) (*Final Results*).

Dated: July 29, 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.

[FR Doc. 2025–14636 Filed 7–31–25; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-549-855]

Certain Chassis and Subassemblies Thereof From the Kingdom of Thailand: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Duty Determination

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of certain chassis and subassemblies thereof (chassis) from the Kingdom of Thailand (Thailand). The period of investigation is January 1, 2024, through December 31, 2024. Interested parties are invited to comment on this preliminary determination.

DATES: Applicable August 1, 2025.

FOR FURTHER INFORMATION CONTACT: Ian Riggs and Caroline Carroll, AD/CVD Operations, Office IX, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–3810 and (202) 482–4948, respectively.

SUPPLEMENTARY INFORMATION:**Background**

This preliminary determination is made in accordance with section 703(b) of the Tariff Act of 1930, as amended (the Act). Commerce published the notice of initiation of this investigation on March 24, 2025.¹ On May 5, 2025, Commerce postponed the preliminary determination of this investigation and the revised deadline is now July 28, 2025.²

¹ See *Certain Chassis and Subassemblies Thereof from Mexico and Thailand: Initiation of Countervailing Duty Investigations*, 90 FR 13452 (March 24, 2025) (*Initiation Notice*).

² See *Certain Chassis and Subassemblies Thereof from Mexico and Thailand: Postponement of Preliminary Determinations in the Countervailing Duty Investigations*, 90 FR 18961 (May 5, 2025).

For a complete description of the events that followed the initiation of this investigation, see the Preliminary Decision Memorandum.³ A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix II to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the Investigation

The products covered by this investigation are chassis from Thailand. For a complete description of the scope of this investigation, see Appendix I.

Scope Comments

In accordance with the *Preamble* to Commerce’s regulations,⁴ the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).⁵ Certain interested parties commented on the scope of the investigation as it appeared in the *Initiation Notice*. For a summary of the product coverage comments and rebuttal responses submitted to the record for this preliminary determination, and accompanying discussion and analysis of all comments timely received, see the Preliminary Scope Decision Memorandum.⁶ Commerce is not preliminarily modifying the scope language as it appeared in the *Initiation Notice*. See scope in Appendix I.

Methodology

Commerce is conducting this investigation in accordance with section 701 of the Act. For each of the subsidy programs found countervailable, Commerce preliminarily determines

³ See Memorandum, “Decision Memorandum for the Preliminary Affirmative Determination of the Countervailing Duty Investigation of Certain Chassis and Subassemblies Thereof from the Kingdom of Thailand,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁴ See *Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997) (*Preamble*).

⁵ See *Initiation Notice*, 90 FR at 13453.

⁶ See Memorandum, “Less Than Fair Value and Countervailing Duty Investigations of Certain Chassis and Subassemblies Thereof from Mexico, Thailand, and the Socialist Republic of Vietnam: Preliminary Scope Decision Memorandum,” dated concurrently with this notice (Preliminary Scope Decision Memorandum).

that there is a subsidy, *i.e.*, a financial contribution by an “authority” that gives rise to a benefit to the recipient, and that the subsidy is specific.⁷ For a full description of the methodology underlying our preliminary determination, see the Preliminary Decision Memorandum.

Commerce notes that, in making these findings, it relied, in part, on facts available.⁸ For further information, see the “Use of Facts Otherwise Available and Adverse Inferences” section in the Preliminary Decision Memorandum.

Alignment

As noted in the Preliminary Decision Memorandum, in accordance with section 705(a)(1) of the Act and 19 CFR 351.210(b)(4), Commerce is aligning the final countervailing duty (CVD) determination in this investigation with the final determination in the companion less-than-fair-value (LTFV) investigation of chassis from Thailand based on a request made by the U.S. Chassis Manufacturers Coalition (the petitioner).⁹ Consequently, the final CVD determination will be issued on the same date as the final LTFV determination, which is currently scheduled to be issued no later than December 8, 2025, unless postponed.

All-Others Rate

Sections 703(d) and 705(c)(5)(A) of the Act provide that in the preliminary determination, Commerce shall determine an estimated all-others rate for companies not individually examined. This rate shall be an amount equal to the weighted average of the estimated subsidy rates established for those companies individually examined, excluding any zero and *de minimis* rates and any rates based entirely under section 776 of the Act.

In this investigation, Commerce calculated individual estimated countervailable subsidy rates for Dee Siam Manufacturing Co., Ltd. and Panus Assembly Co., Ltd. (Panus) that are not zero, *de minimis*, or based entirely on facts otherwise available. Commerce calculated the all-others rate using a weighted average of the individual estimated subsidy rates calculated for the examined respondents using each

company’s publicly-ranged values for the merchandise under consideration.¹⁰

Preliminary Determination

Commerce preliminarily determines that the following estimated countervailable subsidy rates exist:

Company	Subsidy rate (percent <i>ad valorem</i>)
Dee Siam Manufacturing Co., Ltd	9.42
Panus Assembly Co., Ltd	2.24
All Others	7.97

Suspension of Liquidation

In accordance with sections 703(d)(1)(B) and (d)(2) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise as described in the scope of the investigation section entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. Further, pursuant to 19 CFR 351.205(d), Commerce will instruct CBP to require a cash deposit equal to the rates indicated above.

Disclosure

Commerce intends to disclose its calculations and analysis performed to interested parties in this preliminary determination within five days of its public announcement, or if there is no public announcement, within five days of the date of this notice in accordance with 19 CFR 351.224(b).

Consistent with 19 CFR 351.224(e), Commerce will analyze and, if appropriate, correct any timely allegations of significant ministerial errors by amending the preliminary determination. However, consistent

¹⁰ With two respondents under examination, Commerce normally calculates: (A) a weighted-average of the estimated subsidy rates calculated for the examined respondents; (B) a simple average of the estimated subsidy rates calculated for the examined respondents; and (C) a weighted-average of the estimated subsidy rates calculated for the examined respondents using each company’s publicly-ranged U.S. sale values for the merchandise under consideration. Commerce then compares (B) and (C) to (A) and selects the rate closest to (A) as the most appropriate rate for all other producers and exporters. See, e.g., *Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part*, 75 FR 53661, 53662 (September 1, 2010), and accompanying Issues and Decision Memorandum at Comment 1. As complete publicly ranged sales data were available, Commerce based the all-others rate on the publicly ranged sales data of the mandatory respondents. For a complete analysis of the data, see the All-Others Rate Calculation Memorandum.

with 19 CFR 351.224(d), Commerce will not consider incomplete allegations that do not address the significance standard under 19 CFR 351.224(g) following the preliminary determination. Instead, Commerce will address such allegations in the final determination together with issues raised in the case briefs or other written comments.

Verification

As provided in section 782(i)(1) of the Act, Commerce intends to verify the information relied upon in making its final determination.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the last verification report is issued in this investigation. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.¹¹ Interested parties who submit case briefs or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue; and (2) a table of authorities.¹²

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 brief that should be limited to five pages total, including footnotes. In this investigation, we instead request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.¹³ Further, we request that interested parties limit their executive summary of each issue to no more than 450 words, not including citations. We intend to use the executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final determination in this investigation. We request that interested parties include footnotes for relevant citations in the executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to

⁷ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁸ See section 776(a) of the Act.

⁹ See Petitioner’s Letter, “Request to Align Countervailing Duty Investigation Final Determination with Antidumping Duty Investigation Final Determination,” dated July 16, 2025.

¹¹ See 19 CFR 351.309(d); see also *Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings*, 88 FR 67069, 67077 (September 29, 2023) (*APO and Service Final Rule*).

¹² See 19 CFR 351.309(c)(2) and (d)(2).

¹³ We use the term “issue” here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

the service of documents in 19 CFR 351.303(f).¹⁴

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants and whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

U.S. International Trade Commission (ITC) Notification

In accordance with section 703(f) of the Act, Commerce will notify the ITC of its determination. If the final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after the final determination whether imports of chassis from Thailand are materially injuring, or threaten material injury to, the U.S. industry.

Notification to Interested Parties

This determination is issued and published pursuant to sections 703(f) and 777(i) of the Act, and 19 CFR 351.205(c).

Dated: July 28, 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 I

Scope of the Investigation

The merchandise covered by this investigation consists of chassis and subassemblies thereof, whether finished or unfinished, whether assembled or unassembled, whether coated or uncoated, regardless of the number of axles, for carriage of containers, or other payloads (including self-supporting payloads) for road, marine roll-on/roll-off (RORO) and/or rail transport. Chassis are typically, but are not limited to, rectangular framed trailers with a suspension and axle system, wheels and tires, brakes, a lighting and electrical system, a coupling for towing behind a truck tractor, and a locking system or systems to secure the shipping container or containers to the chassis using twistlocks, slide pins or similar attachment

devices to engage the corner fittings on the container or other payload.

Subject merchandise includes, but is not limited to, the following subassemblies:

- Chassis frames, or sections of chassis frames, including kingpin assemblies, bolsters consisting of transverse beams with locking or support mechanisms, goosenecks, drop assemblies, extension mechanisms and/or rear impact guards;
- Running gear assemblies or axle assemblies for connection to the chassis frame, whether fixed in nature or capable of sliding fore and aft or lifting up and lowering down, which may or may not include suspension(s) (mechanical or pneumatic), wheel end components, slack adjusters, dressed axles, brake chambers, locking pins, and tires and wheels; and
- Assemblies that connect to the chassis frame or a section of the chassis frame, such as but not limited to, pintle hooks or B-trains (which include a fifth wheel), which are capable of connecting a chassis to a converter dolly or another chassis.

Importation of any of these subassemblies, whether assembled or unassembled, constitutes an unfinished chassis for purposes of this investigation.

Subject merchandise also includes chassis, whether finished or unfinished, entered with components such as, but not limited to: hub and drum assemblies, brake assemblies (either drum or disc), bare axles, brake chambers, suspensions and suspension components, wheel end components, landing gear legs, spoke or disc wheels, tires, brake control systems, electrical harnesses and lighting systems.

Processing of finished and unfinished chassis and components such as trimming, cutting, grinding, notching, punching, drilling, painting, coating, staining, finishing, assembly, or any other processing either in the country of manufacture of the in-scope product or in a third country does not remove the product from the scope. Inclusion of other components not identified as comprising the finished or unfinished chassis does not remove the product from the scope.

Individual components entered and sold by themselves are not subject to the investigation, but components entered with a finished or unfinished chassis are subject merchandise. A finished chassis is ultimately comprised of several different types of subassemblies. Within each subassembly there are numerous components that comprise a given subassembly.

This scope excludes dry van trailers, refrigerated van trailers and flatbed trailers. Dry van trailers are trailers with a wholly enclosed cargo space comprised of fixed sides, nose, floor and roof, with articulated panels (doors) across the rear and occasionally at selected places on the sides, with the cargo space being permanently incorporated in the trailer itself. Refrigerated van trailers are trailers with a wholly enclosed cargo space comprised of fixed sides, nose, floor and roof, with articulated panels (doors) across the rear and occasionally at selected places on the sides, with the cargo space being permanently incorporated in the trailer and being insulated, possessing specific thermal

properties intended for use with self-contained refrigeration systems. Flatbed (or platform) trailers consist of load carrying main frames and a solid, flat or stepped loading deck or floor permanently incorporated with and supported by frame rails and cross members.

The finished and unfinished chassis subject to this investigation are typically classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings: 8716.39.0090 and 8716.90.5060. Imports of finished and unfinished chassis may also enter under HTSUS subheading 8716.90.5010. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Injury Test
- IV. Use of Facts Otherwise Available and Adverse Inferences
- V. Subsidies Valuation
- VI. Benchmarks and Interest Rates
- VII. Analysis of Programs
- VIII. Recommendation

[FR Doc. 2025–14639 Filed 7–31–25; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[Application No. 25–00001]

Export Trade Certificate of Review

ACTION: Notice of issuance of an Export Trade Certificate of Review to Insiglobex LLC, Application No. 25–00001.

SUMMARY: The Secretary of Commerce, through the Office of Trade and Economic Analysis (OTEA), issued an Export Trade Certificate of Review (Certificate) to Insiglobex LLC on July 14th, 2025.

FOR FURTHER INFORMATION CONTACT: Amanda Reynolds, Acting Director, OTEA, International Trade Administration, (202) 482–5131 (this is not a toll-free number) or email at etca@trade.gov.

SUPPLEMENTARY INFORMATION: Title III of the Export Trading Company Act of 1982 (15 U.S.C. 4011–21) (the Act) authorizes the Secretary of Commerce to issue Export Trade Certificates of Review. An Export Trade Certificate of Review protects the holder and the members identified in the Certificate from State and Federal government antitrust actions and from private treble damage antitrust actions for the export conduct specified in the Certificate and

¹⁴ See APO and Service Final Rule.

carried out in compliance with its terms and conditions. The regulations implementing Title III are found at 15 CFR part 325. OTEA is issuing this notice pursuant to 15 CFR 325.6(b), which requires the Secretary of Commerce to publish a summary of the certification in the **Federal Register**. Under Section 305(a) of the Act and 15 CFR 325.11(a), any person aggrieved by the Secretary's determination may, within 30 days of the date of this notice, bring an action in any appropriate district court of the United States to set aside the determination on the ground that the determination is erroneous.

Description of Certified Conduct

A summary of the Certificate is as follows:

Applicant/Certificate Holder

- Insiglobex LLC.

Proposed Members ("Members")

- None.

Export Trade

Products: All products.

Services: All services related to the export of Products.

Technology Rights: Technology rights, including, but not limited to, patents, trademarks, copyrights, and trade secrets, that relate to Products and Services.

Export Trade Facilitation Services (as They Relate to the Export of Products): Export Trade Facilitation Services, including but not limited to: professional services in the areas of government relations and assistance with state and federal export assistance programs; foreign trade and business protocol consulting; market research and analysis for international trade opportunities; marketing, advertising, and negotiations related to the sale and distribution of exported goods and services; joint ventures and strategic partnerships for international trade; shipping, logistics, and export management services; export licensing,

documentation, and customs compliance services; insurance and financing solutions for exporters; trade show exhibitions; organizational development, and training for global export expansion; management and labor strategies for international operations; technology transfer and intellectual property commercialization; and transportation services and facilitating the formation of shippers' associations for cost-effective global trade.

Export Markets

The Export Markets include all parts of the world except the United States (the fifty states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands).

Export Trade Activities and Methods of Operation

To engage in Export Trade in the Export Markets, Insiglobex may:

1. Provide and/or arrange for the provision of Export Trade Facilitation Services;
2. Engage in promotional and marketing activities and collect information on trade opportunities in the Export Markets and distribute such information to Suppliers;
3. Enter into exclusive and/or non-exclusive licensing and/or sales agreements with individual Suppliers for the export of Products and Services, and/or Technology Rights to Export Markets;
4. Enter into exclusive and/or non-exclusive agreements with distributors and/or sales representatives in Export Markets to facilitate international trade;
5. Negotiate, enter into, and/or manage licensing agreements for the export of Technology Rights;
6. Enter into contracts for shipping, logistics, and supply chain coordination to streamline export operations.

The effective date of the Certificate is July 14th, 2025, the date on which Insiglobex LLC's Certificate was issued.

Dated: July 30th, 2025.

Amanda Reynolds,

Acting Director, Office of Trade and Economic Analysis, International Trade Administration, U.S. Department of Commerce.

[FR Doc. 2025-14583 Filed 7-31-25; 8:45 am]

BILLING CODE 3510-DR-P

DEPARTMENT OF COMMERCE

International Trade Administration

Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Advance Notification of Sunset Review

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

SUPPLEMENTARY INFORMATION:

Background

Every five years, pursuant to the Tariff Act of 1930, as amended (the Act), the U.S. Department of Commerce (Commerce) and the U.S. International Trade Commission automatically initiate and conduct reviews to determine whether revocation of a countervailing or antidumping duty order or termination of an investigation suspended under section 704 or 734 of the Act would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury.

Upcoming Sunset Reviews for September 2025

Pursuant to section 751(c) of the Act, the following Sunset Reviews are scheduled for initiation in September 2025 and will appear in that month's *Notice of Initiation of Five-Year Sunset Reviews* (Sunset Review).

	Department contact
Antidumping Duty Proceedings	
Kitchen Appliance Shelving and Racks from China, A-570-941 (3rd Review)	Thomas Martin (202) 482-3938.
Steel Concrete Reinforcing Bar from Mexico, A-201-844 (2nd Review)	Mary Kolberg, (202) 482-1785.
Countervailing Duty Proceedings	
Kitchen Appliance Shelving and Racks from China, C-570-942 (3rd Review)	Thomas Martin, (202) 482-3938.
Steel Concrete Reinforcing Bar from Türkiye, C-489-819 (2nd Review)	Thomas Martin, (202) 482-3938.

Suspended Investigations

No Sunset Review of suspended investigations is scheduled for initiation in September 2025.

Commerce's procedures for the conduct of Sunset Review are set forth in 19 CFR 351.218. The *Notice of Initiation of Five-Year (Sunset) Review* provides further information regarding

what is required of all parties to participate in Sunset Review.

Pursuant to 19 CFR 351.103(c), Commerce will maintain and make available a service list for these

proceedings. To facilitate the timely preparation of the service list(s), it is requested that those seeking recognition as interested parties to a proceeding contact Commerce in writing within 10 days of the publication of the Notice of Initiation.

Please note that if Commerce receives a Notice of Intent to Participate from a member of the domestic industry within 15 days of the date of initiation, the review will continue.

Thereafter, any interested party wishing to participate in the Sunset Review must provide substantive comments in response to the notice of initiation no later than 30 days after the date of initiation. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).¹ An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time on the day on which it is due.

In prior proceedings we have encouraged interested parties to provide an executive summary of their comments, including footnotes. In these sunset reviews, we request that interested parties provide at the beginning of their comments, an executive summary for each issue raised in their comments. 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 decision memorandum that will accompany the notice to be published in the **Federal Register**. Finally, we request that interested parties include footnotes for relevant citations in the public executive summary of each issue.

This notice is not required by statute but is published as a service to the international trading community.

Dated: July 25, 2025.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. 2025–14633 Filed 7–31–25; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[C–570–216]

L-Lysine From the People's Republic of China: Postponement of Preliminary Determination in the Countervailing Duty Investigation

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

DATES: Applicable August 1, 2025.

FOR FURTHER INFORMATION CONTACT: Allison Hollander at (202) 482–2805, AD/CVD Operations, Office IX, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

On June 17, 2025, the U.S. Department of Commerce (Commerce) initiated a countervailing duty (CVD) investigation of imports of L-lysine from the People's Republic of China.¹ Currently, the preliminary determination is due no later than August 21, 2025.

Postponement of Preliminary Determination

Section 703(b)(1) of the Tariff Act of 1930, as amended (the Act), requires Commerce to issue the preliminary determination in a CVD investigation within 65 days after the date on which Commerce initiated the investigation. However, section 703(c)(1) of the Act permits Commerce to postpone the preliminary determination until no later than 130 days after the date on which Commerce initiated the investigation if: (A) the petitioner² makes a timely request for a postponement; or (B) Commerce concludes that the parties concerned are cooperating, that the investigation is extraordinarily complicated, and that additional time is necessary to make a preliminary determination. Under 19 CFR 351.205(e), the petitioner must submit a request for postponement 25 days or more before the scheduled date of the preliminary determination and must state the reasons for the request. Commerce will grant the request unless

it finds compelling reasons to deny the request.

On July 22, 2025, the petitioner submitted a timely request that Commerce postpone the preliminary CVD determination.³ The petitioner stated that it requests postponement because the petitioner “needs additional time to collect and analyze questionnaire responses from the Government of China (“GOC”) and the mandatory respondents in this investigation.”⁴

In accordance with 19 CFR 351.205(e), the petitioner submitted its request for postponement 25 days or more before the scheduled date of the preliminary determination and stated the reasons for its request, and Commerce finds no compelling reason to deny the request. Therefore, in accordance with section 703(c)(1)(A) of the Act, Commerce is postponing the deadline for the preliminary determination to no later than 130 days after the date on which it initiated this investigation, *i.e.*, October 27, 2025.⁵ Pursuant to section 705(a)(1) of the Act and 19 CFR 351.210(b)(1), the deadline for the final determination of this investigation will continue to be 75 days after the date of the preliminary determination.

This notice is issued and published pursuant to section 703(c)(2) of the Act and 19 CFR 351.205(f)(1).

Dated: July 29, 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.

[FR Doc. 2025–14632 Filed 7–31–25; 8:45 am]

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³ See Petitioner's Letter, “Request for Postponement of Preliminary Determination,” dated July 22, 2025.

⁴ *Id.* at 2.

⁵ Postponing the preliminary determination to 130 days after the date of initiation would place the deadline on Saturday, October 25, 2025. Commerce's practice dictates that where a deadline falls on a weekend or federal holiday, the appropriate deadline is the next business day. See *Notice of Clarification: Application of “Next Business Day” Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended*, 70 FR 24533 (May 10, 2005).

¹ See *Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings; Final Rule*, 88 FR 67069 (September 29, 2023).

² See *L-Lysine from the People's Republic of China: Initiation of Countervailing Duty Investigation*, 90 FR 26799 (June 24, 2025).

³ The petitioner is the Lysine Fair Trade Coalition.

DEPARTMENT OF COMMERCE**International Trade Administration**

[C-201-866]

Certain Chassis and Subassemblies Thereof From Mexico: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Antidumping Duty Determination

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of certain chassis and subassemblies (chassis) thereof from Mexico. The period of investigation is January 1, 2024, through December 31, 2024. Interested parties are invited to comment on this preliminary determination.

DATES: Applicable August 1, 2025.

FOR FURTHER INFORMATION CONTACT: Jose Rivera or Isaiah Kahn, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-0842 or (202) 482-8328, respectively.

SUPPLEMENTARY INFORMATION:**Background**

This preliminary determination is made in accordance with section 703(b) of the Tariff Act of 1930, as amended (the Act). Commerce published the notice of initiation of this investigation on March 24, 2025.¹ On May 5, 2025, Commerce postponed the preliminary determination of this investigation and the revised deadline is now July 28, 2025.²

For a complete description of the events that followed the initiation of this investigation, see the Preliminary Decision Memorandum.³ A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix

II to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the Investigation

The products covered by this investigation are chassis from Mexico. For a complete description of the scope of this investigation, see Appendix I.

Scope Comments

In accordance with the *Preamble* to Commerce's regulations,⁴ the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).⁵ Certain interested parties commented on the scope of the investigation as it appeared in the *Initiation Notice*. For a summary of the product coverage comments and rebuttal responses submitted to the record for this preliminary determination, and accompanying discussion and analysis of all comments timely received, see the Preliminary Scope Decision Memorandum.⁶ Commerce is not preliminarily modifying the scope language as it appeared in the *Initiation Notice*. See scope in Appendix I.

Methodology

Commerce is conducting this investigation in accordance with section 701 of the Act. For each of the subsidy programs found countervailable, Commerce preliminarily determines that there is a subsidy, *i.e.*, a financial contribution by an "authority" that gives rise to a benefit to the recipient, and that the subsidy is specific.⁷ For a full description of the methodology underlying our preliminary determination, see the Preliminary Decision Memorandum.

Commerce notes that, in making these findings, we relied on facts available

and, because we find that Hyundai de Mexico S.A. de C.V. (HYMEX) did not act to the best of its ability to respond to Commerce's requests for information, we drew an adverse inference where appropriate in selecting from among the facts otherwise available.⁸ For further information, see "Use of Facts Otherwise Available and Adverse Inferences" section in the Preliminary Decision Memorandum.

Alignment

As noted in the Preliminary Decision Memorandum, in accordance with section 705(a)(1) of the Act and 19 CFR 351.210(b)(4), Commerce is aligning the final countervailing duty (CVD) determination in this investigation with the final determination in the companion less-than-fair-value (LTFV) investigation of chassis from Mexico based on a request made by the U.S. Chassis Manufacturers Coalition (the petitioner).⁹ Consequently, the final CVD determination will be issued on the same date as the final LTFV determination, which is currently scheduled to be issued no later than December 8, 2025, unless postponed.

All-Others Rate

Sections 703(d) and 705(c)(5)(A) of the Act provide that in the preliminary determination, Commerce shall determine an estimated all-others rate for companies not individually examined. This rate shall be an amount equal to the weighted average of the estimated subsidy rates established for those companies individually examined, excluding any zero and *de minimis* rates and any rates based entirely under section 776 of the Act.

Pursuant to section 705(c)(5)(A)(ii) of the Act, if the individual estimated countervailable subsidy rates established for all exporters and producers individually examined are zero, *de minimis*, or determined based entirely on facts otherwise available, Commerce may use "any reasonable method" to establish the estimated subsidy rate for all other producers or exporters. In this investigation, Commerce preliminarily determined the individually estimated subsidy rate for the individually examined respondent, HYMEX, based entirely on facts otherwise available under section 776 of the Act. This is the only rate available in this proceeding for deriving the all-others rate. Consequently, Commerce

¹ See *Certain Chassis and Subassemblies Thereof from Mexico and Thailand: Initiation of Countervailing Duty Investigations*, 90 FR 13452 (March 24, 2025) (*Initiation Notice*).

² See *Certain Chassis and Subassemblies Thereof from Mexico and Thailand: Postponement of Preliminary Determinations in the Countervailing Duty Investigations*, 90 FR 18961 (May 5, 2025).

³ See Memorandum, "Decision Memorandum for the Preliminary Affirmative Determination in the Countervailing Duty Investigation of Certain Chassis and Subassemblies Thereof from Mexico," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁴ See *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997) (*Preamble*).

⁵ See *Initiation Notice*, 90 FR at 13453.

⁶ See Memorandum, "Less Than Fair Value and Countervailing Duty Investigations of Certain Chassis and Subassemblies Thereof from Mexico, Thailand, and the Socialist Republic of Vietnam: Preliminary Scope Decision Memorandum," dated concurrently with this memorandum.

⁷ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁸ See sections 776(a) and (b) of the Act.

⁹ See Petitioner's Letter, "Request to Align Countervailing Duty Investigation Final Determination with Antidumping Duty Investigation Final Determination," dated July 16, 2025.

based the all-others rate on the rate assigned to HYMEX.

Rate for Non-Responsive Companies

The following nine exporters and/or producers of chassis from Mexico did not respond to the quantity and value (Q&V) questionnaire: (1) BRD Trailers, S.A. de C.V.; (2) Carrocerias Gallegos S.A. de C.V.; (3) Comercializadora Nimmka; S.A. de C.V. (d/b/a Atro Remolques y Carroceria); (4) Carrocerias Corpus Christi S.A. DE C.V.; (5) Fruehauf de Mexico; S.A. de C.V.; (6) Lodi Trailers; (7) Norstar Trailers Mexico S de R.L. de C.V. (d/b/a Iron Bull Trailers); (8) Semiremolques El Paisano S.A. de C.V.; and (9) Ventura Trailers (collectively, the non-

responsive companies). We find that, by not responding to the Q&V questionnaire, these companies withheld necessary information that was requested of them, failed to provide information within the deadlines established, and significantly impeded this proceeding. Thus, in reaching our preliminary determination, pursuant sections 776(a)(1) and (2)(A)–(C) of the Act, we are basing the countervailable subsidy rate for the non-responsive companies on facts otherwise available.

In addition, we preliminary determine that an adverse inference is warranted, pursuant to section 776(b) of the Act. By failing to submit responses to Commerce’s Q&V questionnaire, these

companies did not cooperate to the best of their ability in this investigation. Accordingly, we preliminarily find that an adverse inference is warranted to ensure that the non-responsive companies will not obtain a more favorable result than had they fully complied with our request for information. For more information on the application of adverse facts available (AFA), *see* “Use of Facts Otherwise Available and Adverse Inferences” in the Preliminary Decision Memorandum.

Preliminary Determination

Commerce preliminarily determines that the following estimated countervailable subsidy rates exist:

Company	Subsidy rate (percent <i>ad valorem</i>)
Hyundai de Mexico S.A. de C.V	* 133.18
BRD Trailers, S.A. de C.V	* 133.18
Carrocerias Gallegos S.A. de C.V	* 133.18
Comercializadora Nimmka, S.A. de C.V. (d/b/a Atro Remolques y Carroceria)	* 133.18
Carrocerias Corpus Christi S.A. DE C.V	* 133.18
Fruehauf de Mexico, S.A. de C.V	* 133.18
Lodi Trailers	* 133.18
Norstar Trailers Mexico S de R.L. de C.V. (d/b/a Iron Bull Trailers)	* 133.18
Semiremolques El Paisano S.A. de C.V	* 133.18
Ventura Trailers	* 133.18
All Others	133.18

* Rate based on facts available with adverse inferences.

Suspension of Liquidation

In accordance with section 703(d)(1)(B) and (d)(2) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise as described in the scope of the investigation section entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. Further, pursuant to 19 CFR 351.205(d), Commerce will instruct CBP to require a cash deposit equal to the rates indicated above.

Disclosure

Normally, Commerce discloses its calculations performed in connection with the preliminary determination to interested parties within five days of its public announcement, or if there is no public announcement, within five days of the date of publication of the notice, in accordance with 19 CFR 351.224(b). However, because Commerce preliminarily applied facts available with adverse inferences in determining the subsidy rates for HYMEX and the non-responsive companies, and the assigned AFA rates are based on rates

calculated in prior proceedings, there are no calculations to disclose.

Verification

Because the examined respondent in this investigation HYMEX did not provide information requested by Commerce and Commerce preliminarily determines HYMEX to have been uncooperative, it will not conduct verification.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than 30 days after the date of publication of the preliminary determination. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.¹⁰ Interested parties who submit case briefs or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue; and (2) a table of authorities.¹¹

As provided under 19 CFR 351.309(c)(2) and (d)(2), in prior proceedings we have encouraged interested parties to provide an executive summary of their brief that should be limited to five pages total, including footnotes. In this investigation, we instead request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.¹² Further, we request that interested parties limit their public executive summary of each issue to no more than 450 words, not including citations. We intend to use the public executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final determination in this investigation. We request that interested parties include footnotes for relevant citations in the executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).¹³

¹⁰ See 19 CFR 351.309(d); see also *Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings*, 88 FR 67069, 67077 (September 29, 2023) (*APO and Service Final Rule*).

¹¹ See 19 CFR 351.309(c)(2) and (d)(2).

¹² We use the term “issue” here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

¹³ See *APO and Service Final Rule*.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants and whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined.¹⁴ Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

U.S. International Trade Commission (ITC) Notification

In accordance with section 703(f) of the Act, Commerce will notify the ITC of its determination. If the final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after the final determination whether imports of chassis from Mexico are materially injuring, or threaten material injury to, the U.S. industry.

Notification to Interested Parties

This determination is issued and published pursuant to sections 703(f) and 777(i) of the Act, and 19 CFR 351.205(c).

Dated: July 28, 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 I

Scope of the Investigation

The merchandise covered by this investigation consists of chassis and subassemblies thereof, whether finished or unfinished, whether assembled or unassembled, whether coated or uncoated, regardless of the number of axles, for carriage of containers, or other payloads (including self-supporting payloads) for road, marine roll-on/roll-off (RORO) and/or rail transport. Chassis are typically, but are not limited to, rectangular framed trailers with a suspension and axle system, wheels and tires, brakes, a lighting and electrical system, a coupling for towing behind a truck tractor, and a locking system or systems to secure the shipping container or containers to the chassis using twistlocks, slide pins or similar attachment devices to engage the corner fittings on the container or other payload.

Subject merchandise includes, but is not limited to, the following subassemblies:

- Chassis frames, or sections of chassis frames, including kingpin assemblies, bolsters consisting of transverse beams with locking or support mechanisms, goosenecks, drop assemblies, extension mechanisms and/or rear impact guards;
- Running gear assemblies or axle assemblies for connection to the chassis frame, whether fixed in nature or capable of sliding fore and aft or lifting up and lowering down, which may or may not include suspension(s) (mechanical or pneumatic), wheel end components, slack adjusters, dressed axles, brake chambers, locking pins, and tires and wheels; and
- Assemblies that connect to the chassis frame or a section of the chassis frame, such as but not limited to, pintle hooks or B-trains (which include a fifth wheel), which are capable of connecting a chassis to a converter dolly or another chassis.

Importation of any of these subassemblies, whether assembled or unassembled, constitutes an unfinished chassis for purposes of this investigation.

Subject merchandise also includes chassis, whether finished or unfinished, entered with components such as, but not limited to: hub and drum assemblies, brake assemblies (either drum or disc), bare axles, brake chambers, suspensions and suspension components, wheel end components, landing gear legs, spoke or disc wheels, tires, brake control systems, electrical harnesses and lighting systems.

Processing of finished and unfinished chassis and components such as trimming, cutting, grinding, notching, punching, drilling, painting, coating, staining, finishing, assembly, or any other processing either in the country of manufacture of the in-scope product or in a third country does not remove the product from the scope. Inclusion of other components not identified as comprising the finished or unfinished chassis does not remove the product from the scope.

Individual components entered and sold by themselves are not subject to the investigation, but components entered with a finished or unfinished chassis are subject merchandise. A finished chassis is ultimately comprised of several different types of subassemblies. Within each subassembly there are numerous components that comprise a given subassembly.

This scope excludes dry van trailers, refrigerated van trailers and flatbed trailers. Dry van trailers are trailers with a wholly enclosed cargo space comprised of fixed sides, nose, floor and roof, with articulated panels (doors) across the rear and occasionally at selected places on the sides, with the cargo space being permanently incorporated in the trailer itself. Refrigerated van trailers are trailers with a wholly enclosed cargo space comprised of fixed sides, nose, floor and roof, with articulated panels (doors) across the rear and occasionally at selected places on the sides, with the cargo space being permanently incorporated in the trailer and being insulated, possessing specific thermal properties intended for use with self-contained refrigeration systems. Flatbed (or

platform) trailers consist of load carrying main frames and a solid, flat or stepped loading deck or floor permanently incorporated with and supported by frame rails and cross members.

The finished and unfinished chassis subject to this investigation are typically classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings: 8716.39.0090 and 8716.90.5060. Imports of finished and unfinished chassis may also enter under HTSUS subheading 8716.90.5010. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum

- Summary
- Background
- Injury Test
- Diversification of Mexico's Economy
- Use Of Facts Otherwise Available and Adverse Inferences
- Analysis of Programs
- Recommendation

[FR Doc. 2025–14638 Filed 7–31–25; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

Initiation of Five-Year (Sunset) Reviews

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

SUMMARY: In accordance with the Tariff Act of 1930, as amended (the Act), the U.S. Department of Commerce (Commerce) is automatically initiating the five-year reviews (Sunset Reviews) of the antidumping and countervailing duty (AD/CVD) order(s) and suspended investigation(s) listed below. The U.S. International Trade Commission (ITC) is publishing concurrently with this notice its notice of *Institution of Five-Year Reviews* which covers the same order(s) and suspended investigation(s).

DATES: Applicable August 1, 2025.

FOR FURTHER INFORMATION CONTACT: Commerce official identified in the *Initiation of Review* section below at AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230. For information from the ITC, contact Mary Messer, Office of Investigations, U.S. International Trade Commission at (202) 205–3193.

SUPPLEMENTARY INFORMATION:

¹⁴ See 19 CFR 351.310(d).

Background

Commerce's procedures for the conduct of Sunset Reviews are set forth in its *Procedures for Conducting Five-Year (Sunset) Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (March 20, 1998) and 70 FR 62061 (October 28, 2005). Guidance on

methodological or analytical issues relevant to Commerce's conduct of Sunset Reviews is set forth in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification*, 77 FR 8101 (February 14, 2012).

Initiation of Review

In accordance with section 751(c) of the Act and 19 CFR 351.218(c), we are initiating the Sunset Reviews of the following antidumping and countervailing duty order(s) and suspended investigation(s):

DOC case No.	ITC case No.	Country	Product	Commerce contact
A-570-010	731-TA-1246 ...	China	Crystalline Silicon Photovoltaic Products (2nd Review).	Thomas Martin, (202) 482-3938.
A-570-924	731-TA-1132 ...	China	Polyethylene Terephthalate (Pet) Film (3rd Review).	Thomas Martin, (202) 482-3938.
A-533-824	731-TA-933	India	Polyethylene Terephthalate (Pet) Film (4th Review).	Thomas Martin, (202) 482-3938.
A-580-903	731-TA-1455 ...	Republic of Korea	Polyethylene Terephthalate (Pet) Film (1st Review).	Thomas Martin, (202) 482-3938.
A-583-853	731-TA-1247 ...	Taiwan	Crystalline Silicon Photovoltaic Products (2nd Review).	Thomas Martin, (202) 482-3938.
A-583-837	731-TA-934	Taiwan	Polyethylene Terephthalate (Pet) Film (4th Review).	Thomas Martin, (202) 482-3938.
A-520-803	731-TA-1134 ...	United Arab Emirates	Polyethylene Terephthalate (Pet) Film (3rd Review).	Thomas Martin, (202) 482-3938.
Countervailing Duty Proceedings				Department contact
C-570-011	701-TA-511	China	Crystalline Silicon Photovoltaic Products (2nd Review).	Thomas Martin, (202) 482-3938.
C-533-825	701-TA-415	India	Polyethylene Terephthalate (Pet) Film (4th Review).	Mary Kolberg, (202) 482-1785.

Filing Information

As a courtesy, we are making information related to sunset proceedings, including copies of the pertinent statute and Commerce's regulations, Commerce's schedule for Sunset Reviews, a listing of past revocations and continuations, and current service lists, available to the public on Commerce's website at the following address: <https://enforcement.trade.gov/sunset/>. All submissions in these Sunset Reviews must be filed in accordance with Commerce's regulations regarding format, translation, and service of documents. These rules, including electronic filing requirements via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS), can be found at 19 CFR 351.303.

In accordance with section 782(b) of the Act, any party submitting factual information in an AD/CVD proceeding must certify to the accuracy and completeness of that information. Parties must use the certification formats provided in 19 CFR 351.303(g). Commerce intends to reject factual submissions if the submitting party does not comply with applicable revised certification requirements.

Letters of Appearance and Administrative Protective Orders

Pursuant to 19 CFR 351.103(d), Commerce will maintain and make available a public service list for these proceedings. Parties wishing to participate in any of these five-year reviews must file letters of appearance as discussed at 19 CFR 351.103(d). To facilitate the timely preparation of the public service list, it is requested that those seeking recognition as interested parties to a proceeding submit an entry of appearance within 10 days of the publication of the Notice of Initiation. Because deadlines in Sunset Reviews can be very short, we urge interested parties who want access to proprietary information under administrative protective order (APO) to file an APO application immediately following publication in the **Federal Register** of this notice of initiation. Commerce's regulations on submission of proprietary information and eligibility to receive access to business proprietary information under APO can be found at 19 CFR 351.304-306. Note that Commerce has temporarily modified certain of its requirements for serving documents containing business

proprietary information, until further notice.¹

Information Required From Interested Parties

Domestic interested parties, as defined in sections 771(9)(C), (D), (E), (F), and (G) of the Act and 19 CFR 351.102(b), wishing to participate in a Sunset Review must respond not later than 15 days after the date of publication in the **Federal Register** of this notice of initiation by filing a notice of intent to participate. The required contents of the notice of intent to participate are set forth at 19 CFR 351.218(d)(1)(ii). In accordance with Commerce's regulations, if we do not receive a notice of intent to participate from at least one domestic interested party by the 15-day deadline, Commerce will automatically revoke the order without further review.²

If we receive an order-specific notice of intent to participate from a domestic interested party, Commerce's regulations provide that *all parties* wishing to participate in a Sunset Review must file complete substantive responses not later than 30 days after the date of publication in the **Federal**

¹ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19*, 85 FR 41363 (July 10, 2020).

² See 19 CFR 351.218(d)(1)(iii).

Register of this notice of initiation. The required contents of a substantive response, on an order-specific basis, are set forth at 19 CFR 351.218(d)(3). Note that certain information requirements differ for respondent and domestic parties. Also, note that Commerce's information requirements are distinct from the ITC's information requirements. Consult Commerce's regulations for information regarding Commerce's conduct of Sunset Reviews. Consult Commerce's regulations at 19 CFR part 351 for definitions of terms and for other general information concerning antidumping and countervailing duty proceedings at Commerce.

Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).³ An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time on the day on which it is due.

In prior proceedings we have encouraged interested parties to provide an executive summary of their comments, including footnotes. In these sunset reviews, we request that interested parties provide at the beginning of their comments, an executive summary for each issue raised in their comments. 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 decision memorandum that will accompany the notice to be published in the **Federal Register**. Finally, we request that interested parties include footnotes for relevant citations in the public executive summary of each issue.

This notice of initiation is being published in accordance with section 751(c) of the Act and 19 CFR 351.218(c).

Dated: July 25, 2025.

Scot Fullerton,

*Acting Deputy Assistant Secretary for
Antidumping and Countervailing Duty
Operations.*

[FR Doc. 2025-14635 Filed 7-31-25; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review and Join Annual Inquiry Service List

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

FOR FURTHER INFORMATION CONTACT:

Brenda E. Brown, AD/CVD Operations, Customs Liaison Unit, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230, telephone: (202) 482-4735.

Background

Each year during the anniversary month of the publication of an antidumping duty (AD) or countervailing duty (CVD) order, finding, or suspended investigation, an interested party, as defined in section 771(9) of the Tariff Act of 1930, as amended (the Act), may request, in accordance with 19 CFR 351.213, that the U.S. Department of Commerce (Commerce) conduct an administrative review of that AD or CVD order, finding, or suspended investigation.

All deadlines for the submission of comments or actions by Commerce discussed below refer to the number of calendar days from the applicable starting date.

Respondent Selection

In the event Commerce limits the number of respondents for individual examination for administrative reviews initiated pursuant to requests made for the orders identified below, Commerce intends to select respondents based on U.S. Customs and Border Protection (CBP) data for U.S. imports during the period of review (POR). We intend to release the CBP data under administrative protective order (APO) to all parties having an APO within five days of publication of the initiation notice and to make our decision regarding respondent selection within 35 days of publication of the initiation **Federal Register** notice. Therefore, we encourage all parties interested in commenting on respondent selection to submit their APO applications on the date of publication of the initiation notice, or as soon thereafter as possible. Commerce invites comments regarding the CBP data and respondent selection within five days of placement of the CBP data on the record of the review.

In the event Commerce decides it is necessary to limit individual examination of respondents and conduct respondent selection under section 777A(c)(2) of the Act:

1. In general, Commerce finds that determinations concerning whether particular companies should be "collapsed" (*i.e.*, treated as a single entity for purposes of calculating AD rates) require a substantial amount of detailed information and analysis, which often require follow-up questions and analysis. Accordingly, Commerce will not conduct collapsing analyses at the respondent selection phase of a review and will not collapse companies at the respondent selection phase unless there has been a determination to collapse certain companies in a previous segment of this AD proceeding (*i.e.*, investigation, administrative review, new shipper review, or changed circumstances review).

2. For any company subject to a review, if Commerce determined, or continued to treat, that company as collapsed with others, Commerce will assume that such companies continue to operate in the same manner and will collapse them for respondent selection purposes. Otherwise, Commerce will not collapse companies for purposes of respondent selection.

3. Parties are requested to: (a) identify which companies subject to review previously were collapsed; and (b) provide a citation to the proceeding in which they were collapsed.

4. Further, if companies are requested to complete a Quantity and Value Questionnaire for purposes of respondent selection, in general, each company must report volume and value data separately for itself. Parties should not include data for any other party, even if they believe they should be treated as a single entity with that other party. If a company was collapsed with another company or companies in the most recently completed segment of a proceeding where Commerce considered collapsing that entity, complete quantity and value data for that collapsed entity must be submitted.

Deadline for Withdrawal of Request for Administrative Review

Pursuant to 19 CFR 351.213(d)(1), a party that requests a review may withdraw that request within 90 days of the date of publication of the notice of initiation of the requested review. The regulation provides that Commerce may extend this time if it is reasonable to do so. Determinations by Commerce to extend the 90-day deadline will be made on a case-by-case basis.

³ See *Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings; Final Rule*, 88 FR 67069 (September 29, 2023).

Deadline for Particular Market Situation Allegation

Section 504 of the Trade Preferences Extension Act of 2015 amended the Act by adding the concept of particular market situation (PMS) for purposes of constructed value under section 773(e) of the Act.¹ Section 773(e) of the Act states that “if a particular market situation exists such that the cost of materials and fabrication or other processing of any kind does not accurately reflect the cost of production in the ordinary course of trade, the administering authority may use another calculation methodology under

this subtitle or any other calculation methodology.” When an interested party submits a PMS allegation, pursuant to section 773(e) of the Act, Commerce will respond to such a submission consistent with 19 CFR 351.301(c)(2)(v). If Commerce finds that a PMS exists under section 773(e) of the Act, then it will modify its dumping calculations appropriately.

Neither section 773(e) of the Act nor 19 CFR 351.301(c)(2)(v) set a deadline for the submission of PMS allegations and supporting factual information. However, in order to administer section 773(e) of the Act, Commerce must

receive PMS allegations and supporting factual information with enough time to consider the submission. Thus, should an interested party wish to submit a PMS allegation and supporting new factual information pursuant to section 773(e) of the Act, it must do so no later than 20 days after submission of initial Section D responses.

Opportunity To Request a Review: Not later than the last day of August 2025,² interested parties may request an administrative review of the following orders, findings, or suspended investigations, with anniversary dates in August for the following periods:

	Period
Antidumping Duty Proceedings	
CANADA: Utility Scale Wind Towers, A–122–867	8/1/24–7/31/25
GERMANY:	
Seamless Line And Pressure Pipe, A–428–820	8/1/24–7/31/25
Sodium Nitrite, A–428–841	8/1/24–7/31/25
INDIA: Finished Carbon Steel Flanges, A–533–871	8/1/24–7/31/25
INDONESIA: Utility Scale Wind Towers, A–560–833	8/1/24–7/31/25
ITALY: Finished Carbon Steel Flanges, A–475–835	8/1/24–7/31/25
JAPAN:	
Brass Sheet & Strip, A–588–704	8/1/24–7/31/25
Tin Mill Products, A–588–854	8/1/24–7/31/25
MALAYSIA:	
Polyethylene Retail Carrier Bags, A–557–813	8/1/24–7/31/25
Silicon Metal, A–557–820	8/1/24–7/31/25
MEXICO:	
Light-Walled Rectangular Pipe And Tube, A–201–836	8/1/24–7/31/25
Standard Steel Welded Wire Mesh, A–201–853	8/1/24–7/31/25
REPUBLIC OF KOREA:	
Diocetyl Terephthalate (DOTP), A–580–889	8/1/24–7/31/25
Large Power Transformers, A–580–867	8/1/24–7/31/25
Light-Walled Rectangular Pipe And Tube, A–580–859	8/1/24–7/31/25
Low Melt Polyester Staple Fiber, A–580–895	8/1/24–7/31/25
Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe, A–580–909	8/1/24–7/31/25
Utility Scale Wind Towers, A–580–902	8/1/24–7/31/25
ROMANIA: Carbon And Alloy Seamless Standard, Line, And Pressure Pipe, (Under 4½ Inches), A–485–805	8/1/24–7/31/25
RUSSIA:	
Certain Cut-to-Length Carbon Steel Plate, A–821–808	8/1/24–7/31/25
Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe, A–821–826	8/1/24–7/31/25
SOCIALIST REPUBLIC OF VIETNAM:	
Frozen Fish Fillets, A–552–801	8/1/24–7/31/25
Seamless Refined Copper Pipe and Tube, A–552–831	8/1/24–7/31/25
Utility Scale Wind Towers, A–552–825	8/1/24–7/31/25
SPAIN:	
Ripe Olives, A–469–817	8/1/24–7/31/25
Utility Scale Wind Towers, A–469–823	8/1/24–7/31/25
TAIWAN: Low Melt Polyester Staple Fiber, A–583–861	8/1/24–7/31/25
THAILAND:	
Polyethylene Retail Carrier Bags, A–549–821	8/1/24–7/31/25
Rubber Bands ³ , A–549–835	4/1/24–4/25/24
Steel Propane Cylinders, A–549–839	8/1/24–7/31/25
THE PEOPLE'S REPUBLIC OF CHINA:	
Cast Iron Soil Pipe Fittings, A–570–062	8/1/24–7/31/25
Certain Metal Lockers and Parts Thereof, A–570–133	8/1/24–7/31/25

¹ See Trade Preferences Extension Act of 2015, Public Law 114–27, 129 Stat. 362 (2015).

² Or the next business day, if the deadline falls on a weekend, Federal holiday or any other day when Commerce is closed.

³ In the opportunity notice that published on April 1, 2025 (90 FR 14363), Commerce listed the wrong period of review. Due to the revocation of the AD order on rubber bands from Thailand, the correct POR is 4/1/24–4/25/24. See *Rubber Bands from the People's Republic of China and Thailand: Final Results of Sunset Reviews and Revocation of*

Antidumping Duty and Countervailing Duty Orders, 89 FR 20164 (3/21/2024). This serves as a correction.

⁴ In the opportunity notice that published on February 3, 2025 (90 FR 8785), Commerce listed the wrong period of review. Due to the revocation of the AD order on rubber bands from China, the correct POR is 2/1/24–2/18/24. See *Rubber Bands from the People's Republic of China and Thailand: Final Results of Sunset Reviews and Revocation of Antidumping Duty and Countervailing Duty Orders*, 89 FR 20164 (3/21/2024). This serves as a correction.

⁵ In the opportunity notice that published on February 3, 2025 (90 FR 8785), Commerce listed the wrong period of review. Due to the revocation of the CVD order on rubber bands from China, the correct POR is 1/1/24–2/18/24. See *Rubber Bands from the People's Republic of China and Thailand: Final Results of Sunset Reviews and Revocation of Antidumping Duty and Countervailing Duty Orders*, 89 FR 20164 (3/21/2024). This serves as a correction.

	Period
Certain Pea Protein, A-570-154	11/15/23-7/31/25
Certain Passenger Vehicle and Light Truck Tires, A-570-016	8/1/24-7/31/25
Certain Steel Nails, A-570-909	8/1/24-7/31/25
Floor-Standing, Metal-Top Ironing Tables And Parts Thereof, A-570-888	8/1/24-7/31/25
Hydrofluorocarbon Blends, A-570-028	8/1/24-7/31/25
Laminated Woven Sacks, A-570-916	8/1/24-7/31/25
Light-Walled Rectangular Pipe And Tube, A-570-914	8/1/24-7/31/25
Petroleum Wax Candles, A-570-504	8/1/24-7/31/25
Polyethylene Retail Carrier Bags, A-570-886	8/1/24-7/31/25
Rubber Bands ⁴ , A-570-069	2/1/24-2/18/24
Sodium Nitrite, A-570-925	8/1/24-7/31/25
Stainless Steel Flanges, A-570-064	8/1/24-7/31/25
Steel Propane Cylinders, A-570-086	8/1/24-7/31/25
Tetrahydrofurfuryl Alcohol, A-570-887	8/1/24-7/31/25
Tow-Behind Lawn Groomers And Parts Thereof, A-570-939	8/1/24-7/31/25
UKRAINE:	
Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe, A-823-819	8/1/24-7/31/25
Silicomanganese, A-823-805	8/1/24-7/31/25
Countervailing Duty Proceedings	
CANADA: Utility Scale Wind Towers, C-122-868	1/1/24-12/31/24
INDIA: Finished Carbon Steel Flanges, C-533-872	1/1/24-12/31/24
MALAYSIA: Utility Scale Wind Towers, C-557-822	1/1/24-12/31/24
REPUBLIC OF KOREA:	
Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe, C-580-910	1/1/24-12/31/24
Stainless Steel Sheet And Strip In Coils, C-580-835	1/1/24-12/31/24
RUSSIA:	
Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe, C-821-827	1/1/24-12/31/24
Sodium Nitrite, C-821-837	1/1/24-12/31/24
SOCIALIST REPUBLIC OF VIETNAM: Utility Scale Wind Towers, C-552-826	1/1/24-12/31/24
SPAIN: Ripe Olives, C-469-818	1/1/24-12/31/24
THE PEOPLE'S REPUBLIC OF CHINA:	
Cast Iron Soil Pipe Fittings, C-570-063	1/1/24-12/31/24
Certain Metal Lockers and Parts Thereof, C-570-134	1/1/24-12/31/24
Certain Pea Protein, C-570-155	9/19/23-12/31/24
Laminated Woven Sacks, C-570-917	1/1/24-12/31/24
Light-Walled Rectangular Pipe And Tube, C-570-915	1/1/24-12/31/24
Passenger Vehicle And Light Truck Tires, C-570-017	1/1/24-12/31/24
Rubber Bands ⁵ , C-570-070	1/1/24-2/18/24
Sodium Nitrite, C-570-926	1/1/24-12/31/24
Steel Propane Cylinders, C-570-087	1/1/24-12/31/24
Suspension Agreements	
None.	

In accordance with 19 CFR 351.213(b), an interested party as defined by section 771(9) of the Act may request in writing that Commerce conduct an administrative review. For both AD and CVD reviews, the interested party must specify the individual producers or exporters covered by an AD finding or an AD or CVD order or suspension agreement for which it is requesting a review. In addition, a domestic interested party or an interested party described in section 771(9)(B) of the Act must state why it desires Commerce to review those particular producers or exporters. If the interested party intends for Commerce to review sales of merchandise by an exporter (or a producer if that producer also exports merchandise from other suppliers) which was produced in more than one country of origin and each country of origin is subject to a separate order, then the interested party must state specifically, on an order-by-order

basis, which exporter(s) the request is intended to cover.

Note that, for any party Commerce was unable to locate in prior segments, Commerce will not accept a request for an administrative review of that party absent new information as to the party's location. Moreover, if the interested party who files a request for review is unable to locate the producer or exporter for which it requested the review, the interested party must provide an explanation of the attempts it made to locate the producer or exporter at the same time it files its request for review, in order for Commerce to determine if the interested party's attempts were reasonable, pursuant to 19 CFR 351.303(f)(3)(ii).

As explained in *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (June 6, 2003), and *Non-Market Economy Antidumping Proceedings: Assessment of*

Antidumping Duties, 76 FR 65694 (October 24, 2011), Commerce clarified its practice with respect to the collection of final antidumping duties on imports of merchandise where intermediate firms are involved. The public should be aware of this clarification in determining whether to request an administrative review of merchandise subject to AD findings and orders.⁶

Commerce no longer considers the non-market economy (NME) entity as an exporter conditionally subject to an AD administrative review.⁷ Accordingly, the NME entity will not be under review unless Commerce specifically receives a

⁶ See the Enforcement and Compliance website at <https://www.trade.gov/us-antidumping-and-countervailing-duties>.

⁷ See *Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings*, 78 FR 65963 (November 4, 2013).

request for, or self-initiates, a review of the NME entity.⁸ In administrative reviews of AD orders on merchandise from NME countries where a review of the NME entity has not been initiated, but where an individual exporter for which a review was initiated does not qualify for a separate rate, Commerce will issue a final decision indicating that the company in question is part of the NME entity. However, in that situation, because no review of the NME entity was conducted, the NME entity's entries were not subject to the review and the rate for the NME entity is not subject to change as a result of that review (although the rate for the individual exporter may change as a function of the finding that the exporter is part of the NME entity). Following initiation of an AD administrative review when there is no review requested of the NME entity, Commerce will instruct CBP to liquidate entries for all exporters not named in the initiation notice, including those that were suspended at the NME entity rate.

All requests must be filed electronically in Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) on Enforcement and Compliance's ACCESS website at <https://access.trade.gov>.⁹ Further, in accordance with 19 CFR 351.303(f)(1)(i), a copy of each request must be served on the petitioner and each exporter or producer specified in the request. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).¹⁰

Commerce will publish in the **Federal Register** a notice of "Initiation of Administrative Review of Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation" for requests received by the last day of August 2025. If Commerce does not receive, by the last day of August 2025, a request for review of entries covered by an order, finding, or suspended investigation listed in this notice and for the period identified above, Commerce will instruct CBP to assess antidumping or countervailing duties on those entries at a rate equal to the cash deposit of

estimated antidumping or countervailing duties required on those entries at the time of entry, or withdrawal from warehouse, for consumption and to continue to collect the cash deposit previously ordered.

For the first administrative review of any order, there will be no assessment of antidumping or countervailing duties on entries of subject merchandise entered, or withdrawn from warehouse, for consumption during the relevant provisional-measures "gap" period of the order, if such a gap period is applicable to the period of review.

Establishment of and Updates to the Annual Inquiry Service List

On September 20, 2021, Commerce published the final rule titled "*Regulations to Improve Administration and Enforcement of Antidumping and Countervailing Duty Laws*" in the **Federal Register**.¹¹ On September 27, 2021, Commerce also published the notice entitled "*Scope Ruling Application; Annual Inquiry Service List; and Informational Sessions*" in the **Federal Register**.¹² The *Final Rule* and *Procedural Guidance* provide that Commerce will maintain an annual inquiry service list for each order or suspended investigation, and any interested party submitting a scope ruling application or request for circumvention inquiry shall serve a copy of the application or request on the persons on the annual inquiry service list for that order, as well as any companion order covering the same merchandise from the same country of origin.¹³

In accordance with the *Procedural Guidance*, for orders published in the **Federal Register** before November 4, 2021, Commerce created an annual inquiry service list segment for each order and suspended investigation. Interested parties who wished to be added to the annual inquiry service list for an order submitted an entry of appearance to the annual inquiry service list segment for the order in ACCESS and, on November 4, 2021, Commerce finalized the initial annual inquiry service lists for each order and suspended investigation. Each annual inquiry service list has been saved as a public service list in ACCESS, under each case number, and under a specific

segment type called "AISL-Annual Inquiry Service List."¹⁴

As mentioned in the *Procedural Guidance*, beginning in January 2022, Commerce will update these annual inquiry service lists on an annual basis when the *Opportunity Notice* for the anniversary month of the order or suspended investigation is published in the **Federal Register**.¹⁵ Accordingly, Commerce will update the annual inquiry service lists for the above-listed AD and CVD proceedings. All interested parties wishing to appear on the updated annual inquiry service list must take one of the two following actions: (1) new interested parties who did not previously submit an entry of appearance must submit a new entry of appearance at this time; (2) interested parties who were included in the preceding annual inquiry service list must submit an amended entry of appearance to be included in the next year's annual inquiry service list. For these interested parties, Commerce will change the entry of appearance status from "Active" to "Needs Amendment" for the annual inquiry service lists corresponding to the above-listed proceedings. This will allow those interested parties to make any necessary amendments and resubmit their entries of appearance. If no amendments need to be made, the interested party should indicate in the area on the ACCESS form requesting an explanation for the amendment that it is resubmitting its entry of appearance for inclusion in the annual inquiry service list for the following year. As mentioned in the *Final Rule*,¹⁶ once the petitioners and foreign governments have submitted an entry of appearance for the first time, they will automatically be added to the updated annual inquiry service list each year.

Interested parties have 30 days after the date of this notice to submit new or amended entries of appearance. Commerce will then finalize the annual inquiry service lists five business days thereafter. For ease of administration, please note that Commerce requests that law firms with more than one attorney

⁸ In accordance with 19 CFR 351.213(b)(1), parties should specify that they are requesting a review of entries from exporters comprising the entity, and to the extent possible, include the names of such exporters in their request.

⁹ See *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011).

¹⁰ See *Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings; Final Rule*, 88 FR 67069 (September 29, 2023).

¹¹ See *Regulations to Improve Administration and Enforcement of Antidumping and Countervailing Duty Laws*, 86 FR 52300 (September 20, 2021) (*Final Rule*).

¹² See *Scope Ruling Application; Annual Inquiry Service List; and Informational Sessions*, 86 FR 53205 (September 27, 2021) (*Procedural Guidance*).

¹³ *Id.*

¹⁴ This segment has been combined with the ACCESS Segment Specific Information (SSI) field which will display the month in which the notice of the order or suspended investigation was published in the **Federal Register**, also known as the anniversary month. For example, for an order under case number A-000-000 that was published in the **Federal Register** in January, the relevant segment and SSI combination will appear in ACCESS as "AISL—January Anniversary." Note that there will be only one annual inquiry service list segment per case number, and the anniversary month will be pre-populated in ACCESS.

¹⁵ See *Procedural Guidance*, 86 FR at 53206.

¹⁶ See *Final Rule*, 86 FR at 52335.

representing interested parties in a proceeding designate a lead attorney to be included on the annual inquiry service list.

Commerce may update an annual inquiry service list at any time as needed based on interested parties' amendments to their entries of appearance to remove or otherwise modify their list of members and representatives, or to update contact information. Any changes or announcements pertaining to these procedures will be posted to the ACCESS website at <https://access.trade.gov>.

Special Instructions for Petitioners and Foreign Governments

In the *Final Rule*, Commerce stated that, "after an initial request and placement on the annual inquiry service list, both petitioners and foreign governments will automatically be placed on the annual inquiry service list in the years that follow."¹⁷

Accordingly, as stated above and pursuant to 19 CFR 351.225(n)(3), the petitioners and foreign governments will not need to resubmit their entries of appearance each year to continue to be included on the annual inquiry service list. However, the petitioners and foreign governments are responsible for making amendments to their entries of appearance during the annual update to the annual inquiry service list in accordance with the procedures described above.

Notification to Interested Parties

This notice is not required by statute but is published as a service to the international trading community.

Dated: July 23, 2025.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. 2025–14634 Filed 7–31–25; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

National Institute of Standards and Technology

Industrial Advisory Committee

AGENCY: National Institute of Standards and Technology, Department of Commerce.

ACTION: Notice of open meeting.

SUMMARY: The Industrial Advisory Committee (Committee) will hold an open meeting in-person and via web

conference on Monday, November 3rd, 2025, from 10:00 a.m. to 3:00 p.m., Eastern Time. The primary purposes of this meeting are to update the Committee on the progress of the CHIPS R&D Programs and allow the Committee to deliberate and discuss the progress that has been made. The final agenda will be posted on the NIST website at <https://www.nist.gov/chips/industrial-advisory-committee>.

DATES: The Industrial Advisory Committee will meet on Monday, November 3rd, 2025, from 10:00 a.m. to 3:00 p.m., Eastern Time. The meeting will be in person and virtual and open to the public.

ADDRESSES: The meeting will be held at the AGU conference center located at 2000 Florida Ave. NW #7, Washington, DC 20009 and via web conference. For instructions on how to attend and/or participate in the meeting, please see the **SUPPLEMENTARY INFORMATION** section of this notice.

FOR FURTHER INFORMATION CONTACT: Ben Davis at Benjamin.Davis@CHIPS.gov.

Ben's phone number is (202) 913–5658.

SUPPLEMENTARY INFORMATION: The Committee was established pursuant to 15 U.S.C. 4656(b). The Committee is currently composed of 24 members, appointed by the Secretary of Commerce, to provide advice to the United States Government on matters relating to microelectronics research, development, manufacturing, and policy. Background information on the CHIPS Act and information on the Committee is available at <https://www.nist.gov/chips/industrial-advisory-committee>.

Pursuant to the Federal Advisory Committee Act, as amended, 5 U.S.C. App., notice is hereby given that the Industrial Advisory Committee will have a meeting at the date and time in the **DATES** section and will be open to the public. The meeting will be open to the public and will be held via web conference. Interested members of the public will be able to attend the meeting in-person and from remote locations. The primary purposes of this meeting are to update the Committee on the progress of the CHIPS R&D Programs and allow the Committee to deliberate and discuss the progress that has been made. The final agenda will be posted on the NIST website at <https://www.nist.gov/chips/industrial-advisory-committee>.

Individuals and representatives of organizations who would like to offer comments and suggestions related to items on the Committee's agenda for this meeting are invited to submit comments in advance of the meeting.

Written comments may be submitted via the registration link. Approximately ten minutes will be reserved for public comments. Please note that all submitted comments, including those not read during the meeting, will be treated as public documents and can be made available for public inspection. The Committee will not consider or deliberate upon comments from the public during this period. All those wishing to submit a comment must submit their request and comment via the registration link <https://www.nist.gov/news-events/events/2025/11/industrial-advisory-committee-iac-meeting> by 5:00 p.m. Eastern Time, Monday, October 27, 2025.

All attendees to the meeting are required to pre-register. To attend via web conference, attendees must register by 5:00 p.m. Eastern Time, Monday, October 27, 2025. Please submit your full name, the organization you represent (if applicable), email address, and phone number via <https://www.nist.gov/news-events/events/2025/11/industrial-advisory-committee-iac-meeting>. Non-U.S. citizens must submit additional information; contact Ben Davis at Benjamin.Davis@CHIPS.gov.

Alicia Chambers,

NIST Executive Secretariat.

[FR Doc. 2025–14556 Filed 7–31–25; 8:45 am]

BILLING CODE 3510–13–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[RTID 0648–XF055]

Takes of Marine Mammals Incidental to Specified Activities; Taking Marine Mammals Incidental to Sand Island Pile Dike Repairs in the Columbia River

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

ACTION: Notice; issuance of incidental harassment authorization.

SUMMARY: In accordance with regulations implementing the Marine Mammal Protection Act (MMPA) as amended, notification is hereby given that NMFS has issued an incidental harassment authorization (IHA) to the U.S. Army Corps of Engineers (USACE) for authorization to take marine mammals incidental to the Sand Island Pile Dike Repairs Project in the Mouth of the Columbia River (MCR).

¹⁷ *Id.*

DATES: This authorization is effective from August 1, 2025, through July 31, 2026.

ADDRESSES: Electronic copies of the application and supporting documents, as well as a list of the references cited in this document, may be obtained online at: <https://www.fisheries.noaa.gov/national/marine-mammal-protection/incidental-take-authorizations-construction-activities>. In case of problems accessing these documents, please call the contact listed below.

FOR FURTHER INFORMATION CONTACT: Robert Pauline, Office of Protected Resources, NMFS, (301) 427-8401.

SUPPLEMENTARY INFORMATION:

MMPA Background and Determinations

The MMPA prohibits the “take” of marine mammals, with certain exceptions. Among the exceptions is section 101(a)(5)(D) of the MMPA (16 U.S.C. 1361 *et seq.*) which directs the Secretary of Commerce (as delegated to NMFS) to allow, upon request, the incidental, but not intentional, taking by harassment of small numbers of marine mammals by U.S. citizens who engage in a specified activity (other than commercial fishing) within a specified geographical region if certain findings are made and the public has an opportunity to comment on the proposed IHA.

Specifically, NMFS will issue an IHA if it finds that the taking will have a negligible impact on the species or stock(s) and will not have an unmitigable adverse impact on the availability of the species or stock(s) for taking for subsistence uses (where relevant). Further, NMFS must prescribe the permissible methods of taking and other “means of effecting the least [practicable] adverse impact” on the affected species or stocks and their habitat, paying particular attention to rookeries, mating grounds, and areas of similar significance, and on the availability of such species or stocks for taking for certain subsistence uses (referred to here as “mitigation”). NMFS must also prescribe requirements pertaining to the monitoring and reporting of such takings. The definitions of key terms, such as “take,” “harassment,” and “negligible impact,” can be found in the MMPA and the NMFS’ implementing regulations (see 16 U.S.C. 1362; 50 CFR 216.103).

On June 23, 2025, a notice of NMFS’ proposal to issue an IHA to the USACE for take of marine mammals incidental to the Sand Island Pile Dike Repairs project in the MCR was published in the

Federal Register (90 FR 26541). In that notice, NMFS indicated the estimated numbers, type, and methods of incidental take proposed for each species or stock, as well as the mitigation, monitoring, and reporting measures that would be required should the IHA be issued. The **Federal Register** notice also included analysis to support NMFS’ preliminary conclusions and determinations that the IHA, if issued, would satisfy the requirements of section 101(a)(5)(D) of the MMPA for issuance of the IHA. The **Federal Register** notice included web links to a draft IHA for review, as well as other supporting documents.

No substantive comments were received during the public comment period. There are no changes to the specified activity, the species taken, the proposed numbers, type, or methods of take, or the mitigation, monitoring, or reporting measures in the proposed IHA notice. No new information that would change any of the preliminary analyses, conclusions, or determinations in the proposed IHA notice has become available since that notice was published, and therefore, the preliminary analyses, conclusions, and determinations included in the proposed IHA are considered final.

National Environmental Policy Act

To comply with the National Environmental Policy Act of 1969 (NEPA; 42 U.S.C. 4321 *et seq.*) and NOAA Administrative Order (NAO) 216-6A, NMFS must review our proposed action (*i.e.*, the issuance of an IHA) with respect to potential impacts on the human environment.

This action is consistent with categories of activities identified in Categorical Exclusion B4 (IHAs with no anticipated serious injury or mortality) of the Companion Manual for NAO 216-6A, which do not individually or cumulatively have the potential for significant impacts on the quality of the human environment and for which we have not identified any extraordinary circumstances that would preclude this categorical exclusion. Accordingly, NMFS has determined that the issuance of the proposed IHA qualifies to be categorically excluded from further NEPA review.

Endangered Species Act

Section 7(a)(2) of the Endangered Species Act of 1973 (ESA; 16 U.S.C. 1531 *et seq.*) requires that each Federal agency ensures that any action it authorizes, funds, or carries out is not likely to jeopardize the continued existence of any endangered or threatened species or result in the

destruction or adverse modification of designated critical habitat. To ensure ESA compliance for the issuance of IHAs, NMFS consults internally whenever we propose to authorize take for endangered or threatened species.

NMFS has authorized take of humpback whale Mainland Mexico and Central America/Southern Mexico DPS, which are listed under the ESA. The effects of this Federal action were adequately analyzed in NMFS’ Biological Opinion and Magnuson-Stevens Fishery Conservation and Management Act Essential Fish Habitat Response for the Sand Island Pile Dike Repair Project, dated June 14, 2022 which concluded that the take NMFS has authorized through this IHA will not jeopardize the continued existence of any endangered or threatened species.

Authorization

Accordingly, consistent with the requirements of section 101(a)(5)(D) of the MMPA, NMFS has issued an IHA to the USACE for authorization to take marine mammals incidental to Sand Island Pile Dike Repairs Project in the MCR.

Dated: July 29, 2025.

Kimberly Damon-Randall,

*Director, Office of Protected Resources,
National Marine Fisheries Service.*

[FR Doc. 2025-14588 Filed 7-31-25; 8:45 am]

BILLING CODE 3510-22-P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[RTID 0648-XF063]

**Pacific 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 Pacific Fishery Management Council (Pacific Council, Council) will convene webinar meetings of its Groundfish Advisory Subpanel (GAP), Groundfish Management Team (GMT), Ecosystem Working Group (EWG), Ecosystem Advisory Subpanel (EAS), Salmon Technical Team (STT), Salmon Advisory Subpanel (SAS), Coastal Pelagic Species Advisory Subpanel (CPSAS), Coastal Pelagic Species Management Team (CPSMT), Highly Migratory Species Advisory Subpanel (HMSAS), Highly Migratory Species Management Team (HMSMT),

Habitat Committee (HC), and the Fisheries Innovation Workgroup (FIW) (hereafter “advisory bodies”) to discuss items on the Pacific Council’s September Council meeting agenda as detailed in the **SUPPLEMENTARY INFORMATION** section below. The FIW will also discuss items related to the Pacific Council’s November Council meeting agenda. These meetings are open to the public.

DATES: The FIW online meetings will be held on Tuesday, August 19, 2025 from 8:30 a.m. to 12:30 p.m. Pacific Time and Wednesday, August 20, 2025 from 8:30 a.m. to 12:30 p.m. Pacific Time.

The CPSAS online meeting will be held on Friday, August 29, 2025 from 2 p.m. to 4 p.m. Pacific Time.

The CPSMT online meeting will be held on Wednesday, September 3, 2025 from 10 a.m. to 12 p.m. Pacific Time.

The HMSMT online meetings will be held on Thursday, September 4, 2025 from 1 p.m. to 5 p.m. Pacific Time and Friday, September 5th from 10 a.m. to 3 p.m. Pacific Time.

The GAP and GMT joint online meeting will be held on Tuesday, September 9, 2025, from 9 a.m. to 4 p.m. Pacific Time.

The EWG online meeting will be held on Tuesday, September 9, 2025 from 1 p.m. to 5 p.m. Pacific Time.

The HMSAS online meetings will be held on Wednesday, September 10, 2025 from 1 p.m. to 5 p.m. Pacific Time and Friday, September 12, 2025 from 8:30 a.m. to 12:30 p.m. Pacific Time.

The STT online meeting will be held on Monday, September 15, 2025 from 9 a.m. to 4 p.m. Pacific Time.

The HC online meeting will be held on Tuesday, September 16, 2025 from 8:30 a.m. to 5 p.m. Pacific Time.

The SAS online meeting will be held on Tuesday, September 16, 2025 from 9 a.m. to 4 p.m. Pacific Time.

The EAS online meeting will be held on Tuesday, September 16, 2025 from 1 p.m. to 5 p.m. Pacific Time.

The GMT online meeting will be held on Tuesday, September 2, 2025 from 1 p.m. to 4 p.m. Pacific Time.

The scheduled ending times for these meetings is an estimate. The meetings will adjourn when business for the day is completed.

ADDRESSES: These meetings will be held online. Specific meeting information, including directions on how to attend the meeting and system requirements will be provided in the meeting announcement on the Pacific Council’s website (see www.pcouncil.org). You may send an email to Mr. Kris Kleinschmidt (kris.kleinschmidt@pcouncil.org) or contact him at (503) 820-2412 for technical assistance.

Council address: Pacific Fishery Management Council, 7700 NE Ambassador Place, Suite 101, Portland, OR 97220-1384.

FOR FURTHER INFORMATION CONTACT: Jessi Waller, Staff Officer, Pacific Council; jessi.waller@pcouncil.org, telephone: (503) 820-2415.

SUPPLEMENTARY INFORMATION: The primary purpose of the advisory body webinars is to prepare for the Pacific Council’s September 2025 meeting agenda items. The FIW will also prepare for the Pacific Council’s November 2025 meeting agenda items. The advisory bodies will discuss items related to the advisory body’s particular management items and administrative matters on the Pacific Council’s agenda. The advisory bodies may also address other assignments as directed by the Pacific Council. A detailed agenda for each webinar will be available on the Pacific Council’s website prior to the meeting. No management actions will be decided by any of the advisory bodies.

Although non-emergency issues not contained in the meeting agenda may be discussed, those issues may not be the subject of formal action during this meeting. Action will be restricted to those issues specifically listed in this document and any issues arising after publication of this document 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

Requests for sign language interpretation or other auxiliary aids should be directed to Mr. Kris Kleinschmidt kris.kleinschmidt@pcouncil.org; (503) 820-2412 at least 10 days prior to the meeting date.

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

Dated: July 30, 2025.

Rey Israel Marquez,

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

[FR Doc. 2025-14584 Filed 7-31-25; 8:45 am]

BILLING CODE 3510-22-P

COMMODITY FUTURES TRADING COMMISSION

Agency Information Collection Activities: Notice of Intent To Extend Collection Number 3038-0088: Swap Documentation

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice.

SUMMARY: The Commodity Futures Trading Commission (“CFTC” or “Commission”) is announcing an opportunity for public comment on the proposed renewal of a collection of certain information by the agency. Under the Paperwork Reduction Act (“PRA”), Federal agencies are required to publish notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension of an existing collection of information, and to allow 60 days for public comment. This notice solicits comments on certain collections of information mandated by Subpart I of Part 23 of the Commission’s Regulations (Swap Documentation).

DATES: Comments must be submitted on or before September 30, 2025.

ADDRESSES: You may submit comments, identified by “Swap Documentation,” and Collection Number 3038-0088 by any of the following methods:

- The Agency’s website, at <https://comments.cftc.gov>. Follow the instructions for submitting comments through the website.

- **Mail:** Christopher Kirkpatrick, Secretary of the Commission, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street NW, Washington, DC 20581.

- **Hand Delivery/Courier:** Same as “Mail” above.

Please submit your comments using only one method.

FOR FURTHER INFORMATION CONTACT: Dina Moussa, Special Counsel, Market Participants Division, at (202) 418-5696 or dmoussa@cftc.gov; or Catherine Brescia, Attorney Advisor, Market Participants Division, at (202) 418-6236 or cbrescia@cftc.gov, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street NW, Washington, DC 20581; and refer to OMB Control No. 3038-0088.

SUPPLEMENTARY INFORMATION: Under the PRA, Federal agencies must obtain approval from the Office of Management and Budget (“OMB”) for each collection of information they conduct or sponsor. “Collection of Information” is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3 and includes agency requests or requirements that members of the public submit reports, keep records, or provide information to a third party. Section 3506(c)(2)(A) of the PRA, 44 U.S.C. 3506(c)(2)(A), requires Federal agencies to provide a 60-day notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension of an existing collection of information, before submitting the collection to OMB

for approval. To comply with this requirement, the CFTC is publishing notice of the proposed extension of the existing collection of information listed below. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Title: Swap Documentation (OMB Control No. 3038–0088). This is a request for an extension of a currently approved information collection.

Abstract: On September 11, 2012, the Commission adopted Commission Regulations 23.500 through 23.505 (“Regulations”) ¹ under Sections 4s(f), (g) and (i) ² of the Commodity Exchange Act (“CEA”).³ Commission Regulations 23.500 through 23.505 require, among other things, that swap dealers (“SDs”) ⁴ and major swap participants (“MSPs”) ⁵ develop and retain written swap trading relationship and end user exception documentation. The Regulations also establish requirements for SDs and MSPs regarding swap confirmation, portfolio reconciliation, and portfolio compression. Under the Regulations, SDs and MSPs are obligated to maintain records of the policies and procedures required by the rules.⁶

Confirmation, portfolio reconciliation, and portfolio compression are important post-trade processing mechanisms for reducing risk and improving operational efficiency. The information collection obligations imposed by the Regulations are necessary to ensure that each SD and MSP maintains the required records of their business activities; and conducts and maintains records of independent and periodic audits sufficient to identify any material weakness in its documentation policies and procedures. The information collection contained in the Regulations is also essential to

ensuring that SDs and MSPs document their swaps, reconcile their swap portfolios to resolve discrepancies and disputes, and wholly or partially terminate some or all of their outstanding swaps through regular portfolio compression exercises. This collection of information is mandatory.

With respect to the collection of information, the CFTC invites comments on:

- Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information will have a practical use;
- The accuracy of the Commission’s estimate of the burdens of the proposed collection of information, including the validity of the methodology and assumptions used;
- Ways to enhance the quality, usefulness, and clarity of the information to be collected; and
- Ways to minimize the burdens of 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).

All comments must be submitted in English, or if not, accompanied by an English translation. Comments will be posted as received to <https://www.cftc.gov>. You should submit only information that you wish to make available publicly. If you wish the Commission to consider information that you believe is exempt from disclosure under the Freedom of Information Act (“FOIA”), a petition for confidential treatment of the exempt information may be submitted according to the procedures established in § 145.9 of the Commission’s regulations.⁷

The Commission reserves the right, but shall have no obligation, to review, pre-screen, filter, redact, refuse or remove any or all of your submissions from <http://www.cftc.gov> that it may deem inappropriate for publication, such as obscene language. All submissions that have been redacted or removed that contain comments on the merits of the information collection request will be retained in the public comment file and will be considered as required under the Administrative Procedure Act and other applicable laws, and may be accessible under FOIA.

Burden Statement: The Commission is not revising its estimate of the burden

for this collection. The respondent burden for this collection is estimated to be as follows:

- OMB Control No. 3038–0088 (Swap Documentation)

Number of Registrants: 108.

Estimated Average Burden Hours per Registrant: 7,324.5.

Estimated Aggregate Burden Hours: 791,046.

Frequency of Recordkeeping: As applicable.

There are no capital costs or operating and maintenance costs associated with this collection.

(Authority: 44 U.S.C. 3501 *et seq.*)

Dated: July 30, 2025.

Robert Sidman,

Deputy Secretary of the Commission.

[FR Doc. 2025–14620 Filed 7–31–25; 8:45 am]

BILLING CODE 6351–01–P

DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

[Docket Number DARS–2025–0004; OMB Control Number 0704–0574]

Information Collection Requirement; Defense Federal Acquisition Regulation Supplement (DFARS) Part 215, Only One Offer

AGENCY: Defense Acquisition Regulations System, Department of Defense (DoD).

ACTION: Notice.

SUMMARY: The Defense Acquisition Regulations System has submitted to OMB for clearance the following proposal for collection of information under the provisions of the Paperwork Reduction Act.

DATES: Consideration will be given to all comments received by September 2, 2025.

ADDRESSES: Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to <https://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.

You may also submit comments, identified by docket number and title, by the following method: Federal eRulemaking Portal: <https://www.regulations.gov>. Follow the instructions for submitting comments.

FOR FURTHER INFORMATION CONTACT: Tucker Lucas, 571–372–7574, or

¹ 17 CFR 23.500–23.505.

² 7 U.S.C. 6s(f), (g) and (i).

³ See Confirmation, Portfolio Reconciliation, Portfolio Compression, and Swap Trading Relationship Documentation Requirements for Swap Dealers and Major Swap Participants, 77 FR 55904 (Sep. 11, 2012), available at <https://www.govinfo.gov/content/pkg/FR-2012-09-11/pdf/2012-21414.pdf>.

⁴ For the definition of SD, see Section 1a(49) of the CEA and Commission Regulation 1.3; 7 U.S.C. 1a(49) and 17 CFR 1.3.

⁵ For the definitions of MSP, see Section 1a(33) of the CEA and Commission Regulation 1.3; 7 U.S.C. 1a(33) and 17 CFR 1.3.

⁶ SDs and MSPs are required to maintain all records of policies and procedures in accordance with Commission Regulations 23.203 and, by extension, 1.31, including policies, procedures, and models used for eligible master netting agreements and custody agreements that prohibit custodian of margin from re-hypothecating, repledging, reusing, or otherwise transferring the funds held by the custodian. See 17 CFR 1.31 and 23.203.

⁷ 17 CFR 145.9. See *Confidential Information and Commission Records and Information*, 74 FR 17395 (Apr. 15, 2009).

whs.mc-alex.esd.mbx.dd-dod-information-collections@mail.mil.

SUPPLEMENTARY INFORMATION:

Title and OMB Number: Defense Federal Acquisition Regulation Supplement (DFARS) Part 215, Only One Offer and Related Clauses at 252.215; OMB Control Number 0704–0574.

Type of Request: Extension of a currently approved collection.

Affected Public: Businesses or other for-profit and not-for-profit institutions.

Respondent's Obligation: Required to obtain or retain benefits.

Frequency: On Occasion.

Number of Respondents: 1,691.

Responses per Respondent: 1.18.

Annual Responses: 1,988.

Average Burden per Response: 37.5 hours.

Annual Burden Hours: 74,550.

Needs and Uses: This information collection pertains to information that an offeror or contractor must submit to DoD if only one offer was received in response to a competitive solicitation, and the contracting officer must request certified cost or pricing data, to meet the standard for adequate price competition that is applicable to DoD. The Government requires this information in order to determine whether an offered price is fair and reasonable and to meet the statutory requirement for certified cost or pricing data. The contracting officer obtains this information through use of DFARS solicitation provisions 252.215–7008, Only One Offer, and DFARS 252.215–7010, Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data. These provisions implement 10 U.S.C. 3702 and 10 U.S.C. 3705.

DoD Clearance Officer: Mr. Tucker Lucas. Requests for copies of the information collection proposal should be sent to Mr. Lucas at *whs.mc-alex.esd.mbx.dd-dod-information-collections@mail.mil.*

Jennifer D. Johnson,

Editor/Publisher, Defense Acquisition Regulations System.

[FR Doc. 2025–14605 Filed 7–31–25; 8:45 am]

BILLING CODE 6001–FR–P

DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

[Docket Number DARS–2025–0003; OMB Control Number 0704–0250]

Information Collection Requirement; Defense Federal Acquisition Regulation Supplement (DFARS) Part 242, Contract Administration and Related DFARS Clause

AGENCY: Defense Acquisition Regulations System, Department of Defense (DoD).

ACTION: Notice.

SUMMARY: The Defense Acquisition Regulations System has submitted to OMB for clearance the following proposal for collection of information under the provisions of the Paperwork Reduction Act.

DATES: Consideration will be given to all comments received by September 2, 2025.

ADDRESSES: Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to <https://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.

You may also submit comments, identified by docket number and title, by the following method: Federal eRulemaking Portal: <https://www.regulations.gov>. Follow the instructions for submitting comments.

FOR FURTHER INFORMATION CONTACT: Tucker Lucas, 571–372–7574, or *whs.mc-alex.esd.mbx.dd-dod-information-collections@mail.mil.*

SUPPLEMENTARY INFORMATION:

Title and OMB Number: Defense Federal Acquisition Regulation Supplement (DFARS) Part 242, Contract Administration and Related DFARS Clause; OMB Control Number 0704–0250.

Type of Request: Extension of a currently approved collection.

Affected Public: Businesses or other for-profit and not-for-profit institutions.

Respondent's Obligation: Required to obtain or retain benefits.

Frequency: On Occasion.

Number of Respondents: 287.

Responses per Respondent: 1.

Annual Responses: 287.

Average Burden per Response: 475 hours.

Annual Burden Hours: 136,325.

Needs and Uses: The Government requires this information to perform its

contract administration functions as required by section 893 of the National Defense Authorization Act for Fiscal Year 2012, as amended. The information required by the contract clause at DFARS 252.242–7004, Material Management and Accounting System, is used by contracting officers to determine if contractor material management and accounting systems conform to established DoD standards. The clause at DFARS 252.242–7004 requires a contractor to establish and maintain a material management and accounting system for applicable contracts, disclose significant changes in its system, provide results of system reviews, and respond to any determinations by the Government of material weaknesses.

DoD Clearance Officer: Mr. Tucker Lucas. Requests for copies of the information collection proposal should be sent to Mr. Lucas at *whs.mc-alex.esd.mbx.dd-dod-information-collections@mail.mil.*

Jennifer D. Johnson,

Editor/Publisher, Defense Acquisition Regulations System.

[FR Doc. 2025–14604 Filed 7–31–25; 8:45 am]

BILLING CODE 6001–FR–P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Docket ID: DoD–2025–OS–0003]

Submission for OMB Review; Comment Request

AGENCY: Office of the Under Secretary of Defense for Personnel and Readiness (OUSD (P&R)), Department of Defense (DoD).

ACTION: 30-Day information collection notice.

SUMMARY: The DoD has submitted to the Office of Management and Budget (OMB) for clearance the following proposal for collection of information under the provisions of the Paperwork Reduction Act.

DATES: Consideration will be given to all comments received by September 2, 2025.

ADDRESSES: Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. 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:

Reginald Lucas, (571) 372-7574,
whs.mc-alex.esd.mbx.dd-dod-
information-collections@mail.mil.

SUPPLEMENTARY INFORMATION: On July 29, 2025, the DoD published a notice titled “Proposed Collection; Comment Request” for Innovative Readiness Training Community Application; OMB Control Number 0704-0583 at 90 FR 35670. Subsequent to publication of the notice in the **Federal Register**, DoD realized that the notice had already published on January 10, 2025 (90 FR 1989-1990). The notice that published on July 29, 2025 should have been titled “Submission for OMB Review; Comment Request” and followed the usual format of that notice type. The DoD is publishing the July 29, 2025 notice in its entirety, this time correctly.

Title; Associated Form; and OMB Number: Innovative Readiness Training DD3225, “Community Application to Request Civil-Military Partnership and Support”; OMB Control Number 0704-0583.

Type of Request: Revision.

Number of Respondents: 250.

Responses per Respondent: 1.

Annual Responses: 250.

Average Burden per Response: 5.5 hours.

Annual Burden Hours: 1,375.

Needs and Uses: This information collection is necessary to support the Department of Defense’s Innovative Readiness Training (IRT) program. Each year the military collects voluntary applications from communities requesting participation in IRT support activities. Communities respond to the collection as they will have a chance to receive incidental support and services from the DoD during the conduct of the IRT support and training. Currently, most IRT support activities are in the form of civil engineering projects, cyber, or medical care. However, IRT support is not limited to these, and any application is considered for its potential training value and incidental community benefit. The information collected allows the best possible match between the community and military training requirements while ensuring each applicant is eligible to receive support and services under 10 U.S.C. 2012.

Affected Public: Federal, State, local, or tribal governments.

Frequency: On occasion.

Respondents Obligation: Voluntary.

DoD Clearance Officer: Mr. Reginald Lucas.

Dated: July 30, 2025.

Aaron T. Siegel,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 2025-14616 Filed 7-30-25; 4:15 pm]

BILLING CODE 6001-FR-P

DEPARTMENT OF ENERGY

[Docket No. DOE-HQ-2025-0207]

Notice of Availability: A Critical Review of Impacts of Greenhouse Gas Emissions on the U.S. Climate

AGENCY: Department of Energy.

ACTION: Notice of availability; request for comments.

SUMMARY: The U.S. Department of Energy (DOE or the Department) seeks public comment on the draft report produced by DOE’s Climate Working Group (CWG), titled “A Critical Review of Impacts of Greenhouse Gas Emissions on the U.S. Climate” (CWG Report). DOE is seeking input from the public, especially from interested individuals and entities, such as industry, academia, research laboratories, government agencies, and other stakeholders. Information received may be used to assist DOE in planning the scope of future research efforts and may be shared with other Federal agencies.

DATES: Written comments and information are requested on or before September 2, 2025 and must be received no later than 11:59 p.m. eastern time (ET) on that date. Written submissions received after the deadline may not be considered. DOE will not reply individually to responders but will consider all comments submitted by the deadline. DOE also intends to summarize all comments received by topic.

ADDRESSES:

Instructions: Interested persons are encouraged to submit comments using the Federal eRulemaking Portal at www.regulations.gov under docket number DOE-HQ-2025-0207.

Response Guidance: Any comments provided must reference the relevant page in the CWG Report. If a comment addresses a table or figure, that cross-reference should be provided. To assist DOE’s review of submitted comments, for each comment, please indicate a comment type from the following list: editorial; technical; reference; or other.

FOR FURTHER INFORMATION CONTACT:

Requests for additional information may be submitted electronically to Mr. Joshua Loucks, U.S. Department of Energy, 1000 Independence Avenue SW,

Washington, DC 20585; (202) 586-5281 or DOEGeneralCounsel@hq.doe.gov.

SUPPLEMENTARY INFORMATION:

Background

The draft report titled “A Critical Review of Impacts of Greenhouse Gas Emissions on the U.S. Climate” was developed by DOE’s 2025 Climate Working Group, a group of five independent scientists assembled by Energy Secretary Chris Wright with diverse expertise in physical science, academic research and climate science. The landing page for the CWG Report, including a press release, can be found here: www.energy.gov/topics/climate.

Overview of the CWG Report

The report reviews scientific certainties and uncertainties in how anthropogenic carbon dioxide (CO₂) and other greenhouse gas emissions have affected, or will affect, the Nation’s climate, extreme weather events, and selected metrics of societal well-being. Those emissions are increasing the concentration of CO₂ in the atmosphere through a complex and variable carbon cycle, where some portion of the additional CO₂ persists in the atmosphere for centuries.

Elevated concentrations of CO₂ directly enhance plant growth, globally contributing to “greening” the planet and increasing agricultural productivity. They also make the oceans less alkaline (lower the pH). That is possibly detrimental to coral reefs, although the recent rebound of the Great Barrier Reef suggests otherwise.

Carbon dioxide also acts as a greenhouse gas, exerting a warming influence on climate and weather. Climate change projections require scenarios of future emissions. There is evidence that scenarios widely-used in the impacts literature have overstated observed and likely future emission trends.

The world’s several dozen global climate models offer little guidance on how much the climate responds to elevated CO₂, with the average surface warming under a doubling of the CO₂ concentration ranging from 1.8° C to 5.7° C. Data-driven methods yield a lower and narrower range. Global climate models generally run “hot” in their description of the climate of the past few decades. The combination of overly sensitive models and implausible extreme scenarios for future emissions yields exaggerated projections of future warming.

Most extreme weather events in the U.S. do not show long-term trends. Claims of increased frequency or intensity of hurricanes, tornadoes,

floods, and droughts are not supported by U.S. historical data. Additionally, forest management practices are often overlooked in assessing changes in wildfire activity. Global sea level has risen approximately 8 inches since 1900, but there are significant regional variations driven primarily by local land subsidence; U.S. tide gauge measurements in aggregate show no obvious acceleration in sea level rise beyond the historical average rate.

Attribution of climate change or extreme weather events to human CO₂ emissions is challenged by natural climate variability, data limitations, and inherent model deficiencies. Moreover, solar activity's contribution to the late 20th century warming might be underestimated.

Both models and experience suggest that CO₂-induced warming might be less damaging economically than commonly believed, and excessively aggressive mitigation policies could prove more detrimental than beneficial. Social Cost of Carbon estimates, which attempt to quantify the economic damage of CO₂ emissions, are highly sensitive to their underlying assumptions and so provide limited independent information.

U.S. policy actions are expected to have undetectably small direct impacts on the global climate and any effects will emerge only with long delays.

Confidential Business Information

Pursuant to 10 CFR 1004.11, any person submitting information that he or she believes to be confidential and exempt by law from public disclosure should submit via email, postal mail, or hand delivery/courier two well-marked copies: one copy of the document marked "confidential" including all the information believed to be confidential, and one copy of the document marked "non-confidential" with the information believed to be confidential deleted. DOE will make its own determination about the confidential status of the information and treat it according to its determination.

It is DOE's policy that all comments may be included in the public docket, without change and as received, including any personal information provided in the comments (except information deemed to be exempt from public disclosure).

(Authority: E.O. 14154.)

Signing Authority

This document of the Department of Energy was signed on July 29, 2025, by Chris Wright, the Secretary of Energy. That document with the original signature and date is maintained by DOE. For administrative purposes only,

and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the **Federal Register**.

Signed in Washington, DC, on July 29, 2025.

Treena V. Garrett,

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

[FR Doc. 2025-14519 Filed 7-31-25; 8:45 am]

BILLING CODE 6450-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 803-123]

Pacific Gas and Electric Company; Notice of Availability of Final Environmental Assessment

The final EA contains Commission staff's analysis of the potential environmental effects of the proposed temporary variance of flow requirements, alternatives to the proposed action, and concludes that the proposed variance, with appropriate environmental protective measures, would not constitute a major federal action that would significantly affect the quality of the human environment. The final EA may be viewed on the Commission's website at <http://www.ferc.gov> using the "eLibrary" link. Enter the docket number (P-803-123) in the docket number field to access the document. For assistance, contact FERC Online Support at FERCOnlineSupport@ferc.gov or toll-free at 1-866-208-3676, or for TTY, (202) 502-8659.

You may also register online at <http://www.ferc.gov/docs-filing/esubscription.asp> to be notified via email of new filings and issuances related to this or other pending projects. For assistance, contact FERC Online Support.

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.

For further information, contact Ms. Joy Kurtz at 202-502-6760 or joy.kurtz@ferc.gov.

Dated: July 29, 2025.

Carlos D. Clay,

Deputy Secretary.

[FR Doc. 2025-14610 Filed 7-31-25; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

Combined Notice of Filings

Take notice that the Commission has received the following Natural Gas Pipeline Rate and Refund Report filings:

Filings Instituting Proceedings

Docket Numbers: RP25-1016-000.

Applicants: Great Lakes Gas Transmission Limited Partnership.

Description: Compliance filing; Semi-Annual Transporter's Use Report July 2025 to be effective N/A.

Filed Date: 7/28/25.

Accession Number: 20250728-5089.

Comment Date: 5 p.m. ET 8/11/25.

Docket Numbers: RP25-1017-000.

Applicants: Iroquois Gas Transmission System, L.P.

Description: § 4(d) Rate Filing: 7.29.25 Negotiated Rates—Radiate Energy LLC R-8115-05 to be effective 8/1/2025.

Filed Date: 7/29/25.

Accession Number: 20250729-5021.

Comment Date: 5 p.m. ET 8/11/25.

Docket Numbers: RP25-1018-000.

Applicants: ANR Pipeline Company.

Description: § 4(d) Rate Filing: NR Agmts—Interstate Gas—Eff. 8.1.25 to be effective 8/1/2025.

Filed Date: 7/29/25.

Accession Number: 20250729-5028.

Comment Date: 5 p.m. ET 8/11/25.

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

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

eFiling is encouraged. More detailed information relating to filing

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

The Commission’s Office of Public Participation (OPP) supports meaningful public engagement and participation in Commission proceedings. OPP can help members of the public, including landowners, community organization, 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 29, 2025.
Carlos D. Clay,
Deputy Secretary.
[FR Doc. 2025–14609 Filed 7–31–25; 8:45 am]
BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. PF25–7–000]

Venture Global LNG, Inc.; Notice of Scoping Period Requesting Comments on Environmental Issues for the Planned Plaquemines Expansion Project, and Notice of Public Scoping Session

The staff of the Federal Energy Regulatory Commission (FERC or Commission) will prepare an environmental document that will discuss the environmental impacts of the Plaquemines Expansion Project involving construction and operation of facilities by Venture Global LNG, Inc. (Venture Global) in Plaquemines Parish, Louisiana. The Commission will use this environmental document in its decision-making process to determine whether the project is in the public interest.

This notice announces the opening of the scoping process the Commission will use to gather input from the public and interested agencies regarding the project. As part of the National Environmental Policy Act (NEPA)

review process, the Commission takes into account concerns the public may have about proposals and the environmental impacts that could result from its action whenever it considers the issuance of an authorization. This gathering of public input is referred to as “scoping.” The main goal of the scoping process is to focus the analysis in the environmental document on the important environmental issues. Additional information about the Commission’s NEPA process is described below in the *NEPA Process and Environmental Document* section of this notice.

By this notice, the Commission requests public comments on the scope of issues to address in the environmental document. To ensure that your comments are timely and properly recorded, please submit your comments so that the Commission receives them in Washington, DC on or before 5:00 p.m. Eastern Time on August 28, 2025. Comments may be submitted in written or oral form. Further details on how to submit comments are provided in the *Public Participation* section of this notice.

Your comments should focus on the potential environmental effects, reasonable alternatives, and measures to avoid or lessen environmental impacts. Your input will help the Commission staff determine what issues they need to evaluate in the environmental document. Commission staff will consider all written or oral comments during the preparation of the environmental document.

If you submitted comments on this project to the Commission before the opening of this docket on March 6, 2025, you will need to file those comments in Docket No. PF25–7–000 to ensure they are considered.

This notice is being sent to the Commission’s current environmental mailing list for this project. State and local government representatives should notify their constituents of this planned project and encourage them to comment on their areas of concern.

A fact sheet prepared by the FERC entitled “An Interstate Natural Gas Facility On My Land? What Do I Need To Know?” addresses typically asked questions, including how to participate in the Commission’s proceedings. This

fact sheet along with other landowner topics of interest are available for viewing on the FERC website (www.ferc.gov) under the Natural Gas, Landowner Topics link.

Public Participation

There are four methods you can use to submit your comments to the Commission. Please carefully follow these instructions so that your comments are properly recorded. The Commission encourages electronic filing of comments and has staff available to assist you at (866) 208–3676 or FercOnlineSupport@ferc.gov.

(1) You can file your comments electronically using the eComment feature, which is located on the Commission’s website (www.ferc.gov) under the link to FERC Online. Using eComment is an easy method for submitting brief, text-only comments on a project;

(2) You can file your comments electronically by using the eFiling feature, which is also on the Commission’s website (www.ferc.gov) under the link to FERC Online. With eFiling, you can provide comments in a variety of formats by attaching them as a file with your submission. New eFiling users must first create an account by clicking on “eRegister.” You will be asked to select the type of filing you are making; a comment on a particular project is considered a “Comment on a Filing;” or

(3) You can file a paper copy of your comments by mailing them to the Commission. Be sure to reference the project docket number (PF25–7–000) on your letter. 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.

(4) In lieu of sending written comments, the Commission invites you to attend one of the public scoping sessions its staff will conduct in the project area, scheduled as follows:

Date and time	Location
Tuesday, August 12, 2025, 5:00 p.m.–7:00 p.m. CST	Belle Chasse Auditorium, 8398 LA–23, Belle Chasse, LA 70037, 504–934–6285.
Wednesday, August 13, 2025, 5:00 p.m.–7:00 p.m. CST	YMCA Port Sulphur, 278 Civic Dr., Port Sulphur, LA 70083, 504–934–6285.

The primary goal of these scoping sessions is to have you identify the specific environmental issues and concerns that should be considered in the environmental document. Individual oral comments will be taken on a one-on-one basis with a court reporter. This format is designed to receive the maximum amount of oral comments in a convenient way during the timeframe allotted.

Each scoping session is scheduled from 5:00 p.m. to 7:00 p.m. Central Standard Time. You may arrive at any time after 5:00 p.m. There will not be a formal presentation by Commission staff when the session opens. If you wish to speak, the Commission staff will hand out numbers in the order of your arrival. Comments will be taken until 7:00 p.m. However, if no additional numbers have been handed out and all individuals who wish to provide comments have had an opportunity to do so, staff may conclude the session at 6:30 p.m. Please see appendix 1 for additional information on the session format and conduct.¹

Your scoping comments will be recorded by a court reporter (with FERC staff or representative present) and become part of the public record for this proceeding. Transcripts will be publicly available on FERC's eLibrary system (see the last page of this notice for instructions on using eLibrary). If a significant number of people are interested in providing oral comments in the one-on-one settings, a time limit of 5 minutes may be implemented for each commentor.

It is important to note that the Commission provides equal consideration to all comments received, whether filed in written form or provided orally at a scoping session. Although there will not be a formal presentation, Commission staff will be available throughout the scoping session to answer your questions about the environmental review process. Representatives from Venture Global will also be present to answer project-specific questions.

Additionally, the Commission offers a free service called eSubscription, which makes it easy to stay informed of all issuances and submittals regarding the dockets/projects to which you subscribe. These instant email

notifications are the fastest way to receive notification and provide a link to the document files which can reduce the amount of time you spend researching proceedings. 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.

Summary of the Planned Project

Venture Global plans to construct and operate one gas gate system; four pretreatment systems; twelve liquefaction blocks; two flare structures; new boil-off, flash, and gas relief systems; new control rooms, one workshop, one warehouse, electrical equipment, and other support structures; one stormwater piping system, one new marine loading berth and LNG carrier loading dock, a new pipe trestle system; and one new elevated roadway.

The general location of the project facilities would expand the existing Plaquemines LNG Terminal and are shown in appendix 2.

Land Requirements for Construction

Construction of the planned facilities would disturb about 560 acres of land for the expansion, marine berth, and workspaces with an additional 586-acre temporary workspace to ease traffic constraints from construction. Following construction, Venture Global would maintain about 400 acres for permanent operation of the project's facilities; the remaining acreage would be restored and revert to former uses.

NEPA Process and the Environmental Document

Any environmental document issued by Commission staff will discuss impacts that could occur as a result of the construction and operation of the planned project under the relevant general resource areas:

- geology and soils;
- water resources and wetlands;
- vegetation and wildlife;
- threatened and endangered species;
- cultural resources;
- land use;
- socioeconomics;

- air quality and noise; and
- reliability and safety.

Commission staff will also evaluate reasonable alternatives to the planned project or portions of the project and make recommendations on how to lessen or avoid impacts on the various resource areas. Your comments will help Commission staff identify and focus on the issues that might have an effect on the human environment and potentially eliminate others from further study and discussion in the environmental document.

Although no formal application has been filed, Commission staff have already initiated a NEPA review under the Commission's pre-filing process. The purpose of the pre-filing process is to encourage early involvement of interested stakeholders and to identify and resolve issues before the Commission receives an application. As part of the pre-filing review, Commission staff will contact federal and state agencies to discuss their involvement in the scoping process and the preparation of the environmental document.

If a formal application is filed, Commission staff will then determine whether to prepare an Environmental Assessment (EA) or an Environmental Impact Statement (EIS). The EA or the EIS will present Commission staff's independent analysis of the environmental issues. If Commission staff prepares an EA, a *Notice of Schedule for the Preparation of an Environmental Assessment* will be issued. The EA may be issued for an allotted public comment period. The Commission would consider timely comments on the EA before making its determination on the proposed project. If Commission staff prepares an EIS, a *Notice of Intent to Prepare an EIS/Notice of Schedule* will be issued once an application is filed, which will open an additional public comment period. Staff will then prepare a draft EIS that will be issued for public comment. Commission staff will consider all timely comments received during the comment period on the draft EIS, and revise the document, as necessary, before issuing a final EIS. Any EA or draft and final EIS will be available in electronic format in the public record through eLibrary² and the Commission's natural gas environmental documents web page (<https://www.ferc.gov/industries-data/natural-gas/environment/environmental-documents>). If eSubscribed, you will receive instant

² For instructions on connecting to eLibrary, refer to the last page of this notice.

¹ The appendices referenced in this notice will not appear in the **Federal Register**. Copies of the appendices were sent to all those receiving this notice in the mail and are available at www.ferc.gov using the link called "eLibrary." For instructions on connecting to eLibrary, refer to the last page of this notice. For assistance, contact FERC at FERCOnlineSupport@ferc.gov or call toll free, (888) 208-3676 or TTY (202) 502-8659.

email notification when the environmental document is issued.

With this notice, the Commission is asking agencies with jurisdiction by law and/or special expertise with respect to the environmental issues related to this project to formally cooperate in the preparation of the environmental document.³ Agencies that would like to request cooperating agency status should follow the instructions for filing comments provided under the *Public Participation* section of this notice. Currently, the U.S. Department of Energy, U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration, U.S. Coast Guard, U.S. Army Corps of Engineers, the National Marine Fisheries Service, and the U.S. Environmental Protection Agency Region 6 have expressed their intention to participate as a cooperating agency in the preparation of the environmental document to satisfy their NEPA responsibilities related to this project.

Consultation Under Section 106 of the National Historic Preservation Act

In accordance with the Advisory Council on Historic Preservation's implementing regulations for section 106 of the National Historic Preservation Act, the Commission is using this notice to initiate consultation with the applicable State Historic Preservation Office(s), and to solicit their views and those of other government agencies, interested Indian tribes, and the public on the project's potential effects on historic properties.⁴ The environmental document for this project will document our findings on the impacts on historic properties and summarize the status of consultations under section 106.

Environmental Mailing List

The environmental mailing list includes federal, state, and local government representatives and agencies; elected officials; environmental and public interest groups; Native American Tribes; other interested parties; and local libraries and newspapers. This list also includes all affected landowners (as defined in the Commission's regulations) who are potential right-of-way grantors, whose property may be used temporarily for

project purposes, or who own homes within certain distances of aboveground facilities, and anyone who submits comments on the project and includes a mailing address with their comments. Commission staff will update the environmental mailing list as the analysis proceeds to ensure that Commission notices related to this environmental review are sent to all individuals, organizations, and government entities interested in and/or potentially affected by the planned project.

If you need to make changes to your name/address, or if you would like to remove your name from the mailing list, please complete one of the following steps:

(1) Send an email to GasProjectAddressChange@ferc.gov stating your request. You must include the docket number PF25-7-000 in your request. If you are requesting a change to your address, please be sure to include your name and the correct address. If you are requesting to delete your address from the mailing list, please include your name and address as it appeared on this notice. This email address is unable to accept comments.

OR

(2) Return the attached "Mailing List Update Form" (appendix 3).

Becoming an Intervenor

Once Venture Global files its application with the Commission, you may want to become an "intervenor" which is an official party to the Commission's proceeding. Only intervenors have the right to seek rehearing of the Commission's decision and be heard by the courts if they choose to appeal the Commission's final ruling. An intervenor formally participates in the proceeding by filing a request to intervene pursuant to Rule 214 of the Commission's Rules of Practice and Procedures (18 CFR 385.214). Motions to intervene are more fully described at <https://www.ferc.gov/how-intervene>. Please note that the Commission will not accept requests for intervenor status at this time. You must wait until the Commission receives a formal application for the project, after which the Commission will issue a public notice that establishes an intervention deadline.

Additional Information

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. Click on the eLibrary link,

click on "General Search" and enter the docket number in the "Docket Number" field. Be sure you have selected an appropriate date range. For assistance, please contact FERC Online Support at FercOnlineSupport@ferc.gov or toll free at (866) 208-3676, or for TTY, contact (202) 502-8659. The eLibrary link also provides access to the texts of all formal documents issued by the Commission, such as orders, notices, and rulemakings.

Public sessions or site visits will be posted on the Commission's calendar located at <https://www.ferc.gov/news-events/events> along with other related information.

Dated: July 29, 2025.

Carlos D. Clay,
Deputy Secretary.

[FR Doc. 2025-14614 Filed 7-31-25; 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 exempt wholesale generator filings:

Docket Numbers: EG25-412-000.

Applicants: Mount Vernon Battery Storage, LLC.

Description: Mount Vernon Battery Storage, LLC submits Notice of Self-Certification of Exempt Wholesale Generator Status.

Filed Date: 7/28/25.

Accession Number: 20250728-5155.

Comment Date: 5 p.m. ET 8/18/25.

Docket Numbers: EG25-413-000.

Applicants: SR Millington II, LLC.
Description: SR Millington II, LLC submits Notice of Self-Certification of Exempt Wholesale Generator Status.

Filed Date: 7/28/25.

Accession Number: 20250728-5156.

Comment Date: 5 p.m. ET 8/18/25.

Docket Numbers: EG25-414-000.

Applicants: Harquahala Flats Energy Storage II, LLC.

Description: Harquahala Flats Energy Storage II, LLC submits Notice of Self-Certification of Exempt Wholesale Generator Status.

Filed Date: 7/28/25.

Accession Number: 20250728-5159.

Comment Date: 5 p.m. ET 8/18/25.

Docket Numbers: EG25-415-000.

Applicants: Thunder Wolf II, LLC.
Description: Thunder Wolf II, LLC submits Notice of Self-Certification of Exempt Wholesale Generator Status.

Filed Date: 7/28/25.

³ Cooperating agency responsibilities are addressed in Section 107(a)(3) of NEPA (42 U.S. Code § 4336(a)(3)).

⁴ The Advisory Council on Historic Preservation regulations are at Title 36, Code of Federal Regulations, Part 800. Those regulations define historic properties as any prehistoric or historic district, site, building, structure, or object included in or eligible for inclusion in the National Register of Historic Places.

Accession Number: 20250728–5160.
Comment Date: 5 p.m. ET 8/18/25.
Docket Numbers: EG25–416–000.
Applicants: Highland Solar I, LLC.
Description: Highland Solar I, LLC submits Notice of Self-Certification of Exempt Wholesale Generator Status.
Filed Date: 7/29/25.
Accession Number: 20250729–5041.
Comment Date: 5 p.m. ET 8/19/25.
Docket Numbers: EG25–417–000.
Applicants: Eloy Valley Energy Center III, LLC.
Description: Eloy Valley Energy Center III, LLC submits Notice of Self-Certification of Exempt Wholesale Generator Status.
Filed Date: 7/29/25.
Accession Number: 20250729–5049.
Comment Date: 5 p.m. ET 8/19/25.
Docket Numbers: EG25–418–000.
Applicants: South Platte Storage, LLC.
Description: South Platte Storage, LLC submits Notice of Self-Certification of Exempt Wholesale Generator Status.
Filed Date: 7/29/25.
Accession Number: 20250729–5056.
Comment Date: 5 p.m. ET 8/19/25.
 Take notice that the Commission received the following electric rate filings:
Docket Numbers: ER20–1790–003; ER13–2409–011; ER11–4501–017; ER12–2448–016; ER16–2687–005; ER16–2653–007; ER17–790–004; ER20–2134–003; ER16–2293–007; ER18–2312–005; ER18–2330–004; ER15–2615–006; ER16–2577–006; ER15–2620–006; ER14–2858–010; ER17–2470–006; ER17–2457–006; ER21–2597–003; ER12–979–016; ER11–4498–015; ER11–4499–015; ER18–27–005; ER22–2482–001; ER22–2481–002.
Applicants: Seven Cowboy Wind Project, LLC, 25 Mile Creek Windfarm LLC, Thunder Ranch Wind Project, LLC, Smoky Hills Wind Project II, LLC, Smoky Hills Wind Farm, LLC, Rocky Ridge Wind Project, LLC, Rockhaven Wind Project, LLC, Rock Creek Wind Project, LLC, Red Dirt Wind Project, LLC, Origin Wind Energy, LLC, Little Elk Wind Project, LLC, Lindahl Wind Project, LLC, Goodwell Wind Project, LLC, Enel Green Power Rattlesnake Creek Wind Project, LLC, Enel Green Power Diamond Vista Wind Project, LLC, Drift Sand Wind Project, LLC, Cimarron Bend Wind Project III, LLC, Cimarron Bend Wind Project II, LLC, Cimarron Bend Wind Project I, LLC, Chisholm View Wind Project II, LLC, Chisholm View Wind Project, LLC, Caney River Wind Project, LLC, Buffalo Dunes Wind Project, LLC, Aurora Wind Project, LLC.
Description: Supplement to 12/31/2024, Triennial Market Power Analysis

for Southwest Region of Aurora Wind Project, LLC, et al.
Filed Date: 7/25/25.
Accession Number: 20250725–5187.
Comment Date: 5 p.m. ET 8/15/25.
Docket Numbers: ER25–2527–001.
Applicants: Entergy Mississippi, LLC.
Description: Tariff Amendment: Wildwood Solar, LLC, LBA Agreement to be effective 9/1/2025.
Filed Date: 7/29/25.
Accession Number: 20250729–5038.
Comment Date: 5 p.m. ET 8/19/25.
Docket Numbers: ER25–2998–000.
Applicants: Kingman Wind II, LLC.
Description: § 205(d) Rate Filing: Application for Market-Based Rate Authorization—Kingman Wind II, LLC to be effective 9/27/2025.
Filed Date: 7/28/25.
Accession Number: 20250728–5132.
Comment Date: 5 p.m. ET 8/18/25.
Docket Numbers: ER25–2999–000.
Applicants: Freepoint Commodities LLC.
Description: § 205(d) Rate Filing: Normal filing 2025 to be effective 7/29/2025.
Filed Date: 7/28/25.
Accession Number: 20250728–5139.
Comment Date: 5 p.m. ET 8/18/25.
Docket Numbers: ER25–3000–000.
Applicants: Ninnescah Wind Renewables, LLC.
Description: § 205(d) Rate Filing: Application for Market-Based Rate Authorization—Ninnescah Wind Renewables, LLC to be effective 9/27/2025.
Filed Date: 7/28/25.
Accession Number: 20250728–5136.
Comment Date: 5 p.m. ET 8/18/25.
Docket Numbers: ER25–3001–000.
Applicants: Freepoint Energy Solutions LLC.
Description: § 205(d) Rate Filing: Normal filing 2025 to be effective 7/29/2025.
Filed Date: 7/28/25.
Accession Number: 20250728–5137.
Comment Date: 5 p.m. ET 8/18/25.
Docket Numbers: ER25–3002–000.
Applicants: New England Power Pool Participants Committee.
Description: § 205(d) Rate Filing: Aug 2025 Membership Filing to be effective 8/1/2025.
Filed Date: 7/29/25.
Accession Number: 20250729–5001.
Comment Date: 5 p.m. ET 8/19/25.
Docket Numbers: ER25–3003–000.
Applicants: Southwest Power Pool, Inc.
Description: § 205(d) Rate Filing: 3651R1 Arkansas Electric Cooperative Corp NITSA NOA to be effective 7/1/2025.

Filed Date: 7/29/25.
Accession Number: 20250729–5020.
Comment Date: 5 p.m. ET 8/19/25.
Docket Numbers: ER25–3004–000.
Applicants: American Electric Power Service Corporation.
Description: § 205(d) Rate Filing: AEPSC submits an update to Attachment 1 of the ILDSA—SA No. 1336 to be effective 7/1/2025.
Filed Date: 7/29/25.
Accession Number: 20250729–5031.
Comment Date: 5 p.m. ET 8/19/25.
Docket Numbers: ER25–3005–000.
Applicants: Midcontinent Independent System Operator, Inc.
Description: § 205(d) Rate Filing: 2025–07–29 SA 4537 NIPSCO-North Bed Solar Project GIA (J1684) to be effective 9/28/2025.
Filed Date: 7/29/25.
Accession Number: 20250729–5054.
Comment Date: 5 p.m. ET 8/19/25.
Docket Numbers: ER25–3006–000.
Applicants: Central Hudson Gas & Electric Corporation.
Description: § 205(d) Rate Filing: 2025 Revision to FERC Rate Schedule 202 to be effective 7/24/2025.
Filed Date: 7/29/25.
Accession Number: 20250729–5065.
Comment Date: 5 p.m. ET 8/19/25.
Docket Numbers: ER25–3007–000.
Applicants: Alabama Power Company, Georgia Power Company, Mississippi Power Company.
Description: § 205(d) Rate Filing: Alabama Power Company submits tariff filing per 35.13(a)(2)(iii): PowerSouth NITSA Amendment (Add Sonora Delivery Point) to be effective 6/30/2025.
Filed Date: 7/29/25.
Accession Number: 20250729–5072.
Comment Date: 5 p.m. ET 8/19/25.
Docket Numbers: ER25–3008–000.
Applicants: Northern States Power Company, a Minnesota corporation.
Description: Tariff Amendment: 2025–07–28 NSP—CAPX—Fargo4 CMA—NOC 306 to be effective 6/13/2025.
Filed Date: 7/29/25.
Accession Number: 20250729–5092.
Comment Date: 5 p.m. ET 8/19/25.
Docket Numbers: ER25–3009–000.
Applicants: Portland General Electric Company.
Description: Compliance filing: Ancillary Services Compliance Filing to be effective 8/1/2025.
Filed Date: 7/29/25.
Accession Number: 20250729–5124.
Comment Date: 5 p.m. ET 8/19/25.
 Take notice that the Commission received the following public utility holding company filings:

Docket Numbers: PH25–14–000.
Applicants: New Jersey Resources Corporation.

Description: New Jersey Resources Corporation submits FERC 65–A Exemption Notification.

Filed Date: 7/28/25.

Accession Number: 20250728–5158.

Comment Date: 5 p.m. ET 8/18/25.

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 29, 2025.

Carlos D. Clay,
Deputy Secretary.

[FR Doc. 2025–14608 Filed 7–31–25; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 2390–085]

Northern States Power Company—Wisconsin; Notice of Application for Non-Capacity Amendment of License 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-Capacity Amendment of License.

b. *Project No:* 2390–085.

c. *Date Filed:* April 3, 2025.

d. *Applicant:* Northern States Power Company—Wisconsin.

e. *Name of Project:* Big Falls Hydroelectric Project.

f. *Location:* The project is located on the Flambeau River in Rusk County, Wisconsin. The project does not occupy any federal lands.

g. *Filed Pursuant to:* Federal Power Act, 16 U.S.C. 791a–825r.

h. *Applicant Contact:* Donald R. Hartinger, 1414 West Hamilton Ave., Eau Claire, WI 54701, (612) 321–3063, donald.r.hartinger@xcelenergy.com and Scott A. Crotty, 1414 West Hamilton Ave., Eau Claire, WI 54701, (715) 737–1428, scott.a.crotty@xcelenergy.com.

i. *FERC Contact:* Woohee Choi, (202) 502–6336, woohee.choi@ferc.gov.

j. *Cooperating agencies:* With this notice, the Commission is inviting federal, state, local, and Tribal agencies with jurisdiction and/or special expertise with respect to environmental issues affected by the proposal, that wish to cooperate in the preparation of any environmental document, if applicable, to follow the instructions for filing such requests described in item k below. Cooperating agencies should note the Commission's policy that agencies that cooperate in the preparation of any environmental document cannot also intervene. *See* 94 FERC ¶ 61,076 (2001).

k. *Deadline for filing comments, motions to intervene, and protests:* August 28, 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–2390–085. 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.

l. *Description of Request:* Northern States Power Company—Wisconsin, the licensee for the project, requests Commission approval to construct a new dike at the Turtle-Flambeau Reservoir to comply with the Commission's dam safety guidelines. The project operates under a license issued by the Commission on February 5, 1997, which was later amended by an order on October 14, 2008, to include the Turtle-Flambeau Reservoir as a project feature. The Turtle-Flambeau Reservoir is owned and operated by the Chippewa and Flambeau Improvement Company (CFIC), in which the licensee holds a majority ownership interest. In 2007, CFIC conducted a probable maximum flood study for the Turtle-Flambeau Reservoir, which identified low areas along the reservoir rim that could overtop during extreme flood events. The Turtle-Flambeau development includes nine earthen embankment sections with crest elevations ranging from approximately 1,574 to 1,577 feet (National Geodetic Vertical Datum of 1929 (NGVD29) + 0.3 foot); a concrete gravity non-overflow dam with a crest elevation of 1,577 feet (NGVD29 + 0.3 foot); a short closed dam section; and three 19-foot-wide by 12-foot-high steel Tainter gates with a crest elevation of 1,560 feet (NGVD29 + 0.3 foot).

m. *Locations of the Application:* This filing may be viewed on the Commission's website at <http://www.ferc.gov> using the "eLibrary" link. Enter the docket number excluding the last three digits in the docket number field to access the document. You may also register online at <http://www.ferc.gov/docs-filing/esubscription.asp> to be notified via email of new filings and issuances related to this or other pending projects. For assistance, call 1–866–208–3676 or email FERCOnlineSupport@ferc.gov, for

TTY, call (202) 502–8659. Agencies may obtain copies of the application directly from the applicant.

n. Individuals desiring to be included on the Commission's mailing list should so indicate by writing to the Secretary of the Commission.

o. *Comments, Protests, or Motions to Intervene:* Anyone may submit comments, a protest, or a motion to intervene in accordance with the requirements of Rules of Practice and Procedure, 18 CFR 385.210, .211, .214, respectively. In determining the appropriate action to take, the Commission will consider all protests or other comments filed, but only those who file a motion to intervene in accordance with the Commission's Rules may become a party to the proceeding. Any comments, protests, or motions to intervene must be received on or before the specified comment date for the particular application.

p. *Filing and Service of Documents:* Any filing must (1) bear in all capital letters the title "COMMENTS", "PROTEST", or "MOTION TO INTERVENE" as applicable; (2) set forth in the heading the name of the applicant and the project number of the application to which the filing responds; (3) furnish the name, address, and telephone number of the person commenting, protesting or intervening; and (4) otherwise comply with the requirements of 18 CFR 385.2001 through 385.2005. All comments, motions to intervene, or protests must set forth their evidentiary basis. Any filing made by an intervenor must be accompanied by proof of service on all persons listed in the service list prepared by the Commission in this proceeding, in accordance with 18 CFR 385.2010.

q. 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 29, 2025.

Carlos D. Clay,

Deputy Secretary.

[FR Doc. 2025–14611 Filed 7–31–25; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 3603–018]

City of Aspen; Notice of Intent To Prepare an Environmental Assessment

On September 25, 2024, as supplemented on May 20, 2025, City of Aspen filed an application Non-capacity Amendment of License for the Ruedi Hydroelectric Project No. 3603. The project is located at the Ruedi Dam and reservoir of the U.S. Department of Interior's Bureau of Reclamation on the Fryingspan River in Pitkin and Eagle counties, Colorado.

The licensee proposes to build a 22 by 28-foot powerhouse, add an additional 110 feet of new 30-inch penstock, install a second turbine and generator unit with the capacity of 1.2 Megawatt, construct a new 48 by 48-inch, 60-foot concrete tailrace, add a 24-inch diameter bypass line within the powerhouse, and replace a transformer and modernize the electrical system. The licensee states that all the modifications are within the existing project boundary.

On June 11, 2025, the Commission issued a public notice for the proposed amendment. On July 9, 2025, the Colorado Parks and Wildlife Department of Natural Resources filed comments on the proposal.

This notice identifies Commission staff's intention to prepare an environmental assessment (EA) under the National Environmental Policy Act (42 U.S.C. 4321 *et seq*) for the project.¹ Commission staff plans to issue an EA by August 5, 2026. Revisions to the schedule may be made as appropriate. The EA will be issued for a 30-day comment period. All comments filed on the EA will be reviewed by staff and considered in the Commission's final decision on the proceeding.

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

¹ The unique identification number for documents relating to this environmental review is EAXX–019–20–000–1753700984.

Any questions regarding this notice may be directed to Maryam Akhavan at (202) 502–6110 or Maryam.Akhavan@ferc.gov.

Dated: July 29, 2025.

Carlos D. Clay,

Deputy Secretary.

[FR Doc. 2025–14613 Filed 7–31–25; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 2482–122]

Erie Boulevard Hydropower, L.P.; Notice of Application for Temporary Variance Accepted for Filing and Soliciting Comments, Motions To Intervene, and Protests

Take notice that the following hydroelectric application has been filed with the Commission and is available for public inspection.

a. *Application Type:* Temporary Variance from Reservoir Elevation.

b. *Project No.:* 2482–122.

c. *Date Filed:* October 7, 2024, and supplemented June 10, 2025.

d. *Applicant:* Erie Boulevard Hydropower, LP.

e. *Name of Project:* Hudson River Project.

f. *Location:* The Hudson River Project is located in the counties of Warren and Saratoga, New York, and in the towns of Moreau, Corinth, Lake Luzerne, and Queensbury.

g. *Filed Pursuant to:* Federal Power Act, 16 U.S.C. 791(a)–825(r).

h. *Applicant Contact:* Megan Cook, Compliance Specialist, 399 Big Bay Road, Queensbury, NY 12804, (315) 528–2712.

i. *FERC Contact:* Zeena Aljibury, (202) 502–6065, zeena.aljibury@ferc.gov.

j. *Cooperating agencies:* With this notice, the Commission is inviting federal, state, local, and Tribal agencies with jurisdiction and/or special expertise with respect to environmental issues affected by the proposal, that wish to cooperate in the preparation of any environmental document, if applicable, to follow the instructions for filing such requests described in item k below. Cooperating agencies should note the Commission's policy that agencies that cooperate in the preparation of any environmental document cannot also intervene. See 94 FERC ¶ 61,076 (2001).

k. *Deadline for filing comments, motions to intervene, and protests:* 30 days from the issuance date of this notice by the Commission.

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/doc-sfiling/ecomment.asp>. You must include your name and contact information at the end of your comments. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov, (866) 208-3676 (toll free), or (202) 502-8659 (TTY). In lieu of electronic filing, you may 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-2482-122. 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.

l. *Description of Request*: The applicant requests Commission approval for a temporary variance from the reservoir elevation requirements at the Spier Falls Development. The Spier Falls powerhouse was severely damaged due to a fire that took both generating units out of service. With the loss of hydraulic capacity and control through the station, and to reduce the operational and environmental risks, the applicant drew down the Spier Falls impoundment (to the spillway crest elevation of 428.8 feet, or six feet below the lower impoundment limit) beginning on October 9, 2024 after it consulted with the New York State Department of Environmental Conservation (New York DEC) and, as per New York DEC's recommendation, the applicant lowered the impoundment at a target rate of no faster than 1-foot per hour to decrease turbidity

downstream, prevent erosion, and maximize the ability for aquatic organisms to relocate on their own. All flows are being passed through the gate openings and the applicant is effectively operating from the crest of the principal spillway until flows can be managed through the powerhouse again, thereby reducing operational and environmental risk. On June 10, 2025, the applicant filed documentation of extensive consultation with the resources agencies and a review of the potential effects on project resources resulting from the drawdown. The applicant also provided a schedule and anticipates that powerhouse reconstruction will take more than a year to complete. Currently, the applicant anticipates refilling the impoundment by October 2025. Therefore, the applicant requires a temporary variance to remain into effect until October 30, 2025.

m. *Locations of the Application*: This filing may be viewed on the Commission's website at <http://www.ferc.gov> using the "eLibrary" link. Enter the docket number excluding the last three digits in the docket number field to access the document. You may also register online at <http://www.ferc.gov/docs-filing/esubscription.asp> to be notified via email of new filings and issuances related to this or other pending projects. For assistance, call 1-866-208-3676 or email FERCOnlineSupport@ferc.gov, for TTY, call (202) 502-8659. Agencies may obtain copies of the application directly from the applicant.

n. Individuals desiring to be included on the Commission's mailing list should so indicate by writing to the Secretary of the Commission.

o. *Comments, Motions to Intervene, or Protests*: Anyone may submit comments, a protest, or a motion to intervene in accordance with the requirements of Rules of Practice and Procedure, 18 CFR 385.210, .211, .214, respectively. In determining the appropriate action to take, the Commission will consider all protests or other comments filed, but only those who file a motion to intervene in accordance with the Commission's Rules may become a party to the proceeding. Any comments, protests, or motions to intervene must be received on or before the specified comment date for the particular application.

p. *Filing and Service of Responsive Documents*: Any filing must (1) bear in all capital letters the title "COMMENTS", "PROTEST", or "MOTION TO INTERVENE" as applicable; (2) set forth in the heading the name of the applicant and the project number of the application to

which the filing responds; (3) furnish the name, address, and telephone number of the person commenting, protesting or intervening; and (4) otherwise comply with the requirements of 18 CFR 385.2001 through 385.2005. All comments, motions to intervene, or protests must set forth their evidentiary basis. Any filing made by an intervenor must be accompanied by proof of service on all persons listed in the service list prepared by the Commission in this proceeding, in accordance with 18 CFR 385.2010.

q. 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 29, 2025.

Carlos D. Clay,
Deputy Secretary.

[FR Doc. 2025-14612 Filed 7-31-25; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. RM98-1-000]

Records Governing Off-the-Record Communications; Public Notice

This constitutes notice, in accordance with 18 CFR 385.2201(b), of the receipt of prohibited and exempt off-the-record communications.

Order No. 607 (64 FR 51222, September 22, 1999) requires Commission decisional employees, who make or receive a prohibited or exempt off-the-record communication relevant to the merits of a contested proceeding, to deliver to the Secretary of the Commission, a copy of the communication, if written, or a summary of the substance of any oral communication.

Prohibited communications are included in a public, non-decisional file associated with, but not a part of, the decisional record of the proceeding. Unless the Commission determines that the prohibited communication and any responses thereto should become a part of the decisional record, the prohibited off-the-record communication will not

be considered by the Commission in reaching its decision. Parties to a proceeding may seek the opportunity to respond to any facts or contentions made in a prohibited off-the-record communication and may request that the Commission place the prohibited communication and responses thereto in the decisional record. The Commission will grant such a request only when it determines that fairness so requires. Any person identified below as having made a prohibited off-the-record

communication shall serve the document on all parties listed on the official service list for the applicable proceeding in accordance with Rule 2010, 18 CFR 385.2010.

Exempt off-the-record communications are included in the decisional record of the proceeding, unless the communication was with a cooperating agency as described by 40 CFR 1501.6, made under 18 CFR 385.2201(e)(1)(v).

The following is a list of off-the-record communications recently received by the Secretary of the Commission. Each 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. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov or toll free at (866) 208-3676, or for TTY, contact (202) 502-8659.

Docket Nos.	File date	Presenter or requester
Prohibited:		
1. P-553-000	7/28/25	FERC Staff. ¹
2. CP17-458-000, CP17-19-000	7/28/25	FERC Staff. ²
3. CP17-458-000, CP17-19-000	7/28/25	FERC Staff. ³
4. CP17-458-000, CP17-19-000	7/28/25	FERC Staff. ⁴
Exempt:		
1. EL25-76-000	7/24/25	New Jersey Senator Addison Hinrichs.

¹ Emailed comments dated 7/28/25 from Jason Vander Kooy of Skagit County Diking District #1.

² Emailed comments dated 7/22/25 from Robert Squires of Central Land Consulting, LLC.

³ Emailed comments dated 7/23/25 from Robert Squires of Central Land Consulting, LLC.

⁴ Emailed comments dated 7/21/25 from Robert Squires and Nate Laps of Central Land Consulting, LLC.

Dated: July 29, 2025.

Carlos D. Clay,

Deputy Secretary.

[FR Doc. 2025-14615 Filed 7-31-25; 8:45 am]

BILLING CODE 6717-01-P

ENVIRONMENTAL PROTECTION AGENCY

[FRL OP-OFA-189]

Environmental Impact Statements; Notice of Availability

Responsible Agency: Office of Federal Activities, General Information 202-564-5632 or <https://www.epa.gov/nepa>. Weekly receipt of Environmental Impact Statements (EIS) Filed July 21, 2025 10 a.m. EST Through July 28, 2025 10 a.m. EST Pursuant to CEQ Guidance on 42 U.S.C. 4332.

Notice: Section 309(a) of the Clean Air Act requires that EPA make public its comments on EISs issued by other Federal agencies. EPA's comment letters on EISs are available at: <https://cdxapps.epa.gov/cdx-enepa-II/public/action/eis/search>.

EIS No. 20250101, Draft, USFS, WA, Spirit Lake Outflow Safety Improvement Project, Comment Period Ends: 10/30/2025, Contact: Kelsey Jolley 360-891-5021.

EIS No. 20250102, Final, USA, AZ, Yuma Proving Ground Highway 95 Land Withdrawal Legislative Environmental Impact Statement, Review Period Ends: 09/12/2025,

Contact: Daniel Steward 928-328-2125.

Dated: July 28, 2025.

Nancy Abrams,

Associate Director, Office of Federal Activities.

[FR Doc. 2025-14598 Filed 7-31-25; 8:45 am]

BILLING CODE 6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

[EPA-HQ-OAR-2003-0033; FRL-12646-01-OAR]

Proposed Information Collection Request; Comment Request; Information Collection Activities Associated With EPA's Energy Star® Product Labeling (Renewal)

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: The Environmental Protection Agency (EPA) is planning to submit an information collection request (ICR), "EPA's Energy Star Product Labeling" (EPA ICR Number 2078.09, OMB Control Number 2060-0528) to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act. Before doing so, EPA is soliciting public comments on specific aspects of the proposed information collection as described below. This is a proposed extension of the ICR, which is currently approved through November

30, 2025. This notice allows for 60 days for public comments.

DATES: Comments must be submitted on or before September 30, 2025.

ADDRESSES: Submit your comments, referencing Docket ID Number EPA-HQ-OAR-2025-0086; FRL-12646-01-OAR, to EPA online using www.regulations.gov (our preferred method), or by mail to: EPA Docket Center, Environmental Protection Agency, Mail Code 28221T, 1200 Pennsylvania Ave. NW, Washington, DC 20460. EPA's policy is that all comments received will be included in the public docket without change including any personal information provided, unless the comment includes profanity, threats, information claimed to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute.

FOR FURTHER INFORMATION CONTACT:

James Kwon, Climate Protection Partnerships Division, Office of Air and Radiation, Mailcode 6202A, Environmental Protection Agency, 1200 Pennsylvania Ave. NW, Washington, DC 20460; telephone number: 202-564-8538; fax number: 202-343-2200; email address: kwon.james@epa.gov.

SUPPLEMENTARY INFORMATION: This is a proposed extension of the ICR, which is currently approved through November 30, 2025. 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.

This notice allows 60 days for public comments. Supporting documents, which explain in detail the information that the EPA will be collecting, are available in the public docket for this ICR. The docket can be viewed online at www.regulations.gov or in person at the EPA Docket Center, WJC West, Room 3334, 1301 Constitution Ave. NW, Washington, DC. The telephone number for the Docket Center is 202-566-1744. For additional information about EPA's public docket, visit <http://www.epa.gov/dockets>.

Pursuant to section 3506(c)(2)(A) of the PRA, EPA is soliciting comments and information to enable it to: (i) 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; (ii) 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; (iii) enhance the quality, utility, and clarity of the information to be collected; and (iv) minimize the burden of the collection of information on those who are to respond, including through the use of appropriate forms of information technology. EPA will consider the comments received and amend the ICR as appropriate. The final ICR package will then be submitted to OMB for review and approval. At that time, EPA will issue another **Federal Register** notice to announce the submission of the ICR to OMB and the opportunity to submit additional comments to OMB.

Abstract: ENERGY STAR is a voluntary program developed in collaboration with industry to create a self-sustaining market for energy efficient products. The ENERGY STAR label is a registered certification label that helps consumers identify products that meet ENERGY STAR energy performance criteria. In order to protect the integrity of the label and enhance its effectiveness in the marketplace, EPA must ensure that products carrying the label meet appropriate program requirements.

Program participants submit signed Partnership Agreements indicating that they will adhere to logo-use guidelines and program requirements. Retail partners commit to selling, marketing, and promoting ENERGY STAR certified products. Product brand owner partners, who are usually the manufacturer of the products, commit to having participating products certified to meet specified energy performance criteria based on a standard test method and

EPA's third-party certification requirements. These requirements for ENERGY STAR product certification also include provisions for verifying the performance of certified products through verification testing. The program's emphasis on testing and third-party product review ensures that consumers can trust ENERGY STAR certified products to deliver the energy savings promised by the label. In rare circumstances where product brand licensee's wish to partner with EPA, the Agency establishes the appropriate contacts and relationships for the brand owner and licensee through a joint brand owner and licensee template that both parties are required to sign.

EPA sets criteria for ENERGY STAR products and facilitates the sale of certified products by providing consumers with information about the products. To set criteria for efficient products, EPA analyzes data on the performance of products in select categories and in some cases needs to request additional information on performance where data is not already available. Based on guiding principles and using established processes, EPA works with stakeholders to set criteria based on this data. Once criteria are set and products are certified, EPA obtains data on certified products in order to make that information available to consumers. Product information is obtained by Certification Bodies who certify performance and shared with EPA using XML-based web services that validate and save the information in EPA's database. With the automated process of obtaining certified product data, certified model data is automatically updated daily on the ENERGY STAR website.

To ensure that products are certified properly, the certification process also includes requirements for Certification Bodies to report to EPA products that were reviewed, but not eligible for certification. To ensure continued product performance after initial certification, EPA requires Certification Bodies to conduct post-market verification testing of a sampling of ENERGY STAR certified products. Certification Bodies are required to share information with EPA on products subjected to this post-market testing twice a year and to immediately report any certified products that no longer meet the program requirements. This process allows EPA to monitor the ongoing performance of products and maintain program integrity.

In order to monitor progress and support the best allocation of resources, EPA also asks brand owner partners to submit annual shipment data for their

ENERGY STAR certified products. EPA is flexible as to the methods by which partners may submit unit shipment data. For example, many partners are given the option of arranging for shipment data to be sent to EPA via a third party to ensure confidentiality. In using any shipment data received directly from a partner, EPA only shares aggregate information from multiple partners so as to protect confidentiality. Finally, any ENERGY STAR recognition may ask Partners to submit applications if they wish to participate.

Instrument/Form Numbers: 5900-163, 5900-164, 5900-165, 5900-166, 5900-168, 5900-207, 5900-208, 5900-216, 5900-217, 5900-218, 5900-224, 5900-227, 5900-228, 5900-230, 5900-234, 5900-251, 5900-252, 5900-253, 5900-254, 5900-255, 5900-28, 5900-33, 5900-34, 5900-348, 5900-35, 5900-35, 5900-350, 5900-351, 5900-36, 5900-37, 5900-38, 5900-388, 5900-39, 5900-41, 5900-415, 5900-416, 5900-417, 5900-42, 5900-43, 5900-438, 5900-439, 5900-44, 5900-440, 5900-47, 5900-48, 5900-49, 5900-50, 5900-501, 5900-51, 5900-53, 5900-54, 5900-55, 5900-56, 5900-57, 5900-58, 5900-483, 5900-719, 5900-720, 5900-671, 5900-670, 5900-719, 5900-720, 5900-671, 5900-671.

Respondents/affected entities: Respondents for this information collection request include Partners in ENERGY STAR.

Respondent's obligation to respond: voluntary.

Estimated number of respondents: 2,732 (total).

Frequency of response: Initially/one-time, on occasion, semi-annually, and annually.

Total estimated burden: 40,391 hours (per year). Burden is defined at 5 CFR 1320.03(b).

Total estimated cost: \$2,546,557 (per year), which includes \$0 annualized capital or operation & maintenance costs.

Changes in the Estimates: The burden estimates presented in this notice are from the last approval. EPA is currently evaluating and updating these estimates as part of the ICR renewal process. EPA will discuss its updated estimates, as well as changes from the last approval, in the next **Federal Register** notice to be issued for this renewal.

Suzanne Kocchi,

Associate Director, Office of Atmospheric Protection, Office of Air and Radiation.

[FR Doc. 2025-14536 Filed 7-31-25; 8:45 am]

BILLING CODE 6560-50-P

FARM CREDIT ADMINISTRATION**Sunshine Act Meetings**

TIME AND DATE: 10 a.m., Thursday, August 14, 2025.

PLACE: You may observe this meeting in person at 1501 Farm Credit Drive, McLean, Virginia 22102-5090, or virtually. If you would like to observe, at least 24 hours in advance, visit FCA.gov, select "Newsroom," then select "Events." From there, access the linked "Instructions for board meeting visitors" and complete the described registration process.

STATUS: This meeting will be open to the public.

MATTERS TO BE CONSIDERED: The following matters will be considered:

- Approval of July 10, 2025, Minutes
- Annual Report on the Farm Credit System's Young, Beginning, and Small Farmers and Ranchers Mission Performance
- Report on Startup Costs for New Farmers and Ranchers

CONTACT PERSON FOR MORE INFORMATION:

If you need more information or assistance for accessibility reasons, or have questions, contact Ashley Waldron, Secretary to the Board. Telephone: 703-883-4009. TTY: 703-883-4056.

Ashley Waldron,

Secretary to the Board.

[FR Doc. 2025-14656 Filed 7-30-25; 4:15 pm]

BILLING CODE 6705-01-P

FEDERAL MARITIME COMMISSION

[Docket No. 25-14]

Way2Go Cargo Corp., Complainant v. Oak Way Cargo, LLC, Respondent.; Notice of Filing of Complaint and Assignment

Notice is given that a complaint has been filed with the Federal Maritime Commission (the "Commission" or "FMC") by Way2Go Cargo Corp. (the "Complainant") against Oak Way Cargo, LLC (the "Respondent"). Complainant states that the Commission has jurisdiction over the complaint pursuant to the Shipping Act of 1984, as amended, 46 U.S.C. 40301, *et seq.*

Complainant is a corporation organized under the laws of the state of Florida with its principal place of business in West Palm Beach, Florida.

Complainant identifies Respondent as a limited liability company organized under the laws of the state of Florida with its principal place of business located in Miami, Florida.

Complainant alleges that Respondent violated 46 U.S.C. 40901(a).

Complainant alleges these violations arose from Respondent's unauthorized use of Complainant's FMC-issued license and regulatory credentials, diversion of Complainant's revenue into accounts inaccessible to Complainant, and other acts or omissions by Respondent.

An answer to the complaint must be filed with the Commission within 25 days after the date of service.

The full text of the complaint can be found in the Commission's electronic Reading Room at <https://www2.fmc.gov/readingroom/proceeding/25-14/>. This proceeding has been assigned to the Office of Administrative Law Judges. The initial decision of the presiding judge shall be issued by July 29, 2026, and the final decision of the Commission shall be issued by February 12, 2027.

(Authority: 46 U.S.C. 41301; 46 CFR 502.61(c))

Served: July 29, 2025.

Jennifer Everling,

Assistant Secretary.

[FR Doc. 2025-14602 Filed 7-31-25; 8:45 am]

BILLING CODE 6730-02-P

FEDERAL RESERVE SYSTEM**Change in Bank Control Notices; Acquisitions of Shares of a Bank or Bank Holding Company**

The notificants listed below have applied under the Change in Bank Control Act (Act) (12 U.S.C. 1817(j)) and § 225.41 of the Board's Regulation Y (12 CFR 225.41) to acquire shares of a bank or bank holding company. The factors that are considered in acting on the applications are set forth in paragraph 7 of the Act (12 U.S.C. 1817(j)(7)).

The public portions of the applications listed below, as well as other related filings required by the Board, if any, are available for immediate inspection at the Federal Reserve Bank(s) indicated below and at the offices of the Board of Governors. This information may also be obtained on an expedited basis, upon request, by contacting the appropriate Federal Reserve Bank and from the Board's Freedom of Information Office at <https://www.federalreserve.gov/foia/request.htm>. Interested persons may express their views in writing on the standards enumerated in paragraph 7 of the Act.

Comments received are subject to public disclosure. In general, comments received will be made available without

change and will not be modified to remove personal or business information including confidential, contact, or other identifying information. Comments should not include any information such as confidential information that would not be appropriate for public disclosure.

Comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors, Ann E. Misback, Secretary of the Board, 20th Street and Constitution Avenue NW, Washington, DC 20551-0001, not later than August 18, 2025.

A. Federal Reserve Bank of Chicago (Colette A. Fried, Assistant Vice President) 230 South LaSalle Street, Chicago, Illinois 60690-1414.

Comments can also be sent electronically to

Comments.applications@chi.frb.org:

1. *Donald D. Arendt Qualified Terminable Interest Property Marital Trust I, Des Moines, Iowa; Donna Arendt, as trustee, Oskaloosa, Iowa; to acquire voting shares of Gilman Investment Co., Oskaloosa, Iowa, and thereby indirectly acquire voting shares of Citizens Savings Bank, Marshalltown, Iowa.*

Board of Governors of the Federal Reserve System.

Erin Cayce,

Assistant Secretary of the Board.

[FR Doc. 2025-14637 Filed 7-31-25; 8:45 am]

BILLING CODE P

FEDERAL TRADE COMMISSION**Sunshine Act Meeting Notice**

AGENCY: Federal Trade Commission.

ACTION: Announcement of meeting.

SUMMARY: Please take notice that the Federal Trade Commission ("Commission") has scheduled a meeting, which will be closed to the public, for the consideration of a law enforcement matter.

DATES: This closed Commission meeting will occur on Tuesday, August 5, 2025, starting at 10:30 a.m. eastern time.

ADDRESSES: Federal Trade Commission Building, 600 Pennsylvania Avenue NW, Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: April J. Tabor, Secretary of the Commission (phone: 202-326-3310), Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580.

SUPPLEMENTARY INFORMATION: The Commission will be meeting in closed session to consider a non-adjudicative

law enforcement matter. It has not scheduled any adjudicative items for discussion at this meeting.

Record of Commission's Vote

On July 29, 2025, Commissioners Ferguson, Holyoak, and Meador were recorded as voting in the affirmative to close this meeting for a non-adjudicative matter. By these votes, the Commission approved withholding from this meeting notice such information as is exempt from disclosure under 5 U.S.C. 552b(c).

Commission's Explanation of Closing

The Commission has determined that the meeting will be closed to the public pursuant to 5 U.S.C. 552b(c)(3), (4), (7)(A), and (10), and 552b(d)(4) and that the public interest does not require the meeting to be open to the public.

General Counsel Certification

The General Counsel has certified that the meeting may properly be closed for the above agenda matter, citing the following relevant exemptive provisions: 5 U.S.C. 552b(c)(3), (4), (7)(A), and (10).

Expected Attendees

Commission employees and consultants and the stenographer or court reporter preparing any necessary verbatim transcript may attend the closed meeting to the extent permitted under Rule 4.15(c)(1) of the Commission's Rules of Practice.

By direction of the Commission.

Joel Christie,

Acting Secretary.

[FR Doc. 2025–14648 Filed 7–30–25; 4:15 pm]

BILLING CODE 6750–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[Document Identifier: CMS–10846]

Agency Information Collection Activities: Submission for OMB Review; Comment Request; Correction

AGENCY: Centers for Medicare & Medicaid Services (CMS), HHS.

ACTION: Notice, correction.

SUMMARY: On June 20, 2025, CMS published a notice in the **Federal Register** that sought comment on a collection of information concerning CMS–10846 (OMB control number 0938–1451) entitled “Medicare Part D Manufacturer Discount Program.” The point of contact information is

incorrectly listed in the last sentence within the last paragraph of the notice. This document corrects the error.

FOR FURTHER INFORMATION CONTACT: William N. Parham, III, (410) 786–4669.

SUPPLEMENTARY INFORMATION:

I. Background

In the June 20, 2025, issue of the **Federal Register** (90 FR 26301), we published a Paperwork Reduction Act notice requesting a 60-day public comment period for the information collection request identified under CMS–10846, OMB control number 0938–1451, and titled “Medicare Part D Manufacturer Discount Program.”

II. Explanation of Error

In the June 20, 2025 (90 FR 26301) notice, the point of contact information is incorrect. The incorrect language is located at the bottom of the left column on page 26302, “contact Maricruz Bonfante at (410–786–5086)” All of the other information contained in the June 20, 2025, notice is correct and remains unchanged. The related public comment period remains in effect and ends August 19, 2025.

III. Correction of Error

In FR Doc. 2025–11324 of June 20, 2025 (90 FR 26301), page 26302, the language at the bottom of the left column “[contact Maricruz Bonfante at (410–786–5086)]”, is corrected to read as follows: (contact Beckie Peyton at (410) 786–1572 or beckie.peyton@cms.hhs.gov.)

William N. Parham, III,

Director, Division of Information Collections and Regulatory Impacts, Office of Strategic Operations and Regulatory Affairs.

[FR Doc. 2025–14525 Filed 7–31–25; 8:45 am]

BILLING CODE 4120–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[Document Identifier: CMS–10680]

Agency Information Collection Activities: Proposed Collection; Comment Request

AGENCY: Centers for Medicare & Medicaid Services, Health and Human Services (HHS).

ACTION: Notice.

SUMMARY: The Centers for Medicare & Medicaid Services (CMS) is announcing an opportunity for the public to comment on CMS' intention to collect

information from the public. Under the Paperwork Reduction Act of 1995 (PRA), federal agencies are required to publish notice in the **Federal Register** concerning each proposed collection of information (including each proposed extension or reinstatement of an existing collection of information) and to allow 60 days for public comment on the proposed action. Interested persons are invited to send comments regarding our burden estimates or any other aspect of this collection of information, including the necessity and utility of the proposed information collection for the proper performance of the agency's functions, the accuracy of the estimated burden, ways to enhance the quality, utility, and clarity of the information to be collected, and the use of automated collection techniques or other forms of information technology to minimize the information collection burden.

DATES: Comments must be received by September 30, 2025.

ADDRESSES: When commenting, please reference the document identifier or OMB control number. To be assured consideration, comments and recommendations must be submitted in any one of the following ways:

1. *Electronically.* You may send your comments electronically to <http://www.regulations.gov>. Follow the instructions for “Comment or Submission” or “More Search Options” to find the information collection document(s) that are accepting comments.

2. *By regular mail.* You may mail written comments to the following address: CMS, Office of Strategic Operations and Regulatory Affairs, Division of Regulations Development, Attention: Document Identifier/OMB Control Number: Room C4–26–05, 7500 Security Boulevard, Baltimore, Maryland 21244–1850.

To obtain copies of a supporting statement and any related forms for the proposed collection(s) summarized in this notice, please access the CMS PRA website by copying and pasting the following web address into your web browser: <https://www.cms.gov/Regulations-and-Guidance/Legislation/PaperworkReductionActof1995/PRA-Listing>

FOR FURTHER INFORMATION CONTACT: William N. Parham at (410) 786–4669.

SUPPLEMENTARY INFORMATION:

Contents

This notice sets out a summary of the use and burden associated with the following information collections. More detailed information can be found in each collection's supporting statement

and associated materials (see **ADDRESSES**).

CMS–10680—Electronic Visit Verification Compliance Survey

Under the PRA (44 U.S.C. 3501–3520), federal agencies must obtain approval from the Office of Management and Budget (OMB) for each collection of information they conduct or sponsor. The term “collection of information” is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3(c) and includes agency requests or requirements that members of the public submit reports, keep records, or provide information to a third party. Section 3506(c)(2)(A) of the PRA requires federal agencies to publish a 60-day notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension or reinstatement of an existing collection of information, before submitting the collection to OMB for approval. To comply with this requirement, CMS is publishing this notice.

Information Collections

1. *Title of Information Collection:* Electronic Visit Verification Compliance Survey; *Type of Information Collection Request:* Extension without change of a currently approved collection; *Use:* The web-based survey will allow states to self-report their progress in implementing electronic visit verification (EVV) for personal care services (PCS) and home health care services (HHCS), as required by section 1903(l) of the Social Security Act. CMS will use the survey data to assess states’ compliance with section 1903(l) of the Act and levy Federal Medical Assistance Percentage (FMAP) reductions where necessary as required by 1903(l) of the Act.

The survey will be disseminated to all 51 state Medicaid agencies (including the District of Columbia) and the Medicaid agencies of five US territories. States will be required to complete the survey in order to demonstrate that they are compliant with Section 1903(l) of the Act by reporting on their EVV implementation status for PCS provided under sections 1905(a)(24), 1915(c), 1915(i), 1915(j), 1915(k), and Section 1115 of the Act; and HHCS provided under 1905(a)(7) of the Act or under a demonstration project or waiver (e.g., 1915(c) or 1115 of the Act).

The survey will be a live form, meaning states will have the ability to update their 1903(l) compliance status on a continuous basis. As FMAP reductions are assigned quarterly per 1903(l) of the Act, states who are not in compliance will be asked to review their

survey information on a quarterly basis to ensure it is up-to-date and to update their survey responses as needed until they come into compliance. *Form Number:* CMS–10680 (OMB control number: 0938–1360); *Frequency:* On occasion; *Affected Public:* State, Local, or Tribal Governments; *Number of Respondents:* 56; *Number of Responses:* 336; *Total Annual Hours:* 504. (For questions regarding this collection contact Ryan Shannahan at 410–786–0295.)

William N. Parham, III,

Director, Division of Information Collections and Regulatory Impacts, Office of Strategic Operations and Regulatory Affairs.

[FR Doc. 2025–14524 Filed 7–31–25; 8:45 am]

BILLING CODE 4120–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

340B Program Notice: Application Process for the 340B Rebate Model Pilot Program

AGENCY: Health Resources and Services Administration (HRSA), Department of Health and Human Services (HHS).

ACTION: Announcement of Application Process for the 340B Rebate Model Pilot Program and Request for Public Comment.

SUMMARY: The U.S. Department of Health and Human Services (HHS) Health Resources and Service Administration (HRSA), Office of Pharmacy Affairs (OPA), which administers the 340B Drug Pricing Program (340B Program), is issuing this Notice to announce the availability of a 340B Rebate Model Pilot Program as a voluntary mechanism for qualifying drug manufacturers to effectuate the 340B ceiling price on select drugs to all covered entities, and to collect comments on the structure and application process of the 340B Rebate Model Pilot Program, as outlined in this Notice. OPA will consider comments received but is under no obligation to respond to or act on the comments. This Notice is effective immediately as published, unless revised by a future notice. OPA reserves the right to issue revisions or addenda to this Notice at a later date (including, but not limited to, revisions or addenda informed by public comment).

DATES: Submit comments no later than September 2, 2025.

ADDRESSES: Electronic comments should be submitted *Federal*

eRulemaking Portal: <https://www.regulations.gov>. Follow the instructions on the website for submitting comments. Include the HHS Docket No. HRSA–2025–_____ in your comments. All comments received will be posted without change to <https://www.regulations.gov>. Please do not include any personally identifiable or confidential business information you do not want publicly disclosed.

FOR FURTHER INFORMATION CONTACT:

Chantelle Britton, Director, Office of Pharmacy Affairs, HRSA, 5600 Fishers Lane, Mail Stop 14W52, Rockville, MD 20857; email: 340Bpricing@hrsa.gov; telephone 301–594–4353.

SUPPLEMENTARY INFORMATION: OPA has received inquiries from manufacturers related to different proposed rebate models for the 340B Program, primarily to address 340B and Maximum Fair Price (MFP) deduplication,¹ but also to facilitate other aims such as the prevention of 340B Medicaid duplicate discounts and diversion.

A “rebate” for purposes of this pilot program, means a reimbursement made from the manufacturer to the covered entity in the amount of the standard acquisition cost (i.e., wholesale acquisition cost) of a covered outpatient drug less the statutory 340B ceiling price as defined at section 340B(a)(1) of the Public Health Service Act (PHSA).

Whereas the 340B Program has traditionally operated as an upfront discount program (i.e., a covered entity purchases a covered outpatient drug at the discounted 340B price), under a rebate model, a covered entity would pay for the drug at a higher price upfront and then later receive a post-purchase rebate that reflects the difference between the higher initial price and the 340B price. Section 340B(a)(1) of the PHSA states, “[t]he Secretary shall enter into an agreement with each manufacturer of covered

¹ As stated in Medicare Drug Price Negotiation Program: Revised Guidance, Implementation of Sections 1191–1198 of the Social Security Act for Initial Price Applicability Year 2026, “in accordance with section 1193(d)(1) of the Social Security Act, the Primary Manufacturer of a selected drug is not required to provide access to the Maximum Fair Price (MFP) for a selected drug to MFP-eligible individuals who are eligible to be furnished, administered, or dispensed such selected drug at a covered entity described in section 340B(a)(4) of the (Public Health Service (PHS)) Act if the selected drug is subject to an agreement described in section 340B(a)(1) of the PHSA and the 340B ceiling price (defined in section 340B(a)(1) of the PHS Act is lower than the MFP for such selected drug. Under section 1193(d)(2) of the Social Security Act, the Primary Manufacturer is required to provide access to the MFP to 340B covered entities in a deduplicated amount to the 340B ceiling price if the MFP for the selected drug is lower than the 340B ceiling price for the selected drug.”

outpatient drugs under which the amount required to be paid (taking into account any rebate or discount, as provided by the Secretary) to the manufacturer for covered outpatient drugs . . . purchased by a covered entity . . . does not exceed [designated prices].” As the Department has previously informed stakeholders, implementing a rebate model without Secretarial approval would violate section 340B(a)(1) of the PHSA.

Due to the significant amount of feedback received from (or on behalf of) manufacturers and covered entities regarding implementation of rebate models, and in light of the fact that rebate models could fundamentally shift how the 340B Program has operated for over 30 years, OPA is inviting certain drug manufacturers, that meet the criteria described below, to apply for participation in a voluntary 340B Rebate Model Pilot Program for a minimum of 1 year. OPA is introducing this pilot program to test the rebate model on a select group of drugs (as described below) in a methodical and thoughtful approach to ensure a fair and transparent 340B rebate model process for all stakeholders involved. OPA is also implementing this pilot to better understand the merits and shortcomings of the rebate model from stakeholders’ perspectives, and to inform OPA consideration of any future 340B rebate models consistent with the 340B statute and the Administration’s goals.

The scope of this voluntary 340B Rebate Model Pilot Program will be limited to the NDC–11s included on the CMS Medicare Drug Price Negotiation Selected Drug List,² regardless of payer.

The first call to submit plans for OPA review is for the manufacturers with Medicare Drug Price Negotiation Program (MDPNP) Agreements with CMS for initial price applicability year 2026.³ Manufacturer plans for participation in the 340B Rebate Model Pilot Program should be submitted to 340BPricing@hhsa.gov no later than September 15, 2025. Approvals will be made by October 15, 2025, for a January 1, 2026, effective date. Manufacturers may not implement plans without first receiving approval in accordance with section 340B(a)(1) of the PHSA. OPA may announce a call for plans from

manufacturers with MDPNP Agreements for other applicability years, at a later time.

After assessment of the pilot, which will include OPA’s evaluation of data and reports received from the participating manufacturers on the effectiveness of the model and covered entity and other stakeholder feedback, OPA may consider expanding the rebate pilot to other drugs purchased under the 340B Program. Additional information about manufacturer reporting and stakeholder feedback opportunities will be provided in the future.

Manufacturer plans for the 340B Rebate Model Pilot Program should include the criteria outlined below. Manufacturer plans that exceed or go beyond these criteria should include detailed justification and will be subject to additional review by OPA prior to implementation. OPA will review submitted plans and notify manufacturers if they are approved to participate in the 340B Rebate Model Pilot Program. Submitted plans should not exceed 1,000 words and should address all of the criteria below. OPA reserves the right to revoke approval of a manufacturer plan at any time if a manufacturer is not in compliance with the criteria outlined in the “Rebate Model Pilot Program Criteria” below.

OPA is seeking public comment on all aspects of this Notice and the 340B Rebate Model Pilot Program. Specifically, commenters are encouraged to include supporting data and sources underpinning any factual claims. Commenters should also consider the following questions when providing comment on this Notice and the Pilot Program:

- Are there any additional flexibilities to maximize efficiency and efficacy for participating manufacturers that should be considered in the pilot design?
- Are there any additional safeguards to mitigate adverse, unintended impacts for covered entities that should be considered in the pilot design?
- Are there any additional data or reporting elements that should be required to improve implementation and evaluation of the pilot?
- Are there any potential implementation issues not yet sufficiently accounted for in the pilot design (e.g., logistical or administrative burdens)?

Rebate Model Pilot Program Criteria

General Requirements

1. Plan should include assurances that all costs for data submission through an Information Technology (IT) platform be

borne by the manufacturer and no additional administrative costs of running the rebate model shall be passed onto the covered entities.

2. Plan should allow for 60 calendar days’ notice to covered entities and other impacted stakeholders before implementation of a rebate model, with instructions for registering for any IT platforms.

3. Plan should allow for covered entities to order the selected drugs under existing distribution mechanisms (e.g., 340B wholesaler accounts with pre-rebate prices loaded) to ensure purchases flow through existing infrastructure.

4. Plan should provide a technical assistance/customer service component and ensure that opportunities to engage with the manufacturer in good faith regarding questions or concerns are made available to covered entities through both the IT platform and a point of contact at the manufacturer.

5. Plan should ensure that the IT platform has assurances in place to ensure that the data is secure and protected and collection of the data is limited to the elements listed below that are necessary for providing 340B rebates pursuant to section 340B(a)(1) of the PHSA.

6. Plan should ensure that the IT platform has mechanisms in place to protect patient identifying information, which is required to be maintained in a manner consistent with the Health Insurance Portability and Accountability Act of 1996 and any other applicable privacy and data security laws.

Reporting Requirements

7. Plan should ensure that covered entities are allowed to submit and report data (as detailed below) for up to 45 calendar days from date of dispense, with allowances for extenuating circumstances and other exceptions, including adjustments when a 340B status change occurs on a claim.

8. Plan should ensure that the IT platform will have the capacity to receive data that will filter and use only the data required to effectuate the rebate (e.g., if drugs other than selected drugs under the MDPNP are submitted, the platform will be able to identify and discard unneeded data).

9. Plan should ensure that the IT platform will have the capability to provide real-time reconciliation reports for covered entities to be informed of the rebate status of submitted claims.

10. A manufacturer should agree to provide OPA with periodic reports consistent with the information outlined in this Notice, in a format and manner

² Medicare Drug Price Negotiation Selected Drug List, available at <https://www.cms.gov/files/zip/medicare-drug-price-negotiation-selected-drug-list.zip>.

³ The Fact Sheet for Negotiated Prices for Applicability Year 2026 includes the list of Primary Manufacturers with selected drugs, available at <https://www.cms.gov/files/document/fact-sheet-negotiated-prices-initial-price-applicability-year-2026.pdf>.

specified by OPA (instructions forthcoming). Such reports should detail data on purchases provided through rebates, information related to claim delays and denials, and other information that may evaluate the effectiveness of the rebate model.

Rebates

11. Plan should specify if rebates are paid at the package level, or at the unit level.

12. Plan should ensure that all rebates are paid to the covered entity (or denied, with documentation in support) within 10 calendar days of data submission.

13. Plan should ensure that 340B rebates are not denied based on compliance concerns with diversion or Medicaid duplicate discounts, pursuant to sections 340B(a)(5)(A) and (B) of the Public Health Service Act and should provide for rationale and specific documentation for reasons claims are denied (*e.g.*, deduplication for MFP or 340B rebate provided to another covered entity on the same claim). If a manufacturer has concerns regarding diversion or Medicaid duplicate discounts, the manufacturer should raise those concerns directly with OPA or utilize the 340B statutory mechanisms, such as audits and administrative dispute resolution (ADR), for addressing such issues. Covered entities are also afforded opportunities to raise concerns with OPA if there are issues with rebate delays and denials, or any other administrative or logistical issues emerging through implementation of the rebate model.

14. Plan should ensure that 340B rebates are only paid on sales of drugs selected under the MDPNP, regardless of payer.

Data

15. All data requested as part of the Plan should be limited to only the following readily available pharmacy claim fields:

- a. Date of Service
- b. Date Prescribed
- c. RX number
- d. Fill Number
- e. 11 Digit National Drug Code (NDC)
- f. Quantity Dispensed
- g. Prescriber ID
- h. Service Provider ID
- i. 340B ID
- j. Rx Bank Identification Number (BIN)
- k. Rx Processor Control Number (PCN)

Thomas J. Engels,
Administrator.

[FR Doc. 2025–14619 Filed 7–31–25; 8:45 am]

BILLING CODE P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Substance Abuse and Mental Health Services Administration

Agency Information Collection Activities: Submission for OMB Review; Comment Request

Periodically, the Substance Abuse and Mental Health Services Administration (SAMHSA) will publish a summary of information collection requests under OMB review, in compliance with the Paperwork Reduction Act (44 U.S.C. Chapter 35). To request a copy of these documents, call the SAMHSA Reports Clearance Officer on (240) 276–0361.

Proposed Project: 988 Suicide and Crisis Lifeline and Crisis Services Program Evaluation—New Package

The Substance Abuse and Mental Health Services Administration (SAMHSA) 988 & Behavioral Health Crisis Coordinating Office (BHCCO) is requesting clearance for the new data collection associated with the evaluation of the SAMHSA 988 Suicide and Crisis Lifeline and Crisis Services Program Evaluation (988 Suicide and Crisis Lifeline Evaluation). The collection of this information is critical to successfully oversee the operational response and quality of service through the 988 Suicide and Crisis Lifeline to ensure connections to care for individuals in suicidal crisis or emotional distress contacting in for 988 phone, chat, and text support for connecting local, state/territory, and national outcomes and monitoring contractual obligations for current and future 988 grant programs.

In 2020, Congress designated the three-digit number 9–8–8 for the Suicide and Crisis Lifeline, and the Suicide and Crisis Lifeline transitioned to the 3-digit number in July 2022. As a part of the federal government's commitment to addressing the mental health and opioid crises in America, unprecedented federal resources have been invested to expand crisis centers in support of 988. Since its launch in July 2022, the 988 Suicide & Crisis Lifeline has answered over 10 million contacts (SAMHSA, 2024). Progress recognized in 2023 continues in all areas including crisis line features, crisis center supports, and funding. In FY2024, nearly \$500 million was allocated for new funding opportunities to support the 988 Lifeline Administrator and other grantees at the state, territorial, Tribal, and center levels, as part of the commitment to strengthen crisis care nationally. In Section 1103(a)(2)(B) of

the Consolidated Appropriations Act, 2023 (Pub. L. 117–328), Congress called for enhanced program evaluation, including performance measures to assess program response and improve readiness and performance of the service, including review of each contact to ensure timely connection of service and quality provision in line with evidence-based care. To meet the standards and requirements set forth in the statute, ongoing communication of key outcomes within this OMB request must be received and reviewed to ensure connection and quality of care through the 988 Suicide and Crisis Lifeline.

The information collected will be used by SAMHSA to conduct an evaluation of the 988 Suicide and Crisis Lifeline and Crisis Services, to ensure individuals in suicidal, mental health, and/or substance use crisis can contact 988 Suicide and Crisis Lifeline and are connected to crisis centers providing evidence-based care and receiving critical resource referral and linkage, including opportunities for mobile crisis support, crisis receiving and stabilizing facilities, peer respite centers, and withdrawal management services. The purpose of the 988 Lifeline and Crisis Services Program Evaluation is to assess the implementation and expansion of the 988 Lifeline in the U.S. The evaluation will provide SAMHSA, grantees, and other interested parties with the information needed to strengthen the Behavioral Health Crisis Services Continuum (BHCSC) for all people in crisis. The evaluation utilizes multiple studies to conduct the evaluation of the 988 Lifeline and Crisis Services across a 5-year period. The 988 Lifeline and Crisis Services Program Evaluation includes three levels: system-level, client-level, and impact. Embedded within each of the three evaluation levels are inquiries into differences in utilization of 988 Lifeline and BHCSC services and outcomes.

The System-level Evaluation examines the characteristics, collaborations, and structures of the crisis services infrastructure within states, territories, and Tribal jurisdictions that support improved client outcomes. The Systems-level Evaluation includes two studies: the System Composition and Collaboration Study and the System-Level Service Utilization Study. The System Composition and Collaboration Study examines the structure of the 988 Lifeline and the BHCSC at the national, state, territory, and Tribal levels, and the extent to which crisis service agencies work together. The System-level Service Utilization Study

investigates whether the 988 Lifeline and BHCSC are successful in creating a behavioral-health-system-first response to crisis events and the resulting reduction in use of non-behavioral health crisis services (e.g., 911, law enforcement, emergency medical services).

The Client-level Evaluation provides critical information about the ways in which the 988 Lifeline and crisis services fulfill their mission to connect those in crisis with the services and supports needed to reduce crisis risk and improve overall behavioral health outcomes. The Client-level Evaluation consists of two studies: The Client-level Service Utilization and Outcome Study and the Client-level Risk Reduction Study. The Client-Level Service Utilization and Outcome Study explores the effectiveness of 988 Lifeline and BHCSCs in linking individuals to referral services following their contact with the crisis system and assess the relationship between engagement with crisis services and behavioral health outcomes. The Client-Level Risk Reduction Study assesses the efficacy of 988 Lifeline and BHCSCs contacts on immediate reductions in risks of suicide, violence toward others, and overdose.

The Impact Evaluation informs SAMHSA's efforts to continue to build

the evidence base for suicide prevention and crisis programming. Specifically, this evaluation will examine the impact of 988 Lifeline and BHCSC on suicide and overdose morbidity and mortality. A quasi-experimental interrupted time series (ITS) design using extant, secondary data sources (e.g., CDC mortality data, Medicaid claims data, data from Healthcare Cost and Utilization Project (HCUP), data from the NSDUH, and SAMHSA's Performance and Accountability Reporting System [SPARS] data) gathered across multiple years to establish longitudinal state-level trends before and after major milestones in the implementation of the 988 Lifeline and BHCSC.

The 988 Lifeline and Crisis Services Program Evaluation engages with the following SAMHSA grant-funded programs that make up the core of the crisis care continuum: 988 State/Territory; 988 Tribal nations; Community Crisis Response Program (CCRP); Crisis Center Follow-Up (CCFU); 988 Administrator; and Certified Community Behavioral Health Clinics (CCBHCs). Additional grant programs which are relevant to the BHCSC, such as the Mental Health Services Block Grant (MHBG), State Opioid Response (SOR), Tribal Opioid

Response (TOR), Substance Use Prevention, Treatment, and Recovery Services Block Grant (SUPTRS BG), will be included in portions of the evaluation as relevant. In addition, crisis-providing organizations that are not SAMHSA grantees, especially mobile crisis programs, crisis stabilization units, and CCBHCs will also be engaged to participate in the evaluation.

Ultimately, the purpose of the 988 Lifeline and Crisis Services Program Evaluation is to build the program's knowledge base of effectiveness by thoroughly describing the implementation, outcomes, and impact of a program meant to reduce deaths by suicide.

The total annualized burden is an estimated 16,724 respondents for the 988 Lifeline and Crisis Services Program Evaluation instruments, with a combined hourly estimate to be 8,006.10 hours. Burden estimates are based on the data collection requirements and the number of respondents. The estimated response burden to collect this information associated with the 988 Lifeline and Crisis Services Program Evaluation is as follows annualized over the requested 3-year clearance period is presented below:

TOTAL ANNUALIZED BURDEN HOURS AND COSTS
[Across the 3-year clearance period]

Type of respondent	Instrument	Number of respondents per year	Responses per respondent	Total number of responses	Burden per response (hours)	Annual burden (hours)	Hourly wage rate (\$)	Total annualized cost (\$)
System Composition and Collaboration Study								
Organizational Staff/Crisis System Administrator ¹ .	SIS	73	1	73	0.75	54.75	\$78.06	\$4,273.79
Organizational Staff/Crisis Agency Manager ² .	CCPS	1,034	1	1,034	1.00	1,034.00	58.80	60,799.20
Organizational Staff/Crisis Agency Staff ³ .	KII-CS	35	1	35	1.00	35.00	27.46	961.10
Organizational Staff/Crisis Agency Staff ³ .	KII-CS-CSS	13	1	13	0.50	6.50	27.46	178.49
Client-Level Service Utilization and Outcome Study								
Organizational Staff/Crisis Agency Staff ³ .	CCDF	6,000	1	6,000	0.15	900.00	27.46	24,714.00
Parents/Caregivers ⁴	CCDF Parent Supplement	⁵ 1,560	1	1,560	0.10	156.00	7.25	1,131.00
Client ⁴	CES—Baseline	6,000	1	6,000	0.75	4,500.00	7.25	32,625.00
Client ⁴	CES—3 months	1,500	1	1,500	0.65	975.00	7.25	7,068.75
Client ⁴	CES—6 months	375	1	375	0.65	243.75	7.25	1,767.19
Client ⁴	CES—12 months	94	1	94	0.65	61.10	7.25	442.98
Client-Level Risk Reduction Study								
Client ⁴	C-KII-DC	30	1	30	1.00	30.00	7.25	217.50
Client ⁴	C-KII-TPC	10	1	10	1.00	10.00	7.25	72.50
Total .....	.....	16,724	.....	.....	.....	8,006.10	.....	134,251.49

¹ BLS OES May 2022 National Industry-Specific Occupation Employment and Wage Estimates mean hourly salary for General and Operations Managers (code 11-1021), <https://www.bls.gov/oes/current/oes111021.htm>.

² BLS OES May 2022 National Industry-Specific Occupation Employment and Wage Estimates mean hourly salary for Social and Community Service Managers (code 11-9151), <https://www.bls.gov/oes/current/oes119151.htm>.

³ BLS OES May 2022 National Industry-Specific Occupation Employment and Wage Estimates mean hourly salary for Counselors, Social Workers, and Other Community and Social Service Specialists (code 21-1000), https://www.bls.gov/oes/current/naics5_541720.htm#29-0000.

⁴ <https://www.usa.gov/minimum-wage>.

⁵ This number represents an estimate based on the average distribution of monthly contacts by modality, cited in Lifeline Performance Metrics (SAMHSA, April 2024), and assumes that 40% of all individuals who contact 988 through chat or text (as cited in Gould et al., 2021 and Pisani et al., 2022) and 20% of those who contact 988 through phone call are below the age of 18.

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.

Krishna Palipudi,

Social Science Analyst.

[FR Doc. 2025–14624 Filed 7–31–25; 8:45 am]

BILLING CODE P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

[Docket ID: FEMA–2025–0047; OMB No. 1660–0152]

Agency Information Collection Activities: Proposed Collection; Comment Request; FEMA Administered Disaster Case Management

AGENCY: Federal Emergency Management Agency, Department of Homeland Security.

ACTION: 60-Day notice of reinstatement and request for comments.

SUMMARY: The Federal Emergency Management Agency (FEMA), as part of its continuing effort to reduce paperwork and respondent burden, invites the general public to take this opportunity to comment on a reinstatement, without change, of a previously approved information collection. In accordance with the Paperwork Reduction Act of 1995, this notice seeks comments concerning information collected for a FEMA-Administered Disaster Case Management (DCM) program implemented following a major disaster declaration.

DATES: Comments must be submitted on or before September 30, 2025.

ADDRESSES: To avoid duplicate submissions to the docket, please submit comments at www.regulations.gov under Docket ID FEMA–2025–0047. Follow the instructions for submitting comments.

All submissions received must include the agency name and Docket ID. Regardless of the method used for

submitting comments or material, all submissions will be posted, without change, to the Federal Rulemaking Portal at <http://www.regulations.gov>, and will include any personal information you provide. Therefore, submitting this information makes it public. You may wish to read the Privacy and Security Notice that is available via a link on the homepage of www.regulations.gov.

FOR FURTHER INFORMATION CONTACT:

Heather Spadaro, Section Chief, Community Services Section, Individual Assistance Division, 202–646–3642, and fema-hq-css@fema.dhs.gov. You may contact the Information Management Division for copies of the proposed collection of information at email address: FEMA-Information-Collections-Management@fema.dhs.gov.

SUPPLEMENTARY INFORMATION: Pursuant to Executive Order (E.O.) 12148, as amended by E.O. 12673 and E.O. 13286, the President of the United States has delegated to the Department of Homeland Security (DHS), including FEMA, the authority to provide case management services pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), 42 U.S.C. 5189d. Under the Stafford Act, FEMA may provide DCM services directly to survivors through financial assistance to State, Tribal, or local government agencies or qualified private organizations. DCM services include identifying and addressing disaster-caused unmet needs of survivors through identification of, and referrals to, available resources. A disaster-caused unmet need is an un-resourced item, support, or assistance that has been assessed and verified as necessary for a survivor to recover from a disaster. This may include food, clothing, shelter, first aid, emotional and spiritual care, household items, home repair, or rebuilding. When a case manager speaks to a survivor, they will ask the survivor to provide information through a series of questions (data elements), as outlined within the intake form. This will allow the case manager to better understand the survivor's disaster-caused unmet needs, to identify what types of referrals the case manager may provide, and to decide whether there is a need to meet again to address continuing disaster-caused unmet needs. Case managers then type the responses to the data elements into their

proprietary electronic secured case management database.

Collection of Information

Title: FEMA-Administered Disaster Case Management.

Type of Information Collection: Reinstatement, without change, of a previously approved information collection.

OMB Number: 1660–0152.

FEMA Forms: FF–104–FY–21–146 and FF–104–FY–21–147.

Abstract: This collection tool will primarily be used as a guide to support FEMA-administered DCM case managers by outlining the allowable data elements they can collect from survivors on behalf of FEMA. While there will be a paper collection tool, the case managers will primarily be using the tool as a reference for data elements they can collect and using their own case management database systems to guide the order in which the elements are collected. The elements within the tool are used to assess, screen, and refer disaster survivors to available resources that address their specific disaster-related unmet needs. Case managers then take the information from the intake form and manually upload the data into their secured case management database. Prior to any data collection, survivors will complete and sign a FEMA administered DCM Consent Form, authorizing FEMA, or its agent, to collect data from the survivor in order to effectively provide case management services.

Affected Public: Individuals and Households.

Estimated Number of Respondents: 30,750.

Estimated Number of Responses: 30,750.

Estimated Total Annual Burden Hours: 19,680.

Estimated Total Annual Respondent Cost: \$932,045.

Estimated Respondents' Operation and Maintenance Costs: \$0.

Estimated Respondents' Capital and Start-Up Costs: \$0.

Estimated Total Annual Cost to the Federal Government: \$51,693,869.

Comments

Comments may be submitted as indicated in the **ADDRESSES** caption above. Comments are solicited to (a) evaluate whether the proposed data collection is necessary for the proper performance of the Agency, including

whether the information shall have practical utility; (b) evaluate the accuracy of the Agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (c) enhance the quality, utility, and clarity of the information to be collected; and (d) minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

Russell R. Bard,

*Acting Director for Information Management,
Office of the Chief Administrative Officer,
Mission Support, Federal Emergency
Management Agency, Department of
Homeland Security.*

[FR Doc. 2025-14529 Filed 7-31-25; 8:45 am]

BILLING CODE 9111-24-P

DEPARTMENT OF HOMELAND SECURITY

U.S. Immigration and Customs Enforcement

[OMB Control Number 1653-0034]

Agency Information Collection Activities; Extension, Without Change, of a Currently Approved Collection: Form No. I-901; Fee Remittance for Certain F, J and M Nonimmigrants

AGENCY: U.S. Immigration and Customs Enforcement, Department of Homeland Security.

ACTION: 30-Day notice.

SUMMARY: In accordance with the Paperwork Reduction Act (PRA) of 1995 the Department of Homeland Security (DHS), U.S. Immigration and Customs Enforcement (ICE) will submit the following Information Collection Request (ICR) to the Office of Management and Budget (OMB) for review and clearance. This information collection was previously published in the **Federal Register** on June 2, 2025, allowing for a 60-day comment period. ICE received no comments. The purpose of this notice is to allow an additional 30 days for public comments.

DATES: Comments are encouraged and will be accepted until September 2, 2025.

ADDRESSES: Written comments and recommendations for the proposed information collection should be sent within 30 days of the 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: If you have questions related to this collection, call or email Sharon Snyder, Student and Exchange Visitor Program (SEVP), 703-603-3400 or 1-800-892-4829, email: sevp@ice.dhs.gov.

SUPPLEMENTARY INFORMATION:

Comments

Written comments and suggestions from the public and affected agencies concerning the proposed collection of information should address one or more of the following four points:

(1) 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;

(2) 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;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

Overview of This Information Collection

(1) *Type of Information Collection:* Extension, Without Change, of a Currently Approved Collection.

(2) *Title of the Form/Collection:* Fee Remittance for Certain F, J and M Nonimmigrants.

(3) *Agency form number, if any, and the applicable component of the Department of Homeland Security sponsoring the collection:* Form I-901; U.S. Immigration and Customs Enforcement.

(4) *Affected public who will be asked or required to respond, as well as a brief abstract:* Primary: Individuals or households. This information collection is necessary to implement section 641 of IIRIRA, 8 U.S.C. section 1372, which directs DHS to collect information relating to academic nonimmigrant students (F-1), vocational nonimmigrant students (M-1), and exchange visitors (J-1), as well as their

dependents (F-2, M-2, or J-2), and provides for the collection of the required fee to defray the costs of this program. Section 641 of IIRIRA requires DHS to collect current information, on an ongoing basis, from schools and exchange visitor program sponsors relating to F, J, and M nonimmigrants during their stay in the United States, using electronic reporting technology to the fullest extent practicable. SEVP implemented the Student and Exchange Visitor Information System (SEVIS) to carry out this statutory requirement. SEVP used the Form I-901, Fee Remittance for Certain F, J and M Nonimmigrants, to provide a receipt to the F, J, or M nonimmigrant upon payment and to positively identify that a particular F, J, or M nonimmigrant has paid the fee.

(5) *An estimate of the total number of respondents and the amount of time estimated for an average respondent to respond:* 902,586 responses at 13 minutes (0.216 hours) per response.

(6) *An estimate of the total public burden (in hours) associated with the collection:* 194,959 annual burden hours.

Dated: July 30, 2025.

Scott Elmore,

PRA Clearance Officer.

[FR Doc. 2025-14571 Filed 7-31-25; 8:45 am]

BILLING CODE 9111-28-P

DEPARTMENT OF HOMELAND SECURITY

Transportation Security Administration

Intent To Request Extension From OMB of One Current Public Collection of Information: TSA Reimbursable Screening Services Program (RSSP) Pilot Request

AGENCY: Transportation Security Administration, DHS.

ACTION: 60-Day Notice.

SUMMARY: The Transportation Security Administration (TSA) invites public comment on one currently approved Information Collection Request (ICR), Office of Management and Budget (OMB) control number 1652-0073, that we will submit to OMB for an extension in compliance with the Paperwork Reduction Act (PRA). The ICR describes the nature of the information collection and its expected burden. The collection of information involves an application completed by public and private entities requesting participation in TSA's Reimbursable Screening Services Program (RSSP), to obtain TSA security screening services outside of an existing

primary passenger airport terminal screening area.

DATES: Send your comments by September 30, 2025.

ADDRESSES: Comments may be emailed to TSAPRA@tsa.dhs.gov or delivered to the TSA PRA Officer, Information Technology (IT), TSA-11, Transportation Security Administration, 6595 Springfield Center Drive, Springfield, VA 20598-6011.

FOR FURTHER INFORMATION CONTACT: Christina A. Walsh at the above address, or by telephone (571) 227-2062.

SUPPLEMENTARY INFORMATION:

Comments Invited

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The ICR documentation will be available at <https://www.reginfo.gov> upon its submission to OMB. Therefore, in preparation for OMB review and approval of the following information collection, TSA is soliciting comments to—

(1) Evaluate whether the proposed information requirement is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) Evaluate the accuracy of the agency's estimate of the burden;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the collection of information on those who are to respond, including using appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Information Collection Requirement

The Reimbursable Screening Services Program ("RSSP") is authorized by section 225, Division A, of the Consolidated Appropriations Act, 2019, Public Law 116-6, 133 Stat. 13 (Feb. 15, 2019), as amended by the Consolidated Appropriations Act, 2021, Section 223, Division F, Public Law 116-260, 134 Stat. 1459 (Dec. 27, 2020), and as amended by the Consolidated Appropriations Act, 2023, Section 222, Division F, Public Law 117-328 (Dec. 29, 2022), which extended RSSP through fiscal year 2025. Under this provision, TSA may establish a pilot for public or private entities regulated by TSA to request reimbursable screening services outside of an existing primary passenger terminal screening area where

screening services are currently provided or eligible to be provided under TSA's annually appropriated passenger screening program. For purposes of section 225 (k), "screening services" means "the screening of passengers, flight crews, and their carry-on baggage and personal articles, and may include checked baggage screening if that type of screening is performed at an offsite location that is not part of a passenger terminal of a commercial airport." See 133 Stat. 13, 26. TSA established an application process for public and private entities regulated by TSA to request screening services under the RSSP.

Public or private entities regulated by TSA interested in participating in the RSSP may submit an application to the TSA Administrator requesting that TSA provide screening services outside of an existing primary passenger terminal screening area where screening services are currently provided or eligible to be provided under TSA's annually appropriated passenger screening program as a primary passenger terminal screening area. The request may only be submitted to TSA after consultation with the relevant local airport authority. The application is used to identify basic information to grant approval or denial. The application process includes TSA Form 459, *TSA Reimbursable Screening Services Program (RSSP) Pilot Request*, which collects the following information: stakeholder information, services being requested, location of requested services and available facilities to perform requested services.

The respondents to this information collection request are public or private entities regulated by TSA requesting the screening services at an airport that is a commercial service airport (as defined by 49 U.S.C. 47107(7)). TSA estimates the annual respondents to be no more than 15. The annual burden for the information collection related to providing screening services is estimated to be 492 hours.

Dated: July 29, 2025.

Christina A. Walsh,

*Paperwork Reduction Act Officer,
Information Technology, Transportation
Security Administration.*

[FR Doc. 2025-14581 Filed 7-31-25; 8:45 am]

BILLING CODE 9110-05-P

**DEPARTMENT OF HOMELAND
SECURITY**

Transportation Security Administration

**Intent To Request a Revision From
OMB of One Current Public Collection
of Information: Pipeline Corporate
Security Reviews and TSA Security
Directive Pipeline—2021-02 series**

AGENCY: Transportation Security Administration, DHS.

ACTION: 60-Day notice.

SUMMARY: The Transportation Security Administration (TSA) invites public comment on one currently-approved Information Collection Request (ICR), Office of Management and Budget (OMB) control number 1652-0056, abstracted below, that we will submit to OMB for an extension in compliance with the Paperwork Reduction Act (PRA). The ICR describes the nature of the information collection and its expected burden. The collection allows TSA to assess the current security practices in the pipeline industry through TSA's Pipeline Corporate Security Review (CSR) program and allows for the continuation of mandatory cybersecurity requirements under the TSA Security Directive (SD) Pipeline—2021-02 series.

DATES: Send your comments by September 30, 2025.

ADDRESSES: Comments may be emailed to TSAPRA@tsa.dhs.gov or delivered to the TSA PRA Officer, Information Technology, TSA-11, Transportation Security Administration, 6595 Springfield Center Drive, Springfield, VA 20598-6011.

FOR FURTHER INFORMATION CONTACT: Christina A. Walsh at the above address, or by telephone (571) 227-2062.

SUPPLEMENTARY INFORMATION:

Comments Invited

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The ICR documentation will be available at <https://www.reginfo.gov> upon its submission to OMB. Therefore, in preparation for OMB review and approval of the following information collection, TSA is soliciting comments to—

(1) Evaluate whether the proposed information requirement is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) Evaluate the accuracy of the agency's estimate of the burden;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the collection of information on those who are to respond, including using appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Information Collection Requirement

OMB Control Number 1652-0056; Pipeline Corporate Security Reviews and TSA Security Directive Pipeline—2021-02 series. Under the Aviation and Transportation Security Act¹ and delegated authority from the Secretary of Homeland Security, TSA has broad responsibility and authority for "security in all modes of transportation . . . including security responsibilities . . . over modes of transportation that are exercised by the Department of Transportation."² TSA is specifically empowered to assess threats to transportation;³ develop policies, strategies, and plans for dealing with threats to transportation;⁴ oversee the implementation and adequacy of security measures at transportation facilities;⁵ and carry out other appropriate duties relating to transportation security.⁶ The Implementing Recommendations of the 9/11 Commission Act of 2007 included a specific requirement for TSA to conduct assessments of critical pipeline facilities.⁷

Pursuant to its authority, TSA may, at the discretion of the Administrator, assist another Federal agency, such as the Cybersecurity and Infrastructure Security Agency, in carrying out its authority in order to address a threat to

transportation.⁸ As noted above, TSA issued the SD Pipeline—2021-02 series in order to protect transportation security and critical infrastructure. *See* 49 U.S.C. 114(l)(2).

Consistent with these authorities and requirements, TSA developed the voluntary Pipeline CSR program and the mandatory SD Pipeline 2021-02 series to assess the current security practices in the pipeline industry, with a focus on the physical and cyber security of pipelines and the crude oil and petroleum products, such as gasoline, diesel, jet fuel, home heating oil, and natural gas, moving through the system infrastructure.

TSA is revising the title of the collection from "Pipeline Corporate Security Reviews and Security Directives" to "Pipeline Corporate Security Reviews and TSA Security Directive Pipeline—2021-02 series." This title more accurately reflects the specific TSA SD associated with this collection. TSA is seeking renewal of this information collection for the maximum 3-year approval period.

Establishing Compliance With Voluntary Pipeline CSR Program Information Collection Requirements

Pipeline CSRs are voluntary, face-to-face visits, usually at the headquarters facility of the pipeline Owner/Operator. TSA has developed a Question Set to aid in the conducting of CSRs. The CSR Question Set structures the TSA and pipeline Owner/Operator discussion and is the central data source for the physical security information TSA collects. TSA developed the CSR Question Set based on input from government and industry stakeholders on how best to obtain relevant information from a pipeline Owner/Operator about its security plan and processes.

This CSR information collection provides TSA with real-time information on a company's physical security posture. The relationships these face-to-face contacts foster are critical to the Federal government's ability to reach out to the pipeline stakeholders affected by the CSRs. In addition, TSA follows up via email with Owner/Operators on specific recommendations made by TSA during the CSR.

Establishing Compliance With Mandatory TSA SD Pipeline—2021-02 Series Information Collection Requirements

While the CSR collection supports physical security plans and processes, TSA issued the SD Pipeline—2021-02 series with mandatory requirements in order to mitigate specific cyber security concerns posed by current threats to national security.

The mandatory TSA SD series information collection requirements are as follows:

a. Pipeline Owner/Operators designated by TSA as critical must submit a Cybersecurity Implementation Plan (CIP) to TSA for approval (there is no designated form or format). Once approved by TSA, pipeline Owner/Operators must implement and maintain all measures. Owner/Operators must submit changes to their CIP for approval in accordance with the guidance in the SD. CIPs must be made available to TSA upon request.

b. Pipeline Owner/Operators designated by TSA as critical must develop and maintain an up-to-date Cybersecurity Incident Response Plan (CIRP) for their designated critical cyber systems to reduce the risk of operational disruption, or the risk of other significant impacts on business critical functions. Owner/operators must test the effectiveness of the CIRP no less than annually. There is no designated form or format for the CIRP. Owner/Operators must submit the CIRP to TSA upon request.

c. Pipeline Owner/Operators designated by TSA as critical must submit a Cybersecurity Assessment Plan (CAP) on an annual basis to TSA for approval (there is no designated form or format). The plan must include a schedule for auditing and assessing at least one-third of the policies, procedures, measures and capabilities in the CIP each year. Owner/Operators must also submit a CAP annual report to TSA of the results of assessments conducted in accordance with the approved plan.

d. Pipeline Owner/Operators designated by TSA as critical must make records to establish compliance with the SD Pipeline—2021-02 series available to TSA upon request for inspection and/or copying.

Submissions by pipeline Owner/Operators in compliance with the voluntary Pipeline CSR or the mandatory SD Pipeline—2021-02 series requirements are deemed Sensitive Security Information and are protected in accordance with procedures meeting the transmission, handling, and storage

¹ Public Law 107-71 (115 Stat. 597, Nov. 19, 2001), codified at 49 U.S.C. 114.

² *See* 49 U.S.C. 114(d). The TSA Administrator's current authorities under the Aviation and Transportation Security Act have been delegated to him by the Secretary of Homeland Security. Section 403(2) of the Homeland Security Act of 2002, Public Law 107-296 (116 Stat. 2135, Nov. 25, 2002), transferred all functions of TSA, including those of the Secretary of Transportation and the Under Secretary of Transportation of Security related to TSA, to the Secretary of Homeland Security. Pursuant to DHS Delegation Number 7060.2, the Secretary delegated to the Administrator of TSA, subject to the Secretary's guidance and control, the authority vested in the Secretary with respect to TSA, including that in section 403(2) of the Homeland Security Act.

³ 49 U.S.C. 114(f)(2).

⁴ 49 U.S.C. 114(f)(3).

⁵ 49 U.S.C. 114(f)(11).

⁶ 49 U.S.C. 114(f)(15).

⁷ *See* section 1557 of Public Law 110-53 (121 Stat. 266, Aug. 3, 2007) as codified at 6 U.S.C. 1207.

⁸ *Id.* § 114(m), granting the TSA Administrator the same authority as the FAA Administrator under 49 U.S.C. 106(m).

requirements of Sensitive Security Information set forth in part 1520 of title 49, Code of Federal Regulations.

Annual Burden Discussion

For the voluntary Pipeline CSR program, TSA estimates that they will conduct 21 security reviews per year, each involving a pipeline security manager. TSA estimates that each CSR will last a total of 8 hours, and then include a follow-up regarding security recommendations, lasting up to 3 hours. The total time burden for this task is 231 hours ((1 security manager × 8 hours × 21 entities = 168 hours) + (1 individual × 3 hours × 21 entities = 63 hours)).

For the mandatory information collections required by the SD Pipeline—2021–02 series, all designated pipeline Owner/Operators have submitted and approved CIPs. TSA estimates that a total of 100 Owner/Operators will continue to update their CIPs and submit changes to TSA for approval as necessary as cyber controls are updated or changed. The burden is therefore the estimated time annually to keep the CIP current and provide changes to TSA for approval as necessary. TSA estimates updates to the CIP will be conducted by a team consisting of a cybersecurity manager and four cybersecurity analysts/specialists. TSA assumes the team will spend 2 weeks updating the implementation plan; therefore, the time burden for this task is 40,000 hours (5 individuals × 40 hours × 2 weeks × 100 entities).

All designated pipeline Owner/Operators have established CIRPs. TSA estimates 100 entities will update their CIRPs annually. TSA assumes one cybersecurity manager will spend 2 weeks updating the CIRP; therefore, the time burden for this task is 8,000 hours (1 individual × 40 hours × 2 weeks × 100 entities).⁹

All designated pipeline Owner/Operators have a TSA approved CAP. TSA estimates 100 entities will submit an annual plan for their CAP and an annual report. TSA estimates that two people, a cybersecurity manager and an audit compliance manager will spend an average of 2 weeks developing and submitting the plan and report; therefore, the time burden for this task is 16,000 hours (2 individuals × 40 hours × 2 weeks × 100 entities).

TSA estimates 100 entities will work to ensure compliance documentation is kept up to date. TSA estimates that two

people, a cybersecurity manager and an audit compliance manager will spend an average of 2 weeks updating compliance documentation; therefore, the time burden for this task is 16,000 hours (2 individuals × 40 hours × 2 weeks × 100 entities).

TSA estimates the total annual burden hours for the mandatory collection to be 80,231 hours (Pipeline CSR—231, CIP—40,000, CIRP—8,000, CAP and annual report—16,000, Compliance Documentation—16,000).

Dated: July 29, 2025.

Christina A. Walsh,

*Paperwork Reduction Act Officer,
Information Technology, Transportation
Security Administration.*

[FR Doc. 2025–14538 Filed 7–31–25; 8:45 am]

BILLING CODE 9110–05–P

DEPARTMENT OF HOMELAND SECURITY

Transportation Security Administration

[Docket No. TSA–2007–28572]

Intent To Request Extension From the Office of Management and Budget of One Current Public Collection of Information: Secure Flight Program

AGENCY: Transportation Security Administration, DHS.

ACTION: 60-Day notice.

SUMMARY: The Transportation Security Administration (TSA) invites public comment on one currently approved Information Collection Request (ICR), Office of Management and Budget (OMB) control number 1652–0046, abstracted below, that we will submit to OMB for an extension in compliance with the Paperwork Reduction Act (PRA). The ICR describes the nature of the information collection and its expected burden. The information collection involves passenger information that certain U.S. aircraft operators and foreign air carriers (“covered aircraft operators”) submit to Secure Flight for purposes of identifying and protecting against potential threats to transportation and national security, and determining prescreening status of individuals.

DATES: Send your comments by September 30, 2025.

ADDRESSES: Comments may be emailed to TSAPRA@tsa.dhs.gov or delivered to the TSA PRA Officer, Information Technology, TSA–11, Transportation Security Administration, 6595 Springfield Center Drive, Springfield, VA 20598–6011.

FOR FURTHER INFORMATION CONTACT: Christina A. Walsh at the above address, or by telephone (571) 227–2062.

SUPPLEMENTARY INFORMATION:

Comments Invited

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The ICR documentation will be available at <https://www.reginfo.gov> upon its submission to OMB. Therefore, in preparation for OMB review and approval of the following information collection, TSA is soliciting comments to:

(1) Evaluate whether the proposed information requirement is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) Evaluate the accuracy of the agency’s estimate of the burden;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the collection of information on those who are to respond, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Information Collection Requirement

OMB Control Number 1652–0046; Secure Flight Program, 49 CFR part 1560. Under the Secure Flight Program, the TSA collects information from covered aircraft operators, which includes U.S. aircraft operators, foreign air carriers, and U.S. airports, in order to prescreen passengers and individuals seeking access to the sterile area of the airport. Specifically, the information collected is used to facilitate the process for assessing passengers’ risk by matching against lists of persons who pose or are suspected of posing an elevated risk to transportation or national security, for matching against lists of Known Travelers to identify passengers who may be eligible for expedited screening, and to distinguish individuals with identifying information similar to those on high- and low-risk lists to ensure that each passenger receives the appropriate screening and protect against misidentification. The collection covers the following:

(1) Secure Flight Passenger Data (SFPD) for passengers of covered flights within, to, from, or over the continental U.S., as well as flights between two

⁹ There is no requirement for Owner/Operators to submit CIRPs unless requested by TSA. In February 2022, under the provisions of the SD Pipeline 2021–02 series and at TSA’s request, pipeline Owner/Operators provided their CIRPs to TSA.

foreign locations when operated by a covered U.S. aircraft operator.

(2) SFPD for passengers of charter operators and lessors of aircraft with a maximum takeoff weight of over 12,500 pounds.

(3) Certain identifying information for non-traveling individuals that airport operators or airport operator points of contact seek to authorize to enter a sterile area at a U.S. airport (e.g., to patronize a restaurant, to escort a minor or a passenger with disabilities, or for another approved purpose).

(4) Registration information critical to deployment of Secure Flight, such as contact information, data format, or the mechanism the covered aircraft operators use to transmit SFPD and other data.

(5) Lists of low-risk individuals who are eligible for expedited screening provided by Federal and non-federal entities. In support of TSA PreCheck®, TSA implemented expedited screening of known or low-risk travelers. Federal and non-federal entities may maintain lists of eligible individuals pursuant to agreements with DHS and TSA and provide TSA with those lists of eligible low-risk individuals to be used as part of Secure Flight processes. Secure Flight identifies individuals who should receive expedited screening and transmits the appropriate boarding pass printing result to the aircraft operators.

TSA estimates an average of 875 respondents (231 current and new covered aircraft operators + 552 Twelve-five and Private Charter aircraft operators + 75 airports + 17 non-federal entities) per year with an estimated average annual reporting burden of 10,950 hours.

Dated: July 29, 2025.

Christina A. Walsh,

*Paperwork Reduction Act Officer,
Information Technology, Transportation
Security Administration.*

[FR Doc. 2025-14582 Filed 7-31-25; 8:45 am]

BILLING CODE 9110-05-P

DEPARTMENT OF HOMELAND SECURITY

Transportation Security Administration

Intent To Request a Revision From OMB of One Current Public Collection of Information: Law Enforcement Officers (LEOs) Flying Armed

AGENCY: Transportation Security
Administration, DHS.

ACTION: 60-Day notice.

SUMMARY: The Transportation Security
Administration (TSA) invites public

comment on one currently-approved Information Collection Request (ICR), Office of Management and Budget (OMB) control number 1652-0072, that we will submit to OMB for an revision in compliance with the Paperwork Reduction Act (PRA). The ICR describes the nature of the information collection and its expected burden. The collection involves gathering information from Federal, state, county or municipal armed law enforcement officers (LEOs) who require specialized screening at the checkpoint.

DATES: Send your comments by September 30, 2025.

ADDRESSES: Comments may be emailed to TSAPRA@tsa.dhs.gov or delivered to the TSA PRA Officer, Information Technology, TSA-11, Transportation Security Administration, 6595 Springfield Center Drive, Springfield, VA 20598-6011.

FOR FURTHER INFORMATION CONTACT: Christina A. Walsh at the above address, or by telephone (571) 227-2062.

SUPPLEMENTARY INFORMATION:

Comments Invited

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The ICR documentation will be available at <https://www.reginfo.gov> upon its submission to OMB. Therefore, in preparation for OMB review and approval of the following information collection, TSA is soliciting comments to—

(1) Evaluate whether the proposed information requirement is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) Evaluate the accuracy of the agency's estimate of the burden;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the collection of information on those who are to respond, including using appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Information Collection Requirement

TSA has broad statutory authority to assess a security risk for any mode of transportation, develop security measures for dealing with that risk, and enforce compliance with those measures.¹

TSA's mission includes the screening of individuals, accessible property, checked baggage, and cargo before boarding or loading on an aircraft to prevent or deter the carriage of any explosive, incendiary, or deadly or dangerous weapon on an aircraft. Under 49 CFR 1540.107, individuals are required to submit to screening and inspection before entering a sterile area of an airport or boarding an aircraft. The prohibition on carrying a weapon, however, does not apply to LEOs required to carry a firearm or other weapons while in the performance of law enforcement duties at the airport. See 49 CFR 1540.111(b). In addition, LEOs may fly armed if they meet the requirements of 49 CFR 1544.219. This section includes requirements for being a Federal, municipal, county, or state law enforcement officer; authorization to carry the weapon; training for flying armed; validation of the need for the weapon to be accessible aboard the aircraft; and notification requirements. This section also discusses prohibitions related to alcoholic beverage consumption, and the appropriate location of the weapon while aboard the aircraft.

TSA has established a specialized screening process for Federal, state, county or municipal LEOs when they are flying armed and need to go through screening at the checkpoint. When this situation occurs, LEOs are required to complete TSA Form 413A, Checkpoint Sign-In Log.

The information collected on TSA Form 413A includes identifying information for the LEOs; an affirmation that they are authorized to fly armed on official business and that they have an operational need to have their weapon accessible during the flight in accordance with 49 CFR part 1544; and identification of weapons they are carrying. TSA is revising the information collection by changing the identification of weapons section of the form, "Carrying:" to "Are you carrying?" and adding the option "Unarmed LEO Escort." In addition, TSA is changing the question, "Completed Required LEO Flying Armed Training?" to "Completed Required TSA LEO Flying Armed Training?" TSA is making the changes for programmatic needs to capture information of unarmed escorts² and to differentiate the TSA course from local, state and other LEO Flying Armed Training courses.

² Unarmed LEO escorts may include dignitaries, prisoners, deserters, detainees or deportees to foreign destinations.

¹ See 49 U.S.C. 114.

The information required by the form is used by the TSA Security Operations Center and the Law Enforcement/Federal Air Marshal Service to have situational awareness of armed LEOs presence on flights conducted by 49 CFR parts 1544 and/or 1546 regulated parties (aircraft operators and foreign air carriers). This real-time situational awareness is necessary in the event of an emergency on board the aircraft; such as but not limited to, a disruptive passenger, air piracy, or other threat to the safety and security of a commercial aircraft.

Respondents to this collection are Federal, state, county or municipal LEOs travelling with their weapons. TSA uses historical data to estimate 83,749 average annual responses. Each check-in requires filling out a log book and TSA estimates this activity requires 4 minutes (0.0667 hours) to complete. TSA estimates this collection will place an annual average hour burden of 5,583.27 hours on the public.

Dated: July 30, 2025.

Christina A. Walsh,

*Paperwork Reduction Act Officer,
Information Technology, Transportation
Security Administration.*

[FR Doc. 2025-14599 Filed 7-31-25; 8:45 am]

BILLING CODE 9110-05-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-7104-N-09]

Privacy Act of 1974; System of Records

AGENCY: Office of Single-Family
Program Development, Office of
Housing, HUD.

ACTION: Notice of a Modified System of
Records.

SUMMARY: Under the Privacy Act of 1974, as amended, the Department of Housing and Urban Development (HUD), Office Single-Family Program Development, is issuing a public notice of its intent to modify the system of records for the “Single Family Mortgage Insurance Origination System (SFMIOS)”. SFMIOS combines the features of the: Computerized Homes Underwriting Management System (CHUMS)/Loan Application Management System (LAMS), Federal Housing Administration (FHA) and Connection (FHAC). The purpose of these modifications is to update the system of records authority for maintenance of the system and categories of records. The updates are

explained in the “Supplementary Section” of this notice.

DATES: Comments will be accepted on or before September 2, 2025. This SORN becomes effective immediately.

ADDRESSES: You may submit comments, identified by the docket number or by one of the following methods:

Federal e-Rulemaking Portal: <http://www.regulations.gov>. Follow the instructions provided on that site to submit comments electronically.

Fax: 202-619-8365.

Email: privacy@hud.gov.

Mail: Attention: Privacy Office;
Shalanda Capehart, Acting Chief
Privacy Officer; The Executive
Secretariat; 451 7th Street SW, Room
10139, Washington, DC 20410-0001.

Instructions: All submissions received must include the agency name and docket number for this rulemaking. All comments received will be posted without change to <http://www.regulations.gov>, including any personal information provided.

Docket: For access to the docket to read background documents or comments received go to <http://www.regulations.gov>.

FOR FURTHER INFORMATION CONTACT:

Shalanda Capehart, Acting Chief
Privacy Officer, 451 7th Street SW,
Room 10139, Washington, DC 20410-
0001; telephone (202)-402-5085 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

SUPPLEMENTARY INFORMATION: HUD amends the system of records notice (SORN) for the Single Family Mortgage Insurance Origination System (SFMIOS). SFMIOS is a combined system made up of three interconnected systems: FHA Connection (FHAC), Computerized Homes Underwriting Management System (CHUMS), and Loan Application Management System (LAMS). This update includes significant corrections in the following three areas.

i. The “Categories of Records” section has been updated to include categories that were erroneously omitted from the June 4, 2024, notice (89 FR 47978, Agency Docket No. Fr 7092-N-30): These include user ID, employment information (status and history), marital status, certificates (birth, death, marriage, housing counseling, and mortgage insurance), legal documents

such as deeds of trust and title records, and lender’s loan account number.

ii. The authorities cited in the notice have been revised for clarity and conciseness.

iii. The policies and practices for retrieval of records now reflect record retrieval by Taxpayer ID, which was erroneously omitted in the prior publication of this notice.

SYSTEM NAME AND NUMBER:

Single Family Mortgage Insurance
Origination System (SFMIOS), HUD/
HSNG-03.

SECURITY CLASSIFICATION:

Unclassified.

SYSTEM LOCATIONS:

The core CHUMS system is in HUD Headquarters, 451 7th Street SW, Washington, DC 20410-1000, and Microsoft Azure Federal Cloud US East Data Center in One Microsoft Way, Redmond, Washington, 98052-6399. The Technology Open to Approved Lenders (TOTAL) Scorecard and CHUMS, FHAC and LAMS remain at the National Center for Critical Information Processing and Storage located at NASA’s Shared Services Center, Building 1111, Stennis Space Center, MS 39529-6000.

SYSTEMS MANAGER(S):

Brian Faux, Director, Office of Single-Family Program Development, HUD Headquarters, 451 7th Street SW, Washington, DC 20410; telephone (800) 225-5342.

AUTHORITY FOR MAINTENANCE OF THE SYSTEMS:

The National Housing Act, Title I, Section 2 (12 U.S.C. 1703), Section 202 (12 U.S.C. 1708), Section 203 (12 U.S.C. 1709), and Section 255 (12 U.S.C. 1715z-20); 31 U.S.C. 7701; 42 U.S.C. 3543; 24 CFR part 200, subpart U; 24 CFR 203.35; and 31 U.S.C. 3351-3358.

PURPOSE(S) OF THE SYSTEMS:

Federal Housing Administration (FHA) Connection (FHAC) is integrated with HUD’s security infrastructure to assign user roles and permissions based on business needs. FHAC’s function as a security and access management portal includes web pages to collect legal first and last names, Social Security Numbers (SSNs), dates of birth (DOB), mother’s maiden name, work telephone number and email address. All data collected by FHAC for security and access management is stored in Computerized Homes Underwriting Management System (CHUMS).

CHUMS supports HUD and its approved business partners with processing and underwriting

applications for single-family mortgages insurance under the National Housing Act. CHUMS provides functionality for tracking and processing cases and managing workloads by HUD field office management. CHUMS also provides functionality to assist lenders and HUD in determining eligibility for participation in HUD's Single Family mortgage insurance program. CHUMS enables lenders to use automated underwriting systems (AUS) provided by mortgage financial institutions by granting authorized AUS providers access to FHA's Technology Open to Approved Lenders (TOTAL) Scorecard. TOTAL Scorecard is an automated scorecard tool in CHUMS that is owned and maintained by HUD that must be used in combination with an authorized AUS to evaluate the overall creditworthiness of mortgage loan applications based on a number of credit variables and determines the associated level of risk for all loans submitted for FHA mortgage insurance with the exception of Streamline Refinances and Home Equity Conversion Mortgage (commonly referred to as reverse mortgage) loans.

Loan Application Management System (LAMS) supports the Federal Housing Administration (FHA) mortgage insurance program by providing automated processing, analysis, and screening of appraisal documentation. LAMS receives and stores appraisal data from the Electronic Appraisal Delivery (EAD) portal in a Mortgage Industry Standards Maintenance Organization (MISMO) Extensible Markup Language (XML) format tailored to HUD specifications. LAMS passes certain data elements onto FHAC and CHUMS to ensure data integrity and provide valuable time savings to lenders by reducing the burden of paper-based delivery and manual data entry processes. LAMS provides a limited user interface consisting pre-formatted (canned) reports used by HUD to monitor system activity and to monitor appraiser compliance to HUD requirements.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEMS:

System Users, HUD business partners (appraisers, inspectors, mortgagee staff underwriters), HUD employees and contractors, Mortgagors (Borrowers), Individuals who applied for a mortgage insured under HUD/FHA's single family mortgage insurance programs, including Home Equity Conversion Mortgages (HECM) Non-Borrowing Spouses, Appraisers (both applicants and Appraisers listed on the HUD Appraiser Roster), 203k Consultants (both

applicants and 203k Consultants listed on the HUD 203k Consultant Roster), Mortgagee (Lender) Staff including, but not limited to, loan originators, appraisers, underwriters, processors and file clerks, Individuals registering for access to the HUD Housing Counselor Certification Examination, whether or not they become certified, Individuals registering for HUD Certified Housing Counselor certification or housing counseling clients receiving housing counseling from an agency participating in HUD's Housing Counseling Clients.

CATEGORIES OF RECORDS IN THE SYSTEMS:

Full name, Social Security Number (SSN), User ID, Employment information (status, history), Marital Status, Certificates (birth, death, marriage, housing counseling, mortgage insurance), IRS Employer Identification Number (EIN), Taxpayer ID, Appraiser Roster ID number, 203k Consultant ID number, License Number, Date of Birth (DOB), Mother's maiden name, Home and/or work telephone number, Email address, Mailing address (home and/or work) and Agency or organization affiliation, Lender ID, racial/ethnic background (if disclosed), Sex (if disclosed), Credit report and scores (FICO® scores), Non-borrowing Spouse status (HECM loans only), Mortgage loan terms, including documents used by the lender when underwriting the loan (including, but not limited to paystubs, bank statements, tax returns, legal documents, including deeds of trust, title records, and lender's loan account number), Appraiser's license/expiration date, mailing address, email address, demographic data, Minority Business Enterprise (MBE) Code, 203K Consultant ID number, 203K License ID number (if applicable), Roster termination date for Appraisers, 203k Consultants, Housing Counselors, Business territory/participation state, Nationwide Mortgage Licensing System (NMLS) number, Transaction history and/or workload of the individuals using the system, Housing Counseling System (HCS) number, Preferred language, and Subject property addresses.

RECORD SOURCE CATEGORIES:

Mortgagors, Appraisers, 203k Consultants, Mortgagees and their employees and service providers (loan originators, processors, underwriters), Housing Counselors, Individuals that pass the HUD Certified Housing Counselor examination, HUD Housing Counseling Program clients that receive education and counseling from a HUD participating housing counseling

agency, and HUD employees and contractors.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND PURPOSES OF SUCH:

A. To appropriate agencies, entities, and persons when: (a) HUD suspects or has confirmed that there has been a breach of the system of records; (b) HUD has determined that as a result of the suspected or confirmed breach there is a risk of harm to individuals, HUD (including its information systems, programs, and operations), the Federal Government, or national security; and (c) the disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with HUD's efforts to respond to the suspected or confirmed breach or to prevent, minimize, or remedy such harm.

B. To another Federal agency or Federal entity, when HUD determines that information from this system of record is reasonably necessary to assist the recipient agency or entity in (a) responding to a suspected or confirmed breach or (b) preventing, minimizing, or remedying the risk of harm to individuals, the recipient agency or entity (including its information systems, programs, and operations), the Federal government, or national security resulting from a suspected or confirmed breach.

C. To a congressional office from the record of an individual in response to an inquiry from that congressional office made at the request of the individual to whom the record pertains.

D. To the General Accounting Office (GAO) for audit purposes.

E. To contractors, grantees, experts, consultants, and the agents thereof, and others performing or working on a contract, service, grant, cooperative agreement, or other agreement with HUD, when necessary to accomplish an agency function related to these systems of records, limited to only those data elements considered relevant to accomplishing an agency function.

F. To the general public through rosters maintained and published by HUD to look up Appraisers, 203k Consultants, Housing Counselors, and HECM Counselors. The information will be released to any interested person only through a specific web page on either www.hud.gov or the HUD Exchange designated by HUD. Such disclosures are limited to name, contact information, licensing, and certification status.

G. To Federal agencies, non-Federal entities, their employees, and agents (including contractors, their agents or

employees; employees or contractors of the agents or designated agents); or contractors, their employees or agents with whom HUD has a contract, service agreement, grant, cooperative agreement, or computer matching agreement for: (a) detection, prevention, and recovery of improper payments; (b) detection and prevention of fraud, waste, and abuse in major Federal programs administered by a Federal agency or non-Federal entity; (c) detection of fraud, waste, and abuse by individuals in their operations and programs; or (d) for the purpose of establishing or verifying the eligibility of, or continuing compliance with statutory and regulatory requirements by, applicants for, recipients or beneficiaries of, participants in, or providers of services with respect to, cash or in-kind assistance or payments under Federal benefits programs or recouping payments or delinquent debts under such Federal benefits programs. Records under this routine use may be disclosed only to the extent that the information shared is necessary and relevant to verify pre-award and pre-payment requirements prior to the release of Federal funds, or to prevent and recover improper payments for services rendered under programs of HUD or of those Federal agencies and non-Federal entities to which HUD provides information under this routine use.

H. To Federal agencies, and non-Federal entities, including, but not limited to contractors, grantees, experts, consultants, State and local governments and other research institutions or their parties, and entities and their agents with whom HUD has a contract, service agreement, grant, cooperative agreement, or other agreement, for the purposes of analysis and research to support program operations, management, performance monitoring, evaluation, risk management, and policy development, or to otherwise support the Department's mission. Records under this routine use may not be used in whole or in part to make decisions that affect the rights, benefits, or privileges of specific individuals. The results of the matched information may not be disclosed in identifiable form.

I. To appropriate Federal, State, local, tribal, or other governmental agencies or multilateral governmental organizations responsible for investigating or prosecuting the violations of, or for enforcing or implementing, a statute, rule, regulation, order, or license, where HUD determines that the information would help in the enforcement of civil or criminal laws and when such

records, either alone or in conjunction with other information, indicate a violation or potential violation of law.

J. To a court, magistrate, administrative tribunal, or arbitrator in the course of presenting evidence, including disclosures to opposing counsel or witnesses in civil discovery, litigation, mediation, or settlement negotiations; or in connection with criminal law proceedings; when HUD determines that use of such records is relevant and necessary to the litigation and when any of the following is a party to the litigation or have an interest in such litigation: (a) HUD, or any component thereof; or (b) any HUD employee in his or her official capacity; or (c) any HUD employee in his or her individual capacity where HUD has agreed to represent the employee; or (d) the United States, or any agency thereof, where HUD determines that litigation is likely to affect HUD or any of its components.

K. To any component of the Department of Justice or other Federal agency conducting litigation or in proceedings before any court, adjudicative, or administrative body, when HUD determines that the use of such records is relevant and necessary to the litigation and when any of the following is a party to the litigation or have an interest in such litigation: (a) HUD, or any component thereof; or (b) any HUD employee in his or her official capacity; or (c) any HUD employee in his or her individual capacity where the Department of Justice or agency conducting the litigation has agreed to represent the employee; or (d) the United States, or any agency thereof, where HUD determines that litigation is likely to affect HUD or any of its components.

L. To the Social Security Administration (SSA) through a computer matching program to verify the eligibility of program participants and applicants in FHA's housing finance programs. (This computer matching program is conducted by an interface between CHUMS and the SSA Enumeration Verification System (EVS).)

M. To HUD authorized AUS providers and software companies involved in providing access to TOTAL Scorecard including but not limited to Government Sponsored Enterprises (GSEs) Fannie Mae and Freddie Mac, financial institutions, and software companies to respond to requests for assistance with individual cases submitted to TOTAL Scorecard and for the purposes of research and analysis to enhance program operations and performance through automated

underwriting, credit scoring and risk management. PII data used for research and analysis including the results of the research and analysis must be de-identified and aggregated and may not be disclosed or published. (This use is specific to CHUMS data.)

N. To other Federal agencies, (including but not limited to the Federal Housing Finance Agency (FHFA) and the Consumer Financial Protection Bureau), and their contractor/s through data sharing and other agreements for the purposes of research and analysis of automated underwriting, credit enhance oversight of the mortgage market, inform rulemaking, assess program effectiveness and to publish de-identified aggregate data and results of research and analysis. (This use is specific to CHUMS data.)

O. To Federal financial regulators, Fair Lending enforcement agencies, and financial institutions (including, but not limited to the Federal Housing Finance Agency (FHFA), Government Sponsored Enterprises (GSEs) Fannie Mae and Freddie Mac, Veterans Administration, US Department of Agriculture Rural Development Agency, Consumer Financial Protection Bureau, the Federal Reserve, and the Appraisal Subcommittee) through data sharing agreements and other agreements for the purposes of analysis and research to assess program compliance and risks associated with real estate appraisal and other property valuation methods used in Federal housing finance transactions. Recipients may use the data, including analysis and research, in conducting investigations and taking enforcement action (including cases and administrative proceedings) for violations of laws, rules, or regulations, and for coordinated policy development and implementation. (This routine use is specific to LAMS data.)

P. To the US Department of Treasury through a computer matching program interface between CHUMS and Treasury's Do Not Pays (DNP) system for the purposes of preventing and recovering improper payments and to verify borrower eligibility to participate in FHA's mortgage insurance programs per the Payments Integrity Information Act of 2019.

POLICIES AND PRACTICES FOR STORAGE OF RECORDS:

Electronic only.

POLICIES AND PRACTICES FOR RETRIEVAL OF RECORDS:

Records are retrieved by Name, Social Security Number, and Taxpayer ID.

POLICIES AND PRACTICES FOR RETENTION AND DISPOSAL OF RECORDS:

Per HUD Schedule Appendix 20 Single Family Home Mortgage Insurance Program Records, item 13B6, and HUD Schedule Appendix 5, Technical Support Records, all records in FHAC, CHUMS and LAMS will be destroyed when superseded or obsolete. Per General Record Schedule 5.2, Item 20, all FHAC, CHUMS and LAMS records are temporary and are to be destroyed upon verification of successful creation of the final document or file, or when no longer needed for business use, whichever is later.

ADMINISTRATIVE, TECHNICAL, AND PHYSICAL SAFEGUARDS:

Administrative Safeguards: The core CHUMS system and all data are maintained simultaneously across multiple data centers within the Microsoft Azure Federal cloud, which are located within FedRAMP security approved facilities. For technical reasons, certain CHUMS databases, FHAC and LAMS are located and backed up on servers housed within secure Federal data facilities and not in the cloud.

Physical Safeguards: Controls to secure the data and protect electronic records, buildings, and related infrastructure against threats associated with their physical environment include, but are not limited to, using cypher and combination locks, key card-controlled access, security guards, closed circuit TV, identification badges, and safes. Administrative controls include encryption of back-up data, back-ups secured off-site, methods to ensure only authorized users have access to PII, periodic security audits, regular monitoring of system users' behavior and users' Security Practices.

Technical Safeguards: Controls for the systems include, but are not limited to, encryption of Data at Rest and in Transit, firewalls at HUD, user ID, password protection, role-based access controls, Least Privileged access, elevated and/or administrative privileged access, Personal Identify Verification cards, intrusion detection systems. Unauthorized access is controlled by application-level security.

RECORD ACCESS PROCEDURES:

Individuals requesting records of themselves should address written inquiries to the Department of Housing Urban and Development 451 7th Street SW, Washington, DC 20410-0001. For verification, individuals should provide their full name, current address, and telephone number. In addition, the requester must provide either a

notarized statement or an unsworn declaration made under 24 CFR 16.4.

CONTESTING RECORD PROCEDURES:

The HUD rule for accessing, contesting, and appealing agency determinations by the individual concerned are published in 24 CFR part 16 or may be obtained from the system manager.

NOTIFICATION PROCEDURES:

Individuals requesting notification of records of themselves should address written inquiries to the Department of Housing Urban Development, 451 7th street SW, Washington, DC 20410-0001. For verification purposes, individuals should provide their full name, office or organization where assigned, if applicable, and current address and telephone number. In addition, the requester must provide either a notarized statement or an unsworn declaration made under 24 CFR 16.4.

EXEMPTIONS PROMULGATED FOR THE SYSTEM:

None.

HISTORY:

Docket No. FR-7092-N-30, 89 FR 47978, June 4, 2024; Docket No. FR-7077-N-12, 88 FR 44386, July 12, 2023; Docket No. FR-5921-N-17, 81 FR 71750, October 18, 2016.

Shalanda Capehart,

Acting Chief Privacy Officer, Office of Administration.

[FR Doc. 2025-14530 Filed 7-31-25; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-7104-N-08]

Privacy Act of 1974; System of Records

AGENCY: Office of the Chief Financial Officer, HUD.

ACTION: Notice of a Modified System of Records.

SUMMARY: Pursuant to the provisions of the Privacy Act of 1974, as amended, the Department of the Housing and Urban Development (HUD), Office of the Chief Financial Officer (OCFO) Accounting Operations Center, is modifying a system of records titled, "Financial Data Mart." Financial Data Mart (FDM) is a warehouse of data extracted from various HUD systems and is supported by several query tools for improved financial and program data reporting. FDM facilitates viewing, understanding and reporting of financial data. FDM is the primary reporting tool

used to generate internal ad-hoc reports, scheduled event-driven reports, and queries. This system of records is being revised to make clarifying changes within: System Name and number, System Manager, Purpose of the System, Categories of Individuals Covered by the System, Categories of Records in the System, Records Source Categories, Routine Uses Maintained in the System, Retrieval of Records, Retention and Disposal of Records and Administrative, Technical and Physical Safeguards, Record Access Procedures, Contesting Record Procedures, and Notification Procedures. The SORN modifications are outlined in the SORN

SUPPLEMENTARY INFORMATION section.

DATES: Comments will be accepted on or before September 2, 2025. This proposed action will be effective on the date following the end of the comment period unless comments are received which result in a contrary determination.

ADDRESSES: You may submit comments, identified by the docket number or by one of the following methods:

Federal e-Rulemaking Portal: <http://www.regulations.gov>. Follow the instructions provided on that site to submit comments electronically.

Fax: 202-619-8365.

Email: privacy@hud.gov.

Mail: Attention: Privacy Office; Shalanda Capehart, Acting Chief Privacy Officer; The Office of Executive Secretariat; 451 7th Street SW, Room 10139; Washington, DC 20410-0001.

Instructions: All submissions received must include the agency name and docket number for this rulemaking. All comments received will be posted without change to <http://www.regulations.gov>, including any personal information provided.

Docket: For access to the docket to read background documents or comments received go to <http://www.regulations.gov>.

FOR FURTHER INFORMATION CONTACT:

Shalanda Capehart, Acting Chief Privacy Officer, 451 7th Street SW, Room 10139, Washington, DC 20410-0001; telephone (202) 402-5085 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

SUPPLEMENTARY INFORMATION: HUD amends the system of records notice (SORN) for the Financial Data Mart

(FDM) to include substantive changes reflecting the modified items listed below:

- *System Name and Number:* Updated to reflect the correct system number.
- *System Manager:* Updated to reflect personnel changes.
- *Purpose of the System:* Updated for greater clarity and conciseness.
- *Categories of Individuals:* Updated to include additional categories.
- *Categories of Records:* Updated to include additional categories.
- *Record Source Categories:* Updated to include Loan Accounting System (LAS) and GSA's System for Award Management (SAM).
- *Routine Use of Records Maintained:* Updated to include NARA's requirement for FOIA requests.
- *Retrieval of Records:* Updated to include email address in the list.
- *Retention and Disposal of Records:* Updated to align with NARA's requirements.
- *Administrative, Technical, and Physical Safeguards:* Updated to remove information unrelated to FDM.
- *Record Access Procedures, Contesting Record Procedures, and Notification Procedures sections:* Updated to reflect current guidance.

SYSTEM NAME AND NUMBER:

Financial Data Mart (FDM), HUD/CFO-04.

SECURITY CLASSIFICATION:

Unclassified.

SYSTEM LOCATION:

HUD Headquarters, 451 7th Street SW, Washington, DC 20410-1000 and National Center for Critical Information Processing and Storage (NCCIPS), Stennis Space Center, MS 39529-6000. The backup data center is at Mid-Atlantic Data Center in Clarksville, VA 23927-3201.

SYSTEM MANAGER(S):

Kate Darling, Assistant Chief Financial Officer for Systems, Office of the Chief Financial Officer, Department of Housing and Urban Development, 451 7th Street SW, Room 3100, Washington, DC 20410-0001; telephone (202) 402-3912.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

31 U.S.C. 3511; The Chief Financial Officers Act of 1990 (31 U.S.C. 901, *et seq.*); Executive Order 9397, as amended by Executive Order 13478; Housing and Community Development Act of 1987, 42 U.S.C. 3543.

PURPOSE(S) OF THE SYSTEM:

Financial Data Mart (FDM) is a centralized repository of data extracted

from a variety of HUD's financial systems, supported by query tools to enhance financial and program data reporting. FDM is designed to facilitate viewing, understanding, and reporting of financial data. FDM serves as the primary tool for generating internal ad-hoc reports, scheduled event-driven reports, and queries.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

General public, Federal Employees, Contractors, Third-Party vendors, and recipients of grants, subsidies, or loans.

CATEGORIES OF RECORDS IN THE SYSTEM:

Names, Social Security Numbers (SSNs), Taxpayer-IDs (which may include SSNs for sole-proprietors), Home/business addresses, Financial Information (e.g., bank account number, bank routing numbers), Email addresses, salaries, and User IDs.

RECORD SOURCE CATEGORIES:

FDM receives records from other HUD information systems such as HUD Central Accounting and Program Systems (HUDCAPS), Loan Accounting System (LAS), Line of Credit Control System (LOCCS), HUD Integrated Human Resources and Training System (HIHRTS), Geocoding Service Center (GSC), Office 365 Multi-Tenant Software, and non-Personally Identifiable Information (non-PII) from Integrated Real Estate Management System (IREMS). FDM receives records from external sources, such as the General Services Administration, System for Award Management (SAM) and the Department of Treasury, Administrative Resource Center (ARC)'s Oracle Federal Financials.

ROUTINE USES MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND PURPOSES OF SUCH USES:

(A) To a congressional office from the record of an individual, in response to an inquiry from the congressional office made at the request of that individual.

(B) To appropriate agencies, entities, and persons when: (I) HUD suspects or has confirmed that there has been a breach of the system of records; (II) HUD has determined that as a result of the suspected or confirmed breach there is a risk of harm to individuals, HUD (including its information systems, programs, and operations), the Federal Government, or national security; and (III) The disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with HUD's efforts to respond to the suspected or confirmed breach or to prevent, minimize, or remedy such harm.

(C) To another Federal agency or Federal entity, when HUD determines that information from this system of records is reasonably necessary to assist the recipient agency or entity in (I) responding to a suspected or confirmed breach or (II) preventing, minimizing, or remedying the risk of harm to individuals, the recipient agency or entity (including its information systems, programs and operations), the Federal Government, or national security, resulting from a suspected or confirmed breach.

(D) To a court, magistrate, administrative tribunal, or arbitrator in the course of presenting evidence, including disclosures to opposing counsel or witnesses in the course of civil discovery, litigation, mediation, or settlement negotiations; or in connection with criminal law proceedings; when HUD determines that use of such records is relevant and necessary to the litigation and when any of the following is a party to the litigation or have an interest in such litigation: (1) HUD, or any component thereof; or (2) any HUD employee in his or her official capacity; or (3) any HUD employee in his or her individual capacity where HUD has agreed to represent the employee; or (4) the United States, or any agency thereof, where HUD determines that litigation is likely to affect HUD or any of its components.

(E) To any component of the Department of Justice or other Federal agency conducting litigation or in proceedings before any court, adjudicative, or administrative body, when HUD determines that the use of such records is relevant and necessary to the litigation and when any of the following is a party to the litigation or have an interest in such litigation: (1) HUD, or any component thereof; or (2) any HUD employee in his or her official capacity; or (3) any HUD employee in his or her individual capacity where the Department of Justice or agency conducting the litigation has agreed to represent the employee; or (4) the United States, or any agency thereof, where HUD determines that litigation is likely to affect HUD or any of its components.

(F) To appropriate Federal, State, local, tribal, or other governmental agencies or multilateral governmental organizations responsible for investigating or prosecuting the violations of, or for enforcing or implementing, a statute, rule, regulation, order, or license, where HUD determines that the information would assist in the enforcement of civil or criminal laws when such records, either

alone or in conjunction with other information, indicate a violation or potential violation of law.

(G) To Federal agencies, non-Federal entities, their employees, and agents (including contractors, their agents or employees; employees or contractors of the agents or designated agents); or contractors, their employees or agents with whom HUD has a contract, service agreement, grant, cooperative agreement, or computer matching agreement for the purpose of: (I) Detection, prevention, and recovery of improper payments; (II) detection and prevention of fraud, waste, and abuse in major Federal programs administered by a Federal agency or non-Federal entity; (III) for the purpose of establishing or verifying the eligibility of, or continuing compliance with statutory and regulatory requirements by, applicants for, recipients or beneficiaries of, participants in, or providers of services with respect to, cash or in-kind assistance or payments under Federal benefits programs or recouping payments or delinquent debts under such Federal benefits programs; (IV) detection of fraud, waste, and abuse by individuals in their operations and programs. Records under this routine use may be disclosed only to the extent that the information shared is necessary and relevant to verify pre-award and prepayment requirements prior to the release of Federal funds or to prevent and recover improper payments for services rendered under programs of HUD or of those Federal agencies and non-Federal entities to which HUD provides information under this routine use.

(H) To contractors, grantees, experts, consultants and their agents, or others performing or working under a contract, service, grant, cooperative agreement, or other agreement with HUD, when necessary to accomplish an agency function related to a system of records. Disclosure requirements are limited to only those data elements considered relevant to accomplishing an agency function.

(I) To the National Archives and Records Administration, Office of Government Information Services (OGIS), to the extent necessary to fulfill its responsibilities in 5 U.S.C. 552(h), to review administrative agency policies, procedures and compliance with the Freedom of Information Act (FOIA), and to facilitate OGIS' offering of mediation services to resolve disputes between persons making FOIA requests and administrative agencies.

POLICIES AND PRACTICES FOR STORAGE OF RECORDS:

Electronic only.

POLICIES AND PRACTICES FOR RETRIEVAL OF RECORDS:

Name, Social Security Number, Taxpayer ID, Email address, and User-ID.

POLICIES AND PRACTICES FOR RETENTION AND DISPOSAL OF RECORDS:

Temporary. Destroy 6 years after final payment or cancellation, but longer retention is authorized if required for business use.

ADMINISTRATIVE, TECHNICAL, AND PHYSICAL SAFEGUARDS:

All HUD employees have undergone background investigations. HUD buildings are guarded and monitored by security personnel, cameras, ID checks, and other physical security measures. Access is restricted to authorized personnel or contractors whose responsibilities require access. System users must take the mandatory security awareness training annually as mandated by the Federal Information Security Management Act (FISMA). Users must also sign a Rules of Behavior form certifying that they agree to comply with the requirements before they are granted access to the system. FDM resides in the HUD Office of Chief Information Officer (OCIO) Local Area Network (LAN). The HUD OCIO Infrastructure and Operations Office (IOO) secures the Data Centers where the LAN resides. FDM sends and receives data through HUD SFTP (Security File Transfer Protocol), which encrypts the data in the database. All users authenticate to the HUD LAN with PIV cards before they can access FDM. OCFO limits access to records that contain PII data on a need-to-know basis, user recertification is performed, audit logs are reviewed, security assessments are performed, and background checks are performed prior to granting access to privileged roles. Not all employees and contractors have access to the vendor table that includes the PII. Supervisors determine and authorize FDM access for their employees, and OCFO checks their suitability. The majority of FDM users are read-only and cannot enter data into FDM. A system user recertification is conducted to ensure each FDM user requires access to the system.

RECORD ACCESS PROCEDURES:

Individuals requesting records of themselves should address written inquiries to the Department of Housing Urban and Development 451 7th Street SW, Washington, DC 20410-0001. For

verification, individuals should provide their full name, current address, and telephone number. In addition, the requester must provide either a notarized statement or an unsworn declaration made under 24 CFR 16.4.

CONTESTING RECORD PROCEDURES:

The HUD rule for contesting the content of any record pertaining to the individual by the individual concerned is published in 24 CFR 16.8 or may be obtained from the system manager.

NOTIFICATION PROCEDURES:

Individuals requesting notification of records of themselves should address written inquiries to the Department of Housing Urban Development, 451 7th street SW, Washington, DC 20410-0001. For verification purposes, individuals should provide their full name, office or organization where assigned, if applicable, and current address and telephone number. In addition, the requester must provide either a notarized statement or an unsworn declaration made under 24 CFR 16.4.

EXEMPTIONS PROMULGATED FOR THE SYSTEM:

None.

HISTORY:

Docket No. FR-7062-N-12, 87 FR 50640, August 17, 2022.

Shalanda Capehart,

Acting Chief Privacy Officer, Office of Administration.

[FR Doc. 2025-14575 Filed 7-31-25; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-6557-N-01]

Notice of HUD Vacant Loan Sales (HVLS 2025-2)

AGENCY: Office of the Assistant Secretary for Housing—Federal Housing Commissioner, U.S. Department of Housing and Urban Development (HUD).

ACTION: Notice of sales of reverse mortgage loans.

SUMMARY: This notice announces HUD's intention to offer approximately 1,600 home equity conversion mortgages (HECM, or reverse mortgage loans) secured by vacant properties with a loan balance of approximately \$444 million, in a competitive sale. This initiative supports HUD's continued efforts to reduce financial risk to the Mutual Mortgage Insurance Fund and promote the efficient disposition of defaulted assets. The sale will consist of due and

payable Secretary-held reverse mortgage loans. The mortgage loans consist of first liens secured by single family, vacant residential properties, where all borrowers are deceased, and no borrower is survived by a non-borrowing spouse. This sale will be the first of two planned offerings. This notice also generally describes the bidding process for the sale and certain entities who are ineligible to bid. This is the fifteenth sale offering of its type and will be held on August 6, 2025.

DATES: For this sale action, the Bidder's Information Package (BIP) was made available to qualified bidders on June 30, 2025. Bids for the HVLS 2025–2 sale will be accepted on the Bid Date of August 6, 2025 prior to 1:00 p.m. ET (Bid Date). HUD anticipates that awards will be made on or about August 8, 2025 (the Award Date).

ADDRESSES: To become an eligible bidder and receive the BIP for the August sale, prospective bidders must complete, execute, and submit a Confidentiality Agreement and Qualification Statement acceptable to HUD. The documents will be available in preview form with free login on the Transaction Specialist (TS), Falcon Capital Advisors, website: <http://www.falconassetsales.com>. This website contains information and links to register for the sale and electronically complete and submit documents.

If you cannot submit electronically, please submit executed documents via mail or facsimile to Falcon Capital Advisors: Falcon Capital Advisors, 427 N Lee Street, Alexandria, VA 22314, Attention: Glenn Ervin, HUD HVLS Loan Sale Coordinator. eFax: 1–202–393–4125.

FOR FURTHER INFORMATION CONTACT: John Lucey, Director, Office of Asset Sales, Room 9216, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410–8000; telephone 202–708–2625, extension 3927 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

SUPPLEMENTARY INFORMATION: This notice announces HUD's intention to sell due and payable Secretary-held reverse mortgage loans in HVLS 2025–2. HUD is offering approximately 1,600 reverse mortgage notes with a loan balance of approximately \$444 million. The mortgage loans consist of first liens

secured by single family, vacant residential properties, where all borrowers are deceased, and no borrower is survived by a non-borrowing spouse.

A listing of the mortgage loans will be included in the due diligence materials made available to eligible bidders. The mortgage loans will be sold without FHA insurance and with servicing released.

The Bidding Process

The BIP describes in detail the procedure for bidding in HVLS 2025–2. The BIP also includes the applicable standardized non-negotiable Conveyance, Assignment and Assumption Agreements for HVLS 2025–2 (CAA). The CAAs will NOT contain first look requirements or mission outcome goals.

HUD will evaluate the bids submitted and determine the successful bids, in terms of the best value to HUD, in its sole and absolute discretion. If a bidder is successful, it will be required to submit a deposit which will be calculated based upon the total dollar value of the bidder's potential award. Award will be contingent on receiving the deposit in the timeframe outlined in the bid deposit confirmation. The deposit amount will be applied to the sale price on the settlement date.

This notice provides some of the basic terms of sale. The CAA will be released in the BIP or BIP Supplement, as applicable. These documents provide comprehensive contractual terms and conditions to which eligible bidders will acknowledge and agree. To ensure a competitive bidding process, the terms of the bidding process and the CAA are not subject to negotiation.

Due Diligence Review

The BIP describes how eligible bidders may access the due diligence materials remotely via a high-speed internet connection.

Mortgage Loan Sale Policy

HUD reserves the right to remove mortgage loans from a sale at any time prior to the Award Date and the settlement date for the mortgage loans. HUD also reserves the right to reject any and all bids, in whole or in part, and include any unsold reverse mortgage loans from the HVLS 2025–2 sale in a later sale. Deliveries of mortgage loans will occur in conjunction with settlement and servicing transfer no later than 60 days after the Award Date.

The reverse mortgage loans offered for sale were insured by and were assigned to HUD pursuant to section 255 of the National Housing Act, as amended. The

sale of the reverse mortgage loans is pursuant to HUD's authority in section 204(g) of the National Housing Act.

Mortgage Loan Sale Procedure

HUD selected an open competitive whole-loan sale as the method to sell the reverse mortgage loans for this specific sale transaction. For the HVLS 2025–2 sale, HUD has determined that this method of sale optimizes HUD's return on the sale of these reverse mortgage loans, affords the greatest opportunity for all eligible bidders to bid on the reverse mortgage loans, and provides the quickest and most efficient vehicle for HUD to dispose of the due and payable reverse mortgage loans.

Bidder Ineligibility

In order to bid in HVLS 2025–2 as an eligible bidder, a prospective bidder must complete, execute, and submit a Confidentiality Agreement and a Qualification Statement (HUD–9611) that is acceptable to HUD. In past sales, nonprofit and governmental entities were able to submit an addendum (HUD–9612), which required additional certifications and documentation regarding the entity's organizational structure. This additional information collection will be removed for HVLS 2025–2. Nonprofit and governmental entities will be required to certify eligibility only under the Qualification Statement (HUD–9611). The Confidentiality Agreement and Qualification Statement collectively are the "Qualification Statement Documents." In the Qualification Statement, the prospective bidder must disclose its key employees, including officers, directors and other decision makers and provide certain representations and warranties regarding the prospective bidder, including (i) the prospective bidder's board of directors, (ii) the prospective bidder's direct parent, (iii) the prospective bidder's subsidiaries, (iv) any related entity with which the prospective bidder shares a common officer, director, subcontractor or subcontractor who has access to Confidential Information as defined in the Confidentiality Agreement or is involved in the formation of a bid transaction (collectively the "Related Entities"), and (v) the prospective bidder's repurchase lenders. The prospective bidder is ineligible to bid on any of the reverse mortgage loans included in HVLS 2025–2 if the prospective bidder, its Related Entities, or its repurchase lenders, are any of the following, unless other exceptions apply as provided for in the Qualification Statement.

1. An individual or entity that is currently debarred, suspended, or excluded from doing business with HUD pursuant to the Governmentwide Suspension and Debarment regulations at 2 CFR parts 180 and 2424;

2. An individual or entity that is currently suspended, debarred, or otherwise restricted by any department or agency of the federal government or of a state government from doing business with such department or agency;

3. An individual or entity that is currently debarred, suspended, or excluded from doing mortgage related business, including having a business license suspended, surrendered or revoked, by any federal, state, or local government agency, division, or department;

4. An entity that has had its right to act as a Government National Mortgage Association ("Ginnie Mae") issuer terminated and its interest in mortgages backing Ginnie Mae mortgage-backed securities extinguished by Ginnie Mae;

5. An individual or entity that is in violation of its neighborhood stabilizing outcome obligations or post-sale reporting requirements under a Conveyance, Assignment and Assumption Agreement executed for a past sale;

6. An employee of HUD's Office of Housing, a member of such employee's household, or an entity owned or controlled by any such employee or member of such an employee's household with household to be inclusive of the employee's father, mother, stepfather, stepmother, brother, sister, stepbrother, stepsister, son, daughter, stepson, stepdaughter, grandparent, grandson, granddaughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, first cousin, the spouse of any of the foregoing, and the employee's spouse;

7. A contractor, subcontractor, and/or consultant or advisor (including any agent, employee, partner, director, or principal of any of the foregoing) who performed services for or on behalf of HUD in connection with the sale;

8. An individual or entity that knowingly acquired or will acquire prior to the sale date material non-public information, other than that information which is made available to Bidder by HUD pursuant to the terms of this Qualification Statement, about mortgage loans offered in the sale;

9. An individual or entity which knowingly employs or uses the services of an employee of HUD's Office of Housing (other than in such employee's official capacity); or

10. An individual or entity that knowingly uses the services, directly or indirectly, of any person or entity ineligible under 1 through 10 to assist in preparing any of its bids on the mortgage loans.

The Qualification Statement has additional representations and warranties which the prospective bidder must make, including but not limited to the representation and warranty that the prospective bidder or its Related Entities are not and will not knowingly use the services, directly or indirectly, of any person or entity that is, any of the following (and to the extent that any such individual or entity would prevent the prospective bidder from making the following representations, such individual or entity has been removed from participation in all activities related to this sale and has no ability to influence or control individuals involved in formation of a bid for this sale):

(1) An entity or individual is ineligible to bid on any included reverse mortgage loan or on the pool containing such reverse mortgage loan because it is an entity or individual that:

(a) Serviced or held such reverse mortgage loan at any time during the six-month period prior to the bid, or

(b) Is any principal of any entity or individual described in the preceding sentence;

(c) Any employee or subcontractor of such entity or individual during that six-month period; or

(d) Any entity or individual that employs or uses the services of any other entity or individual described in this paragraph in preparing its bid on such reverse mortgage loan.

Freedom of Information Act Requests

HUD reserves the right, in its sole and absolute discretion, to disclose information regarding HVLS 2025–2, including, but not limited to, the identity of any successful qualified bidder and its bid price or bid percentage for any pool of loans or individual loan, upon the closing of the sale of all the mortgage loans. Even if HUD elects not to publicly disclose any information relating to HVLS 2025–2, HUD will disclose any information that HUD is obligated to disclose pursuant to the Freedom of Information Act and all regulations promulgated thereunder.

Scope of Notice

This notice applies to HVLS 2025–2 and does not establish HUD's policy for the sale of other mortgage loans.

This sale will be the first of two planned offerings. A second competitive sale of approximately 2,000 additional

HECM loans of the same type—also secured by vacant properties—is tentatively planned for September 2025. Additional information regarding sale structure, loan pool composition, and bidding procedures will be provided in subsequent announcements.

Frank Cassidy,

Principal Deputy Assistant Secretary for Housing.

[FR Doc. 2025–14527 Filed 7–31–25; 8:45 am]

BILLING CODE 4210–67–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N6379; NPS–WASO–NAGPRA–NPS0040666; PPWOCRADN0–PCU00RP14.R50000]

Notice of Intended Repatriation: Historic Indian Agency House Association, Inc., Portage, WI

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the Historic Indian Agency House Association, Inc. intends to repatriate a certain cultural item that meets the definition of a sacred object and that has a cultural affiliation with the Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the cultural item in this notice may occur on or after September 2, 2025.

ADDRESSES: Send additional, written requests for repatriation of the cultural items in this notice to Adam Novey, Historic Indian Agency House Association, Inc., 1490 Agency House Road, Portage, WI 53901, email historicindianagencyhouse@gmail.com.

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 Historic Indian Agency House Association, Inc., and additional information on the determinations in this notice, including the results of consultation, can be found in the summary or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

A total of one cultural item has been requested for repatriation. The one sacred object is a ceremonial leather headband (numbered M832 in museum records) with carved abalone shell

“hooks” affixed to it. The object has been determined as having a geographic connection to nations which are indigenous to northwest California. It was gifted to the Historic Indian Agency House Association, Inc., in October 2024, in accordance with the dissolution of its predecessor (the National Society of Colonial Dames of America—State of Wisconsin). Its original acquisition by the Historic Indian Agency House Association, Inc.’s predecessor appears to have occurred prior to 1982 from an unknown source. No cultural affiliation is identified in museum records, and no known potentially hazardous substances have been used to treat this cultural item.

Determinations

The Historic Indian Agency House Association, Inc. has determined that:

- The one sacred object described in this notice is a specific ceremonial object needed by a traditional Native American religious leader for present-day adherents to practice traditional Native American religion, according to the Native American traditional knowledge of a lineal descendant, Indian Tribe, or Native Hawaiian organization.
- There is a connection between the cultural item described in this notice and the Wiyot Tribe, California.

Requests for Repatriation

Additional, written requests for repatriation of the cultural item in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or a culturally affiliated Indian Tribe or Native Hawaiian organization.

Repatriation of the cultural item in this notice to a requestor may occur on or after September 2, 2025. If competing requests for repatriation are received, the Historic Indian Agency House Association, Inc., must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the cultural item are considered a single request and not competing requests. The Historic Indian Agency House Association, Inc., 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 15, 2025.

Mariah Soriano,

Acting Manager, National NAGPRA Program.

[FR Doc. 2025–14532 Filed 7–31–25; 8:45 am]

BILLING CODE 4312–52–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731–TA–1455 (Review)]

Polyethylene Terephthalate Sheet From South Korea; Institution of a Five-Year Review

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice that it has instituted a review pursuant to the Tariff Act of 1930 (“the Act”), as amended, to determine whether revocation of the antidumping duty order on polyethylene terephthalate sheet from South Korea would be likely to lead to continuation or recurrence of material injury. Pursuant to the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission.

DATES: Instituted August 1, 2025. To be assured of consideration, the deadline for responses is September 2, 2025. Comments on the adequacy of responses may be filed with the Commission by October 10, 2025.

FOR FURTHER INFORMATION CONTACT: Rachel Devenney (202–205–3172), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission’s TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (<https://www.usitc.gov>). The public record for this proceeding may be viewed on the Commission’s electronic docket (EDIS) at <https://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background.—On September 10, 2020, the Department of Commerce (“Commerce”) issued an antidumping duty order on imports of polyethylene terephthalate sheet from South Korea (85 FR 55824). The Commission is

conducting a review pursuant to section 751(c) of the Act, as amended (19 U.S.C. 1675(c)), to determine whether revocation of the order would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. Provisions concerning the conduct of this proceeding may be found in the Commission’s Rules of Practice and Procedure at 19 CFR part 201, subparts A and B, and 19 CFR part 207, subparts A and F. The Commission will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct a full or expedited review. The Commission’s determination in any expedited review will be based on the facts available, which may include information provided in response to this notice.

Definitions.—The following definitions apply to this review:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year review, as defined by Commerce.

(2) The *Subject Country* in this review is South Korea.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise*. In its original determinations, the Commission defined the *Domestic Like Product* as a single domestic like product consisting of all PET sheet, coextensive with the scope.

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product*, or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original determinations, the Commission defined the *Domestic Industry* as producers of PET sheet except one firm.

(5) The *Order Date* is the date that the antidumping duty order under review became effective. In this review, the *Order Date* is September 10, 2020.

(6) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the *Subject Merchandise* into the United States from a foreign manufacturer or through its selling agent.

Participation in the proceeding and public service list.—Persons, including industrial users of the *Subject Merchandise* and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the proceeding as parties must file an entry of appearance with

the Secretary to the Commission, as provided in § 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the proceeding.

Former Commission employees who are seeking to appear in Commission five-year reviews are advised that they may appear in a review even if they participated personally and substantially in the corresponding underlying original investigation or an earlier review of the same underlying investigation. The Commission's designated agency ethics official has advised that a five-year review is not the same particular matter as the underlying original investigation, and a five-year review is not the same particular matter as an earlier review of the same underlying investigation for purposes of 18 U.S.C. 207, the post-employment statute for Federal employees, and Commission rule 201.15(b) (19 CFR 201.15(b)), 79 FR 3246 (Jan. 17, 2014), 73 FR 24609 (May 5, 2008).

Consequently, former employees are not required to seek Commission approval to appear in a review under Commission rule 19 CFR 201.15, even if the corresponding underlying original investigation or an earlier review of the same underlying investigation was pending when they were Commission employees. For further ethics advice on this matter, contact Charles Smith, Office of the General Counsel, at 202–205–3408.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list.—Pursuant to § 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in this proceeding available to authorized applicants under the APO issued in the proceeding, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the proceeding. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification.—Pursuant to § 207.3 of the Commission's rules, any person submitting information to the Commission in connection with this proceeding must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter

will acknowledge that information submitted in response to this request for information and throughout this proceeding or other proceeding may be disclosed to and used: (i) by the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel, solely for cybersecurity purposes. All contract personnel will sign appropriate nondisclosure agreements.

Written submissions.—Pursuant to § 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is on or before 5:15 p.m. on September 2, 2025. Pursuant to § 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct an expedited or full review. The deadline for filing such comments is on or before 5:15 p.m. on October 10, 2025. All written submissions must conform with the provisions of § 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's *Handbook on Filing Procedures*, available on the Commission's website at https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf, elaborates upon the Commission's procedures with respect to filings. Also, in accordance with §§ 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the proceeding must be served on all other parties to the proceeding (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the proceeding you do not need to serve your response).

Please note the Secretary's Office will accept only electronic filings at 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.

No response to this request for information is required if a currently

valid Office of Management and Budget (“OMB”) number is not displayed; the OMB number is 3117 0016/USITC No. 25–5–650, expiration date June 30, 2026. Public reporting burden for the request is estimated to average 15 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436.

Inability to provide requested information.—Pursuant to § 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to § 776(b) of the Act (19 U.S.C. 1677e(b)) in making its determination in the review.

Information to be provided in response to this notice of institution: As used below, the term “firm” includes any related firms.

Those responding to this notice of institution are encouraged, but not required, to visit the USITC's website at https://usitc.gov/reports/response_noi_worksheet, where one can download and complete the “NOI worksheet” Excel form for the subject proceeding, to be included as attachment/exhibit 1 of your overall response.

(1) The name and address of your firm or entity (including World Wide Web address) and name, telephone number, fax number, and Email address of the certifying official.

(2) A statement indicating whether your firm/entity is an interested party under 19 U.S.C. 1677(9) and if so, how, including whether your firm/entity is a U.S. producer of the *Domestic Like Product*, a U.S. union or worker group, a U.S. importer of the *Subject Merchandise*, a foreign producer or exporter of the *Subject Merchandise*, a U.S. or foreign trade or business association (a majority of whose members are interested parties under the statute), or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which

your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in this proceeding by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping duty order on the *Domestic Industry* in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in § 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of *Subject Merchandise* on the *Domestic Industry*.

(5) A list of all known and currently operating U.S. producers of the *Domestic Like Product*. Identify any known related parties and the nature of the relationship as defined in § 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in the *Subject Country* that currently export or have exported *Subject Merchandise* to the United States or other countries since the *Order Date*.

(7) A list of 3–5 leading purchasers in the U.S. market for the *Domestic Like Product* and the *Subject Merchandise* (including street address, World Wide Web address, and the name, telephone number, fax number, and Email address of a responsible official at each firm).

(8) A list of known sources of information on national or regional prices for the *Domestic Like Product* or the *Subject Merchandise* in the U.S. or other markets.

(9) If you are a U.S. producer of the *Domestic Like Product*, provide the following information on your firm's operations on that product during calendar year 2024, except as noted (report quantity data in pounds and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the *Domestic Like Product* accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm to produce the *Domestic Like Product* (that is, the level of production that your establishment(s) could reasonably have expected to attain during the year,

assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix);

(c) the quantity and value of U.S. commercial shipments of the *Domestic Like Product* produced in your U.S. plant(s);

(d) the quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s); and

(e) the value of (i) net sales, (ii) cost of goods sold (COGS), (iii) gross profit, (iv) selling, general and administrative (SG&A) expenses, and (v) operating income of the *Domestic Like Product* produced in your U.S. plant(s) (include both U.S. and export commercial sales, internal consumption, and company transfers) for your most recently completed fiscal year (identify the date on which your fiscal year ends).

(10) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from the *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2024 (report quantity data in pounds and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from the *Subject Country* accounted for by your firm's(s') imports;

(b) the quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. commercial shipments of *Subject Merchandise* imported from the *Subject Country*; and

(c) the quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from the *Subject Country*.

(11) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in the *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2024 (report quantity data in pounds and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping duties). If you are a trade/business association, provide the information, on an aggregate basis,

for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in the *Subject Country* accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm(s) to produce the *Subject Merchandise* in the *Subject Country* (that is, the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix); and

(c) the quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total exports to the United States of *Subject Merchandise* from the *Subject Country* accounted for by your firm's(s') exports.

(12) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Product* that have occurred in the United States or in the market for the *Subject Merchandise* in the *Subject Country* since the *Order Date*, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in the *Subject Country*, and such merchandise from other countries.

(13) (OPTIONAL) A statement of whether you agree with the above definitions of the *Domestic Like Product* and *Domestic Industry*; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: This proceeding is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.61 of the Commission's rules.

By order of the Commission.

Issued: July 25, 2025.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2025–14589 Filed 7–31–25; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701–TA–511 and 731–
TA–1246–1247 (Second Review)]

Certain Crystalline Silicon Photovoltaic Products From China and Taiwan; Institution of Five-Year Reviews

AGENCY: United States International
Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice that it has instituted reviews pursuant to the Tariff Act of 1930 (“the Act”), as amended, to determine whether revocation of the countervailing and antidumping duty orders on certain crystalline silicon photovoltaic products from China and the antidumping duty order on certain crystalline silicon photovoltaic products from Taiwan would be likely to lead to continuation or recurrence of material injury. Pursuant to the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission.

DATES: Instituted August 1, 2025. To be assured of consideration, the deadline for responses is September 2, 2025. Comments on the adequacy of responses may be filed with the Commission by October 10, 2025.

FOR FURTHER INFORMATION CONTACT: Julie Duffy (202–708–2579), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission’s TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (<https://www.usitc.gov>). The public record for this proceeding may be viewed on the Commission’s electronic docket (EDIS) at <https://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background.—On February 18, 2015, the Department of Commerce (“Commerce”) issued countervailing and antidumping duty orders on certain

crystalline silicon photovoltaic products from China, and an antidumping duty order on imports of certain crystalline silicon photovoltaic products from Taiwan (80 FR 8592 and 8596). Following the first five-year reviews by Commerce and the Commission, effective September 11, 2020, Commerce issued a continuation of the countervailing and antidumping duty orders on certain crystalline silicon photovoltaic products from China, and the antidumping duty order on imports of certain crystalline silicon photovoltaic products from Taiwan (85 FR 56215). The Commission is now conducting second reviews pursuant to section 751(c) of the Act, as amended (19 U.S.C. 1675(c)), to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. Provisions concerning the conduct of this proceeding may be found in the Commission’s Rules of Practice and Procedure at 19 CFR part 201, subparts A and B, and 19 CFR part 207, subparts A and F. The Commission will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full or expedited reviews. The Commission’s determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

Definitions.—The following definitions apply to these reviews:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by Commerce.

(2) The *Subject Countries* in these reviews are China and Taiwan.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise*. In its original determinations and its expedited first five-year reviews, the Commission defined a single *Domestic Like Product* consisting of crystalline silicon photovoltaic cells and modules, coextensive with Commerce’s scope.

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product*, or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original determinations and its expedited first five-year reviews, the Commission defined the *Domestic Industry* as all U.S. producers of crystalline silicon photovoltaic cells and

modules. In its original determinations, the Commission also found that circumstances warranted the exclusion of certain domestic producers from the *Domestic Industry* as related parties.

(5) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the *Subject Merchandise* into the United States from a foreign manufacturer or through its selling agent.

Participation in the proceeding and public service list.—Persons, including industrial users of the *Subject Merchandise* and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the proceeding as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11(b)(4) of the Commission’s rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the proceeding.

Former Commission employees who are seeking to appear in Commission five-year reviews are advised that they may appear in a review even if they participated personally and substantially in the corresponding underlying original investigation or an earlier review of the same underlying investigation. The Commission’s designated agency ethics official has advised that a five-year review is not the same particular matter as the underlying original investigation, and a five-year review is not the same particular matter as an earlier review of the same underlying investigation for purposes of 18 U.S.C. 207, the post-employment statute for Federal employees, and Commission rule 201.15(b) (19 CFR 201.15(b)), 79 FR 3246 (Jan. 17, 2014), 73 FR 24609 (May 5, 2008). Consequently, former employees are not required to seek Commission approval to appear in a review under Commission rule 19 CFR 201.15, even if the corresponding underlying original investigation or an earlier review of the same underlying investigation was pending when they were Commission employees. For further ethics advice on this matter, contact Charles Smith, Office of the General Counsel, at 202–205–3408.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list.—Pursuant to § 207.7(a) of the Commission’s rules, the Secretary will make BPI submitted in this proceeding available to authorized

applicants under the APO issued in the proceeding, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the proceeding. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification.—Pursuant to § 207.3 of the Commission's rules, any person submitting information to the Commission in connection with this proceeding must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will acknowledge that information submitted in response to this request for information and throughout this proceeding or other proceeding may be disclosed to and used: (i) by the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel, solely for cybersecurity purposes. All contract personnel will sign appropriate nondisclosure agreements.

Written submissions.—Pursuant to § 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is 5:15 p.m. on September 2, 2025. Pursuant to § 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is 5:15 p.m. on October 10, 2025. All written submissions must conform with the provisions of § 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's *Handbook on Filing Procedures*, available on the Commission's website at https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf, elaborates upon the Commission's procedures with respect to filings. Also, in accordance with §§ 201.16(c) and 207.3 of the Commission's rules, each

document filed by a party to the proceeding must be served on all other parties to the proceeding (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the proceeding you do not need to serve your response).

Please note the Secretary's Office will accept only electronic filings at 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.

No response to this request for information is required if a currently valid Office of Management and Budget ("OMB") number is not displayed; the OMB number is 3117 0016/USITC No. 25–5–649, expiration date June 30, 2026. Public reporting burden for the request is estimated to average 15 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436.

Inability to provide requested information.—Pursuant to § 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to § 776(b) of the Act (19 U.S.C. 1677e(b)) in making its determinations in the reviews.

Information to be Provided in Response to This Notice of Institution: If you are a domestic producer, union/worker group, or trade/business association; import/export *Subject Merchandise* from more than one *Subject Country*; or produce *Subject Merchandise* in more than one *Subject Country*, you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent *Subject Country*. As used below, the term "firm" includes any related firms.

Those responding to this notice of institution are encouraged, but not

required, to visit the USITC's website at https://usitc.gov/reports/response_noi_worksheet, where one can download and complete the "NOI worksheet" Excel form for the subject proceeding, to be included as attachment/exhibit 1 of your overall response.

(1) The name and address of your firm or entity (including World Wide Web address) and name, telephone number, fax number, and Email address of the certifying official.

(2) A statement indicating whether your firm/entity is an interested party under 19 U.S.C. 1677(9) and if so, how, including whether your firm/entity is a U.S. producer of the *Domestic Like Product*, a U.S. union or worker group, a U.S. importer of the *Subject Merchandise*, a foreign producer or exporter of the *Subject Merchandise*, a U.S. or foreign trade or business association (a majority of whose members are interested parties under the statute), or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in this proceeding by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the orders on the *Domestic Industry* in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of *Subject Merchandise* on the *Domestic Industry*.

(5) A list of all known and currently operating U.S. producers of the *Domestic Like Product*. Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in each *Subject Country* that currently export or have exported *Subject Merchandise* to the United States or other countries after 2019.

(7) A list of 3–5 leading purchasers in the U.S. market for the *Domestic Like Product* and the *Subject Merchandise* (including street address, World Wide Web address, and the name, telephone number, fax number, and Email address of a responsible official at each firm).

(8) A list of known sources of information on national or regional prices for the *Domestic Like Product* or the *Subject Merchandise* in the U.S. or other markets.

(9) If you are a U.S. producer of the *Domestic Like Product*, provide the following information on your firm's operations on that product during calendar year 2024, except as noted (report quantity data in kilowatts and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the *Domestic Like Product* accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm to produce the *Domestic Like Product* (that is, the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix);

(c) the quantity and value of U.S. commercial shipments of the *Domestic Like Product* produced in your U.S. plant(s);

(d) the quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s); and

(e) the value of (i) net sales, (ii) cost of goods sold (COGS), (iii) gross profit, (iv) selling, general and administrative (SG&A) expenses, and (v) operating income of the *Domestic Like Product* produced in your U.S. plant(s) (include both U.S. and export commercial sales, internal consumption, and company transfers) for your most recently completed fiscal year (identify the date on which your fiscal year ends).

(10) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from any *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2024 (report quantity data in kilowatts and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping or countervailing duties)

of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') imports;

(b) the quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. commercial shipments of *Subject Merchandise* imported from each *Subject Country*; and

(c) the quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from each *Subject Country*.

(11) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in any *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2024 (report quantity data in kilowatts and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping or countervailing duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in each *Subject Country* accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm(s) to produce the *Subject Merchandise* in each *Subject Country* (that is, the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix); and

(c) the quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total exports to the United States of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') exports.

(12) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Product* that have occurred in the United States or in the market for the *Subject Merchandise* in each *Subject Country* after 2019, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology;

production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in each *Subject Country*, and such merchandise from other countries.

(13) (OPTIONAL) A statement of whether you agree with the above definitions of the *Domestic Like Product* and *Domestic Industry*; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: This proceeding is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.61 of the Commission's rules.

By order of the Commission.

Issued: July 25, 2025.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2025–14590 Filed 7–31–25; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701–TA–751 and 731–TA–1729 (Final)]

Erythritol From China; Scheduling of the Final Phase of Antidumping and Countervailing Duty Investigations

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice of the scheduling of the final phase of antidumping and countervailing duty investigation Nos. 701–TA–751 and 731–TA–1729 (Final) pursuant to the Tariff Act of 1930 (“the Act”) to determine whether an industry in the United States is materially injured or threatened with material injury, by reason of imports of erythritol from China, provided for in subheading 2905.49.40 of the Harmonized Tariff Schedule of the United States, preliminarily determined by the Department of Commerce (“Commerce”)

to be subsidized by the government of China and sold at less-than-fair-value.

DATES: July 16, 2025.

FOR FURTHER INFORMATION CONTACT:

Celia Feldpausch (202) 205-2387, Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<https://www.usitc.gov>). The public record for these investigations may be viewed on the Commission's electronic docket (EDIS) at <https://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Scope.—For purposes of these investigations, Commerce has defined the subject merchandise as erythritol, “. . . a sugar alcohol, commonly referred to as a polyol, typically produced by the fermentation of glucose using enzymes and yeast or yeast-like fungi (though the scope includes erythritol produced using any other feedstock or organism). Erythritol is an organic compound with the molecular formula $C_4H_{10}O_4$ and a Chemical Abstracts Service (CAS) registry number of 149-32-6. Other names for erythritol include *meso*-erythritol, (2R, 3S)-butane-1,2,3,4-tetrol, butane-1,2,3,4-tetrol, or *meso*-1,2,3,4-tetrahydroxybutane.

Erythritol typically appears as a white crystalline, odorless product that rapidly dissolves in water. While erythritol is typically produced in the crystalline form or as a fine powder or in directly compressible form, the scope of these investigations covers all physical forms and grades of erythritol, including organic erythritol. . . .”

Background.—The final phase of these investigations is being scheduled pursuant to sections 705(b) and 731(b) of the Tariff Act of 1930 (19 U.S.C. 1671d(b) and 1673d(b)), as a result of affirmative preliminary determinations by Commerce that certain benefits which constitute subsidies within the meaning of § 703 of the Act (19 U.S.C. 1671b) are being provided to manufacturers, producers, or exporters in China of erythritol, and that such products are being sold in the United States at less than fair value within the meaning of § 733 of the Act (19 U.S.C. 1673b). The investigations were requested in petitions filed on December

13, 2024, by Cargill, Incorporated, Wayzata, Minnesota.

For further information concerning the conduct of this phase of the investigations, hearing procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A and B (19 CFR part 201), and part 207, subparts A and C (19 CFR part 207).

Participation in the investigations and public service list.—Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the final phase of these investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's rules, no later than 21 days prior to the hearing date specified in this notice. A party that filed a notice of appearance during the preliminary phase of the investigations need not file an additional notice of appearance during this final phase. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations.

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.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list.—Pursuant to § 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in the final phase of these investigations available to authorized applicants under the APO issued in the investigations, provided that the application is made no later than 21 days prior to the hearing date specified in this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. 1677(9), who are parties to the investigations. A party granted access to BPI in the preliminary phase of the investigations need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff report.—The prehearing staff report in the final phase of these investigations will be placed in the nonpublic record on November 17, 2025, and a public version will be

issued thereafter, pursuant to § 207.22 of the Commission's rules.

Hearing.—The Commission will hold a hearing in connection with the final phase of these investigations beginning at 9:30 a.m. on December 2, 2025. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before November 25, 2025. Any requests to appear as a witness via videoconference must be included with your request to appear. Requests to appear via videoconference must include a statement explaining why the witness cannot appear in person; the Chairman, or other person designated to conduct the investigations, may in their discretion for good cause shown, grant such a request. Requests to appear as remote witness due to illness or a positive COVID-19 test result may be submitted by 3 p.m. the business day prior to the hearing. Further information about participation in the hearing will be posted on the Commission's website at <https://www.usitc.gov/calendarpad/calendar.html>.

A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference, if deemed necessary, to be held at 9:30 a.m. on December 1, 2025. Parties shall file and serve written testimony and presentation slides in connection with their presentation at the hearing by no later than noon on December 1, 2025. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), and 207.24 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 business days prior to the date of the hearing.

Written submissions.—Each party who is an interested party shall submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of § 207.23 of the Commission's rules; the deadline for filing is November 24, 2025. Parties shall also file written testimony in connection with their presentation at the hearing, and posthearing briefs, which must conform with the provisions of § 207.25 of the Commission's rules. The deadline for filing posthearing briefs is December 9, 2025. In addition, any person who has not entered an appearance as a party to the investigations may submit a written statement of information pertinent to

the subject of the investigations, including statements of support or opposition to the petition, on or before December 9, 2025. On December 22, 2025, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before December 24, 2025, but such final comments must not contain new factual information and must otherwise comply with § 207.30 of the Commission's rules. All written submissions must conform with the provisions of § 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's *Handbook on Filing Procedures*, available on the Commission's website at https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf, elaborates upon the Commission's procedures with respect to filings.

Additional written submissions to the Commission, including requests pursuant to § 201.12 of the Commission's rules, shall not be accepted unless good cause is shown for accepting such submissions, or unless the submission is pursuant to a specific request by a Commissioner or Commission staff.

In accordance with §§ 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the investigations must be served on all other parties to the investigations (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: These investigations are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.21 of the Commission's rules.

By order of the Commission.
Issued: July 30, 2025.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2025-14592 Filed 7-31-25; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 731-TA-1132 and 1134 (Third Review) and 701-TA-415 and 731-TA-933-934 (Fourth Review)]

Polyethylene Terephthalate Film, Sheet, and Strip From China, India, Taiwan, and the United Arab Emirates; Institution of Five-Year Reviews

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice that it has instituted reviews pursuant to the Tariff Act of 1930 ("the Act"), as amended, to determine whether revocation of the antidumping duty orders on polyethylene terephthalate film, sheet, and strip ("PET film") from China, Taiwan, and the United Arab Emirates and the countervailing duty order on PET film from India would be likely to lead to continuation or recurrence of material injury. Pursuant to the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission.

DATES: Instituted August 1, 2025. To be assured of consideration, the deadline for responses is September 2, 2025. Comments on the adequacy of responses may be filed with the Commission by October 10, 2025.

FOR FURTHER INFORMATION CONTACT:

Charles Cummings (202-708-1666), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<https://www.usitc.gov>). The public record for this proceeding may be viewed on the Commission's electronic docket (EDIS) at <https://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background.—On July 1, 2002, the Department of Commerce ("Commerce") issued a countervailing duty order on imports of PET film from India (67 FR 44179) and antidumping duty orders on imports of PET film from India (67 FR 44175) and Taiwan (67 FR 44174). Commerce issued a continuation of the countervailing duty order on imports of PET film from India and the

antidumping duty orders on imports of PET film from India and Taiwan following Commerce's and the Commission's first five-year reviews, effective May 8, 2008 (73 FR 26080 and 73 FR 26079), second five-year reviews, effective August 6, 2014 (79 FR 45762), and third five-year reviews, effective September 30, 2020 (85 FR 61728). On November 10, 2008, Commerce issued antidumping duty orders on imports of PET film from China and the United Arab Emirates (73 FR 66595). Commerce issued a continuation of the antidumping duty orders on imports of PET film from China and the United Arab Emirates following Commerce's and the Commission's first five-year reviews, effective February 6, 2015 (80 FR 6689) and second five-year reviews, effective September 8, 2020 (85 FR 55412). The Commission is now conducting fourth reviews of the antidumping duty orders on PET film from India and Taiwan and the countervailing duty order on PET film from India and third reviews of the antidumping duty orders on PET film from China and the United Arab Emirates pursuant to section 751(c) of the Act, as amended (19 U.S.C. 1675(c)), to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. Provisions concerning the conduct of this proceeding may be found in the Commission's Rules of Practice and Procedure at 19 CFR part 201, subparts A and B, and 19 CFR part 207, subparts A and F. The Commission will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

Definitions.—The following definitions apply to these reviews:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by Commerce.

(2) The *Subject Countries* in these reviews are China, India, Taiwan, and the United Arab Emirates.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise*. In its original determinations, full first five-year reviews, full second five-year reviews, and full third five-year reviews

concerning India and Taiwan, the Commission defined the *Domestic Like Product* as consisting of all PET film, not including equivalent PET film, corresponding to the scope of the orders. In its original determinations, full first five-year reviews, and expedited second five-year reviews concerning China and the United Arab Emirates, the Commission defined a single *Domestic Like Product* that is coextensive with the scope.

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product*, or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original determinations, full first five-year reviews, full second five-year reviews, and full third five-year reviews concerning India and Taiwan, the Commission defined the *Domestic Industry* as all U.S. producers of PET film. In its original determinations concerning China and the United Arab Emirates, the Commission defined the *Domestic Industry* as all U.S. producers of PET film, except Terphane. In its full first five-year reviews and expedited second five-year reviews concerning China and the United Arab Emirates, the Commission defined the *Domestic Industry* as all U.S. producers of PET film.

(5) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the *Subject Merchandise* into the United States from a foreign manufacturer or through its selling agent.

Participation in the proceeding and public service list.—Persons, including industrial users of the *Subject Merchandise* and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the proceeding as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the proceeding.

Former Commission employees who are seeking to appear in Commission five-year reviews are advised that they may appear in a review even if they participated personally and substantially in the corresponding underlying original investigation or an earlier review of the same underlying investigation. The Commission's

designated agency ethics official has advised that a five-year review is not the same particular matter as the underlying original investigation, and a five-year review is not the same particular matter as an earlier review of the same underlying investigation for purposes of 18 U.S.C. 207, the post-employment statute for Federal employees, and Commission rule 201.15(b) (19 CFR 201.15(b)), 79 FR 3246 (Jan. 17, 2014), 73 FR 24609 (May 5, 2008). Consequently, former employees are not required to seek Commission approval to appear in a review under Commission rule 19 CFR 201.15, even if the corresponding underlying original investigation or an earlier review of the same underlying investigation was pending when they were Commission employees. For further ethics advice on this matter, contact Charles Smith, Office of the General Counsel, at 202–205–3408.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list.—Pursuant to § 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in this proceeding available to authorized applicants under the APO issued in the proceeding, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the proceeding. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification.—Pursuant to § 207.3 of the Commission's rules, any person submitting information to the Commission in connection with this proceeding must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will acknowledge that information submitted in response to this request for information and throughout this proceeding or other proceeding may be disclosed to and used: (i) by the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel, solely for cybersecurity purposes. All contract personnel will

sign appropriate nondisclosure agreements.

Written submissions.—Pursuant to § 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is 5:15 p.m. on September 2, 2025. Pursuant to § 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is 5:15 p.m. on October 10, 2025. All written submissions must conform with the provisions of § 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's *Handbook on Filing Procedures*, available on the Commission's website at https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf, elaborates upon the Commission's procedures with respect to filings. Also, in accordance with §§ 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the proceeding must be served on all other parties to the proceeding (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the proceeding you do not need to serve your response).

Please note the Secretary's Office will accept only electronic filings at 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.

No response to this request for information is required if a currently valid Office of Management and Budget ("OMB") number is not displayed; the OMB number is 31170016/USITC No. 25–5–651, expiration date June 30, 2026. Public reporting burden for the request is estimated to average 15 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436.

Inability to provide requested information.—Pursuant to § 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall

notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to § 776(b) of the Act (19 U.S.C. 1677e(b)) in making its determinations in the reviews.

Information to be provided in response to this notice of institution: If you are a domestic producer, union/worker group, or trade/business association; import/export *Subject Merchandise* from more than one *Subject Country*; or produce *Subject Merchandise* in more than one *Subject Country*, you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent *Subject Country*. As used below, the term “firm” includes any related firms.

Those responding to this notice of institution are encouraged, but not required, to visit the USITC’s website at https://usitc.gov/reports/response_noi_worksheet, where one can download and complete the “NOI worksheet” Excel form for the subject proceeding, to be included as attachment/exhibit 1 of your overall response.

(1) The name and address of your firm or entity (including World Wide Web address) and name, telephone number, fax number, and Email address of the certifying official.

(2) A statement indicating whether your firm/entity is an interested party under 19 U.S.C. 1677(9) and if so, how, including whether your firm/entity is a U.S. producer of the *Domestic Like Product*, a U.S. union or worker group, a U.S. importer of the *Subject Merchandise*, a foreign producer or exporter of the *Subject Merchandise*, a U.S. or foreign trade or business association (a majority of whose members are interested parties under the statute), or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in this proceeding by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the countervailing and

antidumping duty orders on the *Domestic Industry* in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of *Subject Merchandise* on the *Domestic Industry*.

(5) A list of all known and currently operating U.S. producers of the *Domestic Like Product*. Identify any known related parties and the nature of the relationship as defined in § 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in each *Subject Country* that currently export or have exported *Subject Merchandise* to the United States or other countries after 2019.

(7) A list of 3–5 leading purchasers in the U.S. market for the *Domestic Like Product* and the *Subject Merchandise* (including street address, World Wide Web address, and the name, telephone number, fax number, and Email address of a responsible official at each firm).

(8) A list of known sources of information on national or regional prices for the *Domestic Like Product* or the *Subject Merchandise* in the U.S. or other markets.

(9) If you are a U.S. producer of the *Domestic Like Product*, provide the following information on your firm’s operations on that product during calendar year 2024, except as noted (report quantity data in pounds and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the *Domestic Like Product* accounted for by your firm’s(s’) production;

(b) Capacity (quantity) of your firm to produce the *Domestic Like Product* (that is, the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix);

(c) the quantity and value of U.S. commercial shipments of the *Domestic*

Like Product produced in your U.S. plant(s);

(d) the quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s); and

(e) the value of (i) net sales, (ii) cost of goods sold (COGS), (iii) gross profit, (iv) selling, general and administrative (SG&A) expenses, and (v) operating income of the *Domestic Like Product* produced in your U.S. plant(s) (include both U.S. and export commercial sales, internal consumption, and company transfers) for your most recently completed fiscal year (identify the date on which your fiscal year ends).

(10) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from any *Subject Country*, provide the following information on your firm’s(s’) operations on that product during calendar year 2024 (report quantity data in pounds and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping or countervailing duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from each *Subject Country* accounted for by your firm’s(s’) imports;

(b) the quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. commercial shipments of *Subject Merchandise* imported from each *Subject Country*; and

(c) the quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from each *Subject Country*.

(11) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in any *Subject Country*, provide the following information on your firm’s(s’) operations on that product during calendar year 2024 (report quantity data in pounds and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping or countervailing duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise*

in each *Subject Country* accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm(s) to produce the *Subject Merchandise* in each *Subject Country* (that is, the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix); and

(c) the quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total exports to the United States of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') exports.

(12) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Product* that have occurred in the United States or in the market for the *Subject Merchandise* in each *Subject Country* after 2019 and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in each *Subject Country*, and such merchandise from other countries.

(13) (Optional) A statement of whether you agree with the above definitions of the *Domestic Like Product* and *Domestic Industry*; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: This proceeding is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.61 of the Commission's rules.

By order of the Commission.

Issued: July 28, 2025.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2025–14591 Filed 7–31–25; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337–TA–1356 (Rescission)]

Certain Dermatological Treatment Devices and Components Thereof; Notice of a Commission Determination To Institute a Rescission Proceeding and, Upon Institution, To Rescind the Remedial Orders; 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, upon institution, to rescind the limited exclusion order and cease and desist orders issued in the underlying investigation. The rescission proceeding is terminated.

FOR FURTHER INFORMATION CONTACT: Panyin A. Hughes, Office of the General Counsel, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436, telephone (202) 205–3042. 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 April 6, 2023, based on a complaint filed by Serendia, LLC of Lake Forest, California (“Serendia”). 88 FR 20551–52 (Apr. 6, 2023). The complaint, as supplemented, alleged violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337, in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain dermatological treatment devices and components thereof by reason of infringement of certain claims of U.S.

Patent No. 9,480,836 (“the ‘836 patent”); U.S. Patent No. 9,320,536 (“the ‘536 patent”); U.S. Patent No. 9,775,774 (“the ‘774 patent”); U.S. Patent No. 10,869,812 (“the ‘812 patent”); and U.S. Patent No. 11,406,444 (“the ‘444 patent”). *Id.* at 20551. The complaint further alleged that a domestic industry exists. *Id.* The Commission's notice of investigation named as respondents Sung Hwan E&B Co., LTD. d/b/a SHENB Co. LTD of Seoul, Republic of Korea; Aesthetics Biomedical, Inc. of Phoenix, Arizona; Cartessa Aesthetics, LLC of Melville, New York; Lutronic Corporation of Goyang-si, Republic of Korea; Lutronic Aesthetics, Inc., also known as Lutronic, Inc. of Billerica, Massachusetts; Lutronic, LLC of Billerica, Massachusetts; Ilooda, Co., Ltd. of Anyang-si, Republic of Korea; Cutera, Inc. of Brisbane, California; Rohrer Aesthetics, LLC of Homewood, Alabama; Rohrer Aesthetics, Inc. of Homewood, Alabama; Jeisys Medical Inc. of Seoul, Republic of Korea; Cynosure, LLC of Westford, Massachusetts; and EndyMed Medical Ltd. of Caesarea, Israel; EndyMed Medical, Ltd. of New York, New York; and EndyMed Medical, Inc. of Freehold, New Jersey (together, “EndyMed”). *Id.* at 20552. The Office of Unfair Import Investigations (“OUII”) is also participating in the investigation. *Id.*

The Commission subsequently terminated the investigation as to all respondents except for EndyMed. *See* Order No. 26 (Sept. 18, 2023), *unreviewed by* Comm'n Notice (Oct. 16, 2023); Order No. 38 (Oct. 27, 2023), *unreviewed by* Comm'n Notice (Nov. 20, 2023); Order No. 45 (Nov. 15, 2023), *unreviewed by* Comm'n Notice (Dec. 15, 2023); Order No. 47 (Nov. 20, 2023), *unreviewed by* Comm'n Notice (Dec. 15, 2023); Order No. 53 (Apr. 11, 2024), *unreviewed by* Comm'n Notice (May 8, 2024); Order No. 51 (Dec. 13, 2023), *unreviewed by* Comm'n Notice (Jan. 10, 2024); Order No. 64 (Dec. 18, 2024), *unreviewed by* Comm'n Notice (Jan. 17, 2025).

The ALJ held a *Markman* hearing on July 13, 2023, and issued a *Markman* Order on October 25, 2023, construing certain disputed claim terms. Order No. 35 (Oct. 25, 2023). The ALJ found the pending claims of the ‘444 patent, claims 4, 6, and 7, indefinite in the *Markman* Order and did not consider those claims any further in the Investigation. *Markman* (Order No. 35) at 62.

On December 19, 2024, the ALJ issued the final ID finding a violation of section 337 as to claims 1, 9, and 22 of the ‘836 patent; claims 11 and 16 of the ‘536 patent; claim 14 of the ‘774 patent; and

claims 5, 13, and 18 of the '812 patent by EndyMed. On February 28, 2025, the Commission determined to review the final ID in part, including the ID's finding that the asserted claims of the '444 patent are invalid for indefiniteness. 90 FR 11433–36 (Mar. 6, 2023).

On June 3, 2025, the Commission determined that EndyMed violated section 337 by reason of importation and sale of articles that infringe asserted claims 1, 9, and 22 of the '836 patent; claims 11 and 16 of the '536 patent; claim 14 of the '774 patent; and claims 5, 13, and 18 of the '812 patent. 90 FR 24292–94 (June 9, 2025). For remedy, the Commission issued a limited exclusion order prohibiting further importation of infringing products and cease and desist orders against EndyMed ("Remedial Orders"). *Id.* at 24294.

As to the '444 patent, the Commission determined to reverse and remand the ID's indefiniteness finding for further proceedings consistent with the Commission's opinion and remand order. *Id.*

On July 1, 2025, Serendia and EndyMed jointly moved under 19 U.S.C. 1337(k) and 19 CFR 210.76 to rescind the remedial orders. The motion states that rescission of the remedial orders is warranted because the parties have entered into a settlement agreement under which EndyMed is licensed to the asserted patents and thus "conduct prohibited by the Commission's Remedial Orders directed to EndyMed with respect to certain dermatological treatment devices and components thereof is now licensed and authorized by Serendia." Motion at 2. The motion further states that "EndyMed's license to the entirety of the patents forming the basis of the Remedial Orders constitutes a changed condition of fact justifying rescission of the remedial orders" and that rescission of the remedial orders is in the public interest and supported by Commission precedent. *Id.* (citing *Certain Digital Video Receivers & Related Hardware & Software Components*, Inv. No. 337-TA-1103, Comm'n Order (Rescission of Remedial Orders) (Nov. 19, 2020); *Certain Beverage Dispensing Systems and Components Thereof*, Inv. No. 337-TA-1130, Comm'n Order (Rescission of Remedial Orders) (June 3, 2020); *Certain Marine Sonar Imaging Systems, Products Containing the Same, and Components Thereof*, Inv. No. 337-TA-926 (Enf.), Comm'n Notice (June 21, 2016) (rescinding remedial orders)).

In accordance with Commission Rule 210.76(a)(3), the motion includes confidential and public versions of the

settlement agreement and a statement that "[t]here are no other agreements, written or oral, express or implied between the Serendia and EndyMed concerning the subject matter of the Investigation." Motion at 1; 19 CFR 210.76(a)(3).

On July 8, 2025, OUII filed a response in support of the motion.

The Commission has determined to institute a rescission proceeding and finds that, due to the settlement agreement, the conditions which led to the issuance of the remedial orders no longer exist, and therefore, rescission of the Remedial Orders is warranted under section 337(k) (19 U.S.C. 1337(k)) and Commission Rule 210.76(a) (19 CFR 210.76(a)). Thus, the Commission has determined to rescind the Remedial Orders. The Commission hereby terminates the rescission proceeding.

The Commission vote for this determination took place on July 29, 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 29, 2025.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2025-14539 Filed 7-31-25; 8:45 am]

BILLING CODE 7020-02-P

DEPARTMENT OF LABOR

Agency Information Collection Activities; Submission for OMB Review; Comment Request; Strengthening Community Colleges Training Grants Program Round 4 (SCC4) Evaluation

ACTION: Notice of availability; request for comments.

SUMMARY: The Department of Labor (DOL) is submitting this Chief Evaluation Office (CEO)-sponsored information collection request (ICR) to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995 (PRA). Public comments on the ICR are invited.

DATES: The OMB will consider all written comments that the agency receives on or before September 2, 2025.

ADDRESSES: Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this

notice to www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function.

Comments are invited on: (1) whether the collection of information is necessary for the proper performance of the functions of the Department, including whether the information will have practical utility; (2) the accuracy of the agency's estimates of the burden and cost of the collection of information, including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility and clarity of the information collection; and (4) ways to minimize the burden of the collection of information on those who are to respond, including the use of automated collection techniques or other forms of information technology.

FOR FURTHER INFORMATION CONTACT:

Nicole Bouchet by telephone at 202-693-0213, or by email at DOL_PRA_PUBLIC@dol.gov.

SUPPLEMENTARY INFORMATION: The SCC4 evaluation will shed light on the impact on participants of receiving comprehensive support through the evaluation, which services are effective for which types of students, why they are effective, and the core components of the SCC4 programs that support success. In addition, SCC4 will build on existing evidence regarding successful programs in community college settings and advance the understanding of how career pathways programs promote economic mobility. For additional substantive information about this ICR, see the related notice published in the **Federal Register** on November 20, 2024 (89 FR 91802).

This information collection is subject to the PRA. A Federal agency generally cannot conduct or sponsor a collection of information, and the public is generally not required to respond to an information collection, unless the OMB approves it and displays a currently valid OMB Control Number. In addition, notwithstanding any other provisions of law, no person shall generally be subject to penalty for failing to comply with a collection of information that does not display a valid OMB Control Number. See 5 CFR 1320.5(a) and 1320.6.

DOL seeks PRA authorization for this information collection for three (3) years. OMB authorization for an ICR cannot be for more than three (3) years without renewal. The DOL notes that information collection requirements submitted to the OMB for existing ICRs receive a month-to-month extension while they undergo review.

Agency: DOL–CEO.

Title of Collection: Strengthening Community Colleges Training Grants Program Round 4 (SCC4) Evaluation.

OMB Control Number: 1290–0NEW.

Affected Public: Individuals or Households.

Total Estimated Number of

Respondents: 11,004.

Total Estimated Number of

Responses: 69,759.

Total Estimated Annual Time Burden: 4,220 hours.

Total Estimated Annual Other Costs Burden: \$0.

(Authority: 44 U.S.C. 3507(a)(1)(D))

Nicole Bouchet,

Senior Paperwork Reduction Act Analyst.

[FR Doc. 2025–14573 Filed 7–31–25; 8:45 am]

BILLING CODE 4510–HX–P

NUCLEAR REGULATORY COMMISSION

[NRC–2025–0001]

Sunshine Act Meetings

TIME AND DATE: Weeks of August 4, 11, 18, 25, and September 1 and 8, 2025. The schedule for Commission meetings is subject to change on short notice. The NRC Commission Meeting Schedule can be found on the internet at: <https://www.nrc.gov/public-involve/public-meetings/schedule.html>.

PLACE: The NRC provides reasonable accommodation to individuals with disabilities where appropriate. If you need a reasonable accommodation to participate in these public meetings or need this meeting notice or the transcript or other information from the public meetings in another format (e.g., braille, large print), please notify Anne Silk, NRC Disability Program Specialist, at 301–287–0745, by videophone at 240–428–3217, or by email at Anne.Silk@nrc.gov. Determinations on requests for reasonable accommodation will be made on a case-by-case basis.

STATUS: Public.

Members of the public may request to receive the information in these notices electronically. If you would like to be added to the distribution, please contact the Nuclear Regulatory Commission, Office of the Secretary, Washington, DC 20555, at 301–415–1969, or by email at Betty.Thweatt@nrc.gov or Samantha.Miklaszewski@nrc.gov.

MATTERS TO BE CONSIDERED:

Week of August 4, 2025

There are no meetings scheduled for the week of August 4, 2025.

Week of August 11, 2025—Tentative

There are no meetings scheduled for the week of August 11, 2025.

Week of August 18, 2025—Tentative

There are no meetings scheduled for the week of August 18, 2025.

Week of August 25, 2025—Tentative

There are no meetings scheduled for the week of August 25, 2025.

Week of September 1, 2025—Tentative

There are no meetings scheduled for the week of September 1, 2025.

Week of September 8, 2025—Tentative

Tuesday, September 9, 2025

10:00 a.m. All Employees Meeting (Public Meeting) (Contact: Wesley Held: 301–287–3591)

Additional Information: The meeting will be held in the TWFN Auditorium, 11545 Rockville Pike, Rockville, Maryland. The public is invited to attend the Commission's meeting in person or watch live via webcast at the Web address—<https://video.nrc.gov/>.

CONTACT PERSON FOR MORE INFORMATION:

For more information or to verify the status of meetings, contact Wesley Held at 301–287–3591 or via email at Wesley.Held@nrc.gov.

The NRC is holding the meetings under the authority of the Government in the Sunshine Act, 5 U.S.C. 552b.

Dated: July 30, 2025.

For the Nuclear Regulatory Commission.

Monika Coffin,

Technical Coordinator, Office of the Secretary.

[FR Doc. 2025–14585 Filed 7–30–25; 11:15 am]

BILLING CODE 7590–01–P

NUCLEAR REGULATORY COMMISSION

[Docket No. 50–00254; 50–00265; License Nos. DPR–29; DPR–30; EAF–RIII–2025–0074; NRC–2025–0577]

In the Matter of Quad Cities Nuclear Power Station, Units 1 and 2; Confirmatory Order Modifying License

AGENCY: Nuclear Regulatory Commission.

ACTION: Notice; issuance.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is issuing a Confirmatory Order to Quad Cities Nuclear Power Station, Units 1 and 2, to memorialize the agreement reached during an alternative dispute resolution mediation session held on June 17–18, 2025. The Confirmatory Order contains commitments made to resolve six

apparent violations of NRC requirements relating to the Quad Cities Nuclear Power Station, Unit 1, reactor pressure vessel drain down event that occurred on March 28, 2023. The commitments include actions by Quad Cities Nuclear Power Station, Units 1 and 2, to enhance its corrective action program, employee training, and safety culture. The Confirmatory Order is effective upon issuance.

DATES: The Confirmatory Order was issued on July 16, 2025.

ADDRESSES: Please refer to Docket ID NRC–2025–0577 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–2025–0577. 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 Confirmatory Order Related to NRC Inspection Report No. 05000254/2024403 and Investigation Reports 3–2023–013 and 3–2023–0015 is available in ADAMS under Accession No. ML25175A334.

- **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: Diana Betancourt-Roldan, Region III, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001; telephone: 630–810–4373; email: Diana.Betancourt-Roldan@nrc.gov.

SUPPLEMENTARY INFORMATION: The text of the order is attached.

Dated: July 30, 2025.

For the Nuclear Regulatory Commission.
John Giessner,
Regional Administrator, Region III.

Attachment—In the Matter of Quad Cities Nuclear Power Station; Confirmatory Order Modifying License.

I

Constellation Energy Generation, LLC (Constellation) is the holder of renewed Operating Licenses Nos. DPR–29 and DPR–30, both issued on October 28, 2004, by the U.S. Nuclear Regulatory Commission (NRC or Commission) pursuant to Part 50 of *Title 10 of the Code of Federal Regulations* (10 CFR). The license authorizes the operation of Quad Cities Nuclear Power Station, Units 1 and 2 (Quad Cities or facility) in accordance with conditions specified therein. The facility is located on the Licensee's site in Cordova, Illinois.

This Confirmatory Order (CO) is the result of an agreement reached during an Alternative Dispute Resolution (ADR) mediation session conducted on June 17–18, 2025.

II

On May 6, 2025, the NRC issued Inspection Report 05000254/2024403 and Investigation Reports 3–2023–013 and 3–2023–0015 to Constellation, which documented the identification of six apparent violations that were being considered for escalated enforcement action in accordance with the NRC Enforcement Policy. On March 28, 2023, during a refueling outage at Quad Cities Unit 1, a reactor pressure vessel (RPV) valve mispositioning event occurred. The NRC learned of the event on April 5, 2023, and on August 18, 2023, the NRC's Office of Investigations (OI) opened an investigation (OI Case No. 3–2023–0013) to determine whether personnel acted deliberately to falsify evidence or to provide incomplete or inaccurate information concerning the event. On September 5, 2023, investigation No. 3–2023–0015 was initiated to determine whether a senior licensee manager deliberately entered incomplete and inaccurate information in the Corrective Action Program (CAP). Following the investigation, inspections were conducted between October 2024 and April 2025. Based on the evidence developed during its inspections and investigations, the NRC identified six apparent violations.

The apparent violations concerned:

1. Willful failure by a licensed reactor operator (RO) to implement procedure resulting in RPV drain down;
2. Willful failure to survey and decontaminate personnel sprayed with reactor coolant;

3. Willful failure by a licensed senior reactor operator (SRO) to maintain complete and accurate records related to RPV drain down event;

4. Failure to document the RPV drain down event in operating logs and CAP;

5. Failure to maintain complete and accurate operating logs associated with RPV drain time; and

6. Failure to administer fitness for duty and fatigue testing following an event.

By letter dated May 6, 2025, the NRC notified Constellation of the results of the investigation with an opportunity to: (1) attend a predecisional enforcement conference or (2) to participate in an ADR mediation session in an effort to resolve these concerns.

In response to the NRC's offer, Constellation requested the use of the NRC's ADR process to resolve differences it had with the NRC. On June 17 and 18, 2025, the NRC and Constellation met in an ADR session mediated by a professional mediator, arranged through Cornell University's Institute on Conflict Resolution. The ADR process is one in which a neutral mediator, with no decision-making authority, assists the parties in reaching an agreement on resolving any differences regarding the dispute. This Confirmatory Order is issued pursuant to the agreement reached during the ADR process.

III

During the ADR session, Constellation and the NRC reached an Agreement in Principle. The elements of the agreement include the following:

Pre-ADR Corrective Actions

Prior to the ADR session, Constellation completed the following corrective actions and enhancements to preclude recurrence of the apparent violations, including, but not limited to the following:

1. The Chief Nuclear Officer (CNO) and Senior Executives performed a fleetwide all-hands meeting (virtually) to communicate expectations regarding conduct, and regulatory requirements for maintaining complete and accurate documentation and communications. The discussion stressed the importance of procedural adherence, ensuring documents are complete and accurate, and potential consequences for engaging in willful violations. The meeting was recorded for backshift and provided through email and corporate communications.

2. Constellation conducted an internal investigation into employee misconduct in the Operations Department and took corrective actions in accordance with

the Constellation Code of Business Conduct.

3. Quad Cities completed a root cause investigation of the valve mispositioning event. The root cause addressed the human performance tool, procedure use and adherence, communication, and pre-job brief gaps that led to the inadequate procedure execution by Operations. As part of the root cause, the station identified and implemented corrective actions to address gaps in performance.

4. Quad Cities Security management conducted site First Line Supervisor (FLS) and above discussion on the process for fitness for duty and fatigue testing following events.

Corrective Actions Agreed to in ADR Communications

1. Within 2 months of the date of this Confirmatory Order, each Constellation nuclear station and nuclear corporate organization will conduct a station-specific all hands meeting regarding Constellation's "Act with Integrity" campaign, reinforcing the requirement for compliance with regulatory standards, expectations, and policies mandating integrity and trustworthy behaviors. The meeting materials and meeting dates will be available to NRC upon request.

2. One-on-one meetings will be conducted from Constellation executives to senior managers, and from senior managers to site and corporate nuclear employees reinforcing the requirements and expectations for integrity, personal accountability, and behaviors that promote a strong safety culture. This will be completed at each Constellation nuclear site in the fleet and corporate nuclear locations. Each employee will attest to their understanding of these requirements and their commitment to uphold them either via a read-and-sign or manager documentation of attendance. Ninety-five percent of these meetings will be completed within 3 months of the date of this Confirmatory Order.

3. Within 6 months of the date of this Confirmatory Order, Constellation Corporate Security management will provide a communication to supervisors and managers at Constellation nuclear facilities discussing the requirements for, and processes associated with, post event and for-cause testing, as well as fatigue assessments. The communication materials will be available to NRC upon request.

4. Within 6 months of the effective date of this Confirmatory Order, Constellation will communicate to all Constellation site and corporate nuclear employees the willful violations and

circumstances that gave rise to the Confirmatory Order. The communication will include applicable safety culture traits, integrity, ensuring documents are complete and accurate, and potential consequences for engaging in willful violations. The communication materials will be available to NRC upon request.

Evaluation

1. Within 6 months of the date of this Confirmatory Order, Constellation will complete a causal investigation of the Quad Cities Radiation Protection department's performance and behaviors during and immediately following the March 28, 2023, event. The NRC will be provided the causal investigation and proposed corrective actions upon Quad Cities Management Review Committee approval.

Training

1. Within 6 months of the date of this Confirmatory Order, Constellation will develop 10 CFR 50.5, 10 CFR 50.9, and Nuclear Safety Culture training for Constellation employees assigned to Quad Cities. The Nuclear Safety Culture training will be developed using the INPO 12-012 "Traits of a Healthy Nuclear Safety Culture." Upon development, this training will be provided annually for at least 3 years. Except for Quad Cities licensed operators, this training may be computer-based or in-person. For Quad Cities licensed operators, this training will be in person, will include a case study of this event, and be performed annually during requalification cycles for a period of 3 years. At the end of 3 years, Constellation will determine whether to continue the training on an annual or some other basis, or to terminate the training. Each year, Quad Cities is expected to achieve a 100 percent completion rate for licensed operators and a 90 percent completion rate for all other Quad Cities employees.

2. Within 6 months of the date of this Confirmatory Order Quad Cities will conduct one-time Operations retraining for 100 percent of its qualified licensed and non-licensed operators on standards and expectations for Human Performance Tool usage which includes Procedure Use and Adherence, Questioning Attitude, and Communications.

3. Within 15 months of the date of this Confirmatory Order, Quad Cities will develop and conduct one time, in-person leadership safety culture training for at least 90 percent of First Line Supervisors and above. The training will include leadership and team

behavior and how they impact a team's safety culture and effectiveness.

4. Within 9 months of the date of this Confirmatory Order, Quad Cities will conduct a performance analysis and develop/implement training related to the application of Technical Specification requirements for RPV Water Inventory Control. Training will be provided to all qualified licensed operators. Constellation will provide the dates of the training to the NRC with at least 1 month's advance notice so the NRC has the opportunity to attend.

Corrective Actions

1. Within 12 months of the date of this Confirmatory Order, Quad Cities will perform a Nuclear Safety Culture Assessment utilizing a third-party organization with expertise in safety culture. Constellation will propose the external organization selection to the NRC for review and approval. Constellation will provide the assessment plan to the NRC at least one week before the assessment commences. Results will be documented in CAP, with the site-specific action plans developed based on the results. Any deviations from the third-party recommendations shall be documented with justification.

2. Within 12 months of the date of this Confirmatory Order, except for Quad Cities, Constellation will conduct a nuclear fleetwide Nuclear Safety Culture Survey. This survey will be developed under consultation with the external organization selected in Corrective Action 1. Results will be documented in CAP, with site and corporate specific action plans developed based on the results to include additional assessments, as necessary. The survey instrument results, and actions will be available to the NRC for inspection.

3. Within 6 months of the date of this Confirmatory Order, Constellation will perform external benchmarking of nuclear licensees to identify and implement best practices related to safety culture programs.

4. Within 1 month of the date of this Confirmatory Order, Quad Cities will post signage at Radiologically Controlled Area (RCA) exit points detailing decontamination protocols.

5. Beginning with Quad Cities' first refueling outage after the effective date of the Confirmatory Order, Quad Cities will continuously station a qualified Constellation Senior Radiation Protection Technician (RPT) at both RCA exit points, when open, for 3 years.

6. Within 6 months of the date of this Confirmatory Order, Quad Cities will perform oral boards and leadership

assessments of all Radiation Protection managers and supervisors. The oral boards will be performed by Constellation corporate radiation protection managers and include actions required for contamination events, roles and responsibilities, and the expected behaviors of nuclear professionals when they encounter unexpected or undesirable conditions. Leadership assessments will be performed by the Quad Cities Plant Manager or Radiation Protection Manager and will be designed to identify gaps in individual competencies and behaviors that will be documented and addressed by Constellation Individual Development Plans.

7. Quad Cities will implement additional Operations and Radiation Protection (RP) documentation reviews for 2 years following the date of the Confirmatory Order:

a. Within 2 months of the date of this Confirmatory Order, Quad Cities senior managers will implement periodic reviews (*i.e.*, at least once per quarter) of a sample of completed shift Operating and RP logs. The purpose is to review Logs for completeness and accuracy. These reviews will be documented.

b. Within 2 months of the date of this Confirmatory Order, Quad Cities senior managers will implement periodic reviews (*i.e.*, at least once per quarter) of a sample of completed non-surveillance procedures. The purpose is to review the implementation of the non-surveillance procedures for completeness and accuracy. These reviews will be documented.

c. A minimum of five documentation reviews will be completed every quarter including outage sampling, when possible.

8. Within 12 months of the date of this Confirmatory Order, Constellation will develop a presentation to be delivered to an appropriate industry forum.

a. Constellation will propose two forums to be agreed upon with the NRC.

b. This presentation will include the significance of the incident that formed the basis for the willful violations, the consequences of the actions, the responsibilities of personnel involved, and the completed and planned corrective actions.

c. Constellation will provide its proposed presentation to the NRC for its review. The NRC will communicate to Constellation any concerns regarding the presentation within 30 days of submittal.

d. Within 18 months of the issuance date of this Confirmatory Order, Constellation shall request agenda time to deliver the presentation developed

above to the agreed upon industry forums.

Administrative Items

1. Within one year of the completion of the last commitment identified in the Confirmatory Order (other than this provision), Constellation will perform an effectiveness review of the corrective actions taken at Quad Cities. Before performing this effectiveness review, Constellation will establish the specific criteria it will use in the review and provide to the NRC.

2. The materials set forth in this order will be retained for 18 months after completion of the effectiveness review.

3. In exchange for the commitments and corrective actions agreed by Constellation:

a. The NRC agrees not to pursue any further enforcement action in connection with the March 28, 2023, event as described in the NRC's May 6, 2025, inspection and investigation report to Constellation.

b. The NRC agrees not to issue a civil penalty for the apparent violations identified in the NRC's May 6, 2025, inspection and investigation report to Constellation.

4. The NRC is documenting the Significance Determination Process results associated with the Reactor Oversight Process findings associated with the March 28, 2023, event in the NRC public Agencywide Documents Access and Management System.

5. This agreement is binding upon all successors and assigns of Constellation.

On July 14, 2025, Constellation consented to issuing this Confirmatory Order with the commitments, as described in Section V below. Constellation further agreed that this Confirmatory Order is to be effective upon issuance, the agreement memorialized in this Confirmatory Order settles the matter between the parties, and that Constellation has waived its right to a hearing.

IV

I find that Constellation's actions, once completed, as described in Section III above, combined with the commitments as set forth in Section V are acceptable and necessary, and I conclude that with these commitments the public health and safety are reasonably assured. In view of the foregoing, I have determined that public health and safety require that Constellation's commitments be confirmed by this Confirmatory Order. Based on the above and Constellation's consent, this Confirmatory Order is effective upon issuance.

One year after the issuance of the Order and yearly thereafter until completion of the commitments specified in Section V, Constellation is required to notify the NRC in writing and summarize its actions.

V

Accordingly, pursuant to Sections 104b, 161b, 161i, 161o, 182 and 186 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR 2.202 and 10 CFR part 20, 26.50, and 55, *it is hereby ordered, effective upon issuance, that License No. DPR-29 and DPR-30 are modified as follows:*

A. Communications

1. Within 2 months of the date of this Confirmatory Order, each Constellation nuclear station and nuclear corporate organization will conduct a station-specific all hands meeting regarding Constellation's "Act with Integrity" campaign, reinforcing the requirement for compliance with regulatory standards, expectations, and policies mandating integrity and trustworthy behaviors. The meeting materials and meeting dates will be available to NRC upon request.

2. One-on-one meetings will be conducted from Constellation executives to senior managers, and from senior managers to site and corporate nuclear employees reinforcing the requirements and expectations for integrity, personal accountability, and behaviors that promote a strong safety culture. This will be completed at each Constellation nuclear site in the fleet and corporate nuclear locations. Each employee will attest to their understanding of these requirements and their commitment to uphold them either via a read-and-sign or manager documentation of attendance. Ninety-five percent of these meetings will be completed within 3 months of the date of this Confirmatory Order.

3. Within 6 months of the date of this Confirmatory Order, Constellation Corporate Security management will provide a communication to supervisors and managers at Constellation nuclear facilities discussing the requirements for, and processes associated with, post event and for-cause testing, as well as fatigue assessments. The communication materials will be available to NRC upon request.

4. Within 6 months of the effective date of this Confirmatory Order, Constellation will communicate to all Constellation nuclear station site employees and corporate nuclear employees the willful violations and circumstances that gave rise to the

Confirmatory Order. The communication will include applicable safety culture traits, integrity, ensuring documents are complete and accurate, and potential consequences for engaging in willful violations. The communication materials will be available to NRC upon request.

B. Evaluation

1. Within 6 months of the date of this Confirmatory Order, Constellation will complete a causal investigation of the Quad Cities RP department's performance and behaviors during and immediately following the March 28, 2023, event. The NRC will be provided the causal investigation and proposed corrective actions upon Quad Cities Management Review Committee approval.

C. Training

1. Within 6 months of the date of this Confirmatory Order, Constellation will develop 10 CFR 50.5, 10 CFR 50.9, and Nuclear Safety Culture training for Constellation employees assigned to Quad Cities, Units 1 and 2. The Nuclear Safety Culture training will be developed using the INPO 12-012 "Traits of a Healthy Nuclear Safety Culture." Upon development, this training will be provided annually for at least 3 years. Except for Quad Cities licensed operators, this training may be computer-based or in-person. For Quad Cities licensed operators, this training will be in person, will include a case study of this event, and will be performed annually during requalification cycles for a period of 3 years. At the end of 3 years, Constellation will determine whether to continue the training on an annual or some other basis, or to terminate the training. Each year, Quad Cities is expected to achieve a 100 percent completion rate for licensed operators and a 90 percent completion rate for all other Quad Cities employees.

2. Within 6 months of the date of this Confirmatory Order Constellation will conduct one-time Operations retraining for 100 percent of its qualified license and non-licensed operators at Quad Cities Units 1 and 2 on standards and expectations for Human Performance Tool usage, which includes Procedure Use and Adherence, Questioning Attitude, and Communications.

3. Within 9 months of the date of this Confirmatory Order, Constellation will conduct a performance analysis and develop and implement training at Quad Cities related to the application of Technical Specification requirements for RPV Water Inventory Control. Training will be provided to all

qualified licensed operators. Constellation will provide the dates of the training to the NRC with at least 1 month's advance notice so the NRC has the opportunity to attend.

4. Within 15 months of the date of this Confirmatory Order, Constellation will develop and conduct at Quad Cities one time, in-person leadership safety culture training for at least 90 percent of First Line Supervisors and above. The training will include leadership and team behavior and how they impact a team's safety culture and effectiveness.

D. Corrective Actions

1. Within 1 month of the date of this Confirmatory Order, Quad Cities (Units 1 and 2) will post signage at Radiologically Controlled Area (RCA) exit points detailing decontamination protocols.

2. Within 6 months of the date of this Confirmatory Order, Quad Cities (Units 1 and 2) will perform external benchmarking of nuclear licensees to identify and implement best practices related to safety culture programs.

3. Within 6 months of the date of this Confirmatory Order, Quad Cities will perform oral boards and leadership assessments of all RP managers and supervisors. The oral boards will be performed by Constellation corporate RP managers and include actions required for contamination events, roles and responsibilities, and the expected behaviors of nuclear professionals when they encounter unexpected or undesirable conditions. Leadership assessments will be performed by the Quad Cities Plant Manager or Radiation Protection Manager and will be designed to identify gaps in individual competencies and behaviors that will be documented and addressed by Constellation Individual Development Plans.

4. Within 12 months of the date of this Confirmatory Order, Constellation will perform at Quad Cities (Units 1 and 2) a Nuclear Safety Culture Assessment utilizing a third-party organization with expertise in safety culture. Constellation will propose the external organization selection to the NRC for review and approval. Constellation will provide the third-party organization assessment plan to the NRC at least one week before the assessment commences. Results will be documented in CAP, with the site-specific action plans developed based on the results. Any deviations from the third-party recommendations shall be documented with justification.

5. Within 12 months of the date of this Confirmatory Order, except for Quad Cities, Constellation will conduct a nuclear fleetwide Nuclear Safety

Culture Survey. This survey will be developed under consultation with the external organization selected in Corrective Action V.D.4. Results will be documented in CAP, with site and corporate-specific action plans developed based on the results to include additional assessments, as necessary. The survey instrument results and actions will be available to the NRC for inspection.

6. Within 12 months of the date of this Confirmatory Order, Constellation will develop a presentation to be delivered to an appropriate industry forum.

a. Constellation will propose two forums to be agreed upon with the NRC.

b. This presentation will include the significance of the incident that formed the basis for the willful violations, the consequences of the actions, the responsibilities of personnel involved, and the completed and planned corrective actions.

c. Constellation will provide its proposed presentation to the NRC for its review. The NRC will communicate to Constellation any concerns regarding the presentation within 30 days of submittal.

d. Within 18 months of the issuance date of this Confirmatory order, Constellation shall request agenda time to deliver the presentation developed above to the agreed upon industry forums.

7. Beginning with Quad Cities' (Unit 1 or 2) first refueling outage after the effective date of this Confirmatory Order, Quad Cities will continuously station a qualified Constellation Senior Radiation Protection Technician (RPT) at both RCA exit points, when open during outages, for 3 years following the date of the first refueling outage.

8. Quad Cities will implement additional Operations and RP documentation reviews for 2 years following the date of the Confirmatory Order:

a. Within 2 months of the date of this Confirmatory Order, Quad Cities senior managers will implement periodic reviews (*i.e.*, at least once per quarter) of a sample of completed shift Operating and RP logs. The purpose is to review logs for completeness and accuracy. These reviews will be documented.

b. Within 2 months of the date of this Confirmatory Order, Quad Cities senior managers will implement periodic reviews (*i.e.*, at least once per quarter) of a sample of completed non-surveillance procedures. The purpose is to review the implementation of the non-surveillance procedures for completeness and accuracy. These reviews will be documented.

c. A minimum of five documentation reviews will be completed every quarter including outage sampling, when possible.

E. Constellation Administrative Items

1. Within 1 year of the completion of the last commitment identified in sections V A–D above, Constellation will perform an effectiveness review of the corrective actions taken at Quad Cities. Before performing this effectiveness review, Constellation will establish the specific criteria it will use in the review and provide the criteria to the NRC.

2. The materials and documentation used to complete the commitments set forth in this order will be retained for 18 months after completion of the effectiveness review.

F. Agency Administrative Item

1. The NRC is documenting the Significance Determination Process results associated with the Reactor Oversight Process findings associated with the March 28, 2023, event in the NRC public Agencywide Documents Access and Management System (ADAMS).

G. Agreement by Agency

Based on the commitments and completed corrective actions described in Section III above:

1. The NRC agrees not to pursue any further enforcement action based on the apparent violations identified in the NRC's May 6, 2025, inspection and investigation report to Constellation.

2. The NRC agrees not to issue a civil penalty for the apparent violations identified in the May 6, 2025, inspection and investigation report to Constellation.

On July 14, 2025, Constellation consented to issuing this Confirmatory Order with the commitments described herein. Constellation further agreed that this Confirmatory Order is to be effective upon issuance, the agreement memorialized in this Confirmatory Order settles the matter between the parties, and that Constellation has waived its right to a hearing.

This agreement is binding upon successors and assigns of Constellation Energy Generation, LLC. The Regional Administrator, Region III may, in writing, relax or rescind any of the above conditions upon demonstration by Constellation or its successors of good cause.

VI

In accordance with 10 CFR 2.202 and 10 CFR 2.309, any person adversely affected by this Confirmatory Order,

other than Constellation, may request a hearing within thirty (30) calendar days of the date of issuance of this Confirmatory Order. Where good cause is shown, consideration will be given to extending the time to request a hearing. A request for extension of time must be made in writing to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555, and include a statement of good cause for the extension.

All documents filed in NRC adjudicatory proceedings, including documents filed by an interested State, local governmental body, Federally recognized Indian Tribe, or designated agency thereof that requests to participate under 10 CFR 2.315(c), must be filed in accordance with 10 CFR 2.302. The E-Filing process requires participants to submit and serve all adjudicatory documents over the internet, or in some cases to mail copies on electronic storage media. Participants may not submit paper copies of their filings unless they seek an exemption in accordance with the procedures described below. Detailed guidance on making electronic submissions may be found in the Guidance for Electronic Submissions to the NRC and on the NRC website at <https://www.nrc.gov/site-help/e-submittals.html>.

To comply with the procedural requirements of E-Filing, at least 10 days prior to the filing deadline, the participant should contact the Office of the Secretary by email at hearing.docket@nrc.gov, or by telephone at 301-415-1677, to (1) request a digital identification (ID) certificate, which allows the participant (or its counsel or representative) to digitally sign submissions and access the E-Filing system for any proceeding in which it is participating; and (2) advise the Secretary that the participant will be submitting a petition or other adjudicatory document (even in instances in which the participant, or its counsel or representative, already holds an NRC-issued digital ID certificate). Based upon this information, the Secretary will establish an electronic docket for the hearing in this proceeding if the Secretary has not already established an electronic docket.

Information about applying for a digital ID certificate is available on the NRC's public website at <https://www.nrc.gov/site-help/e-submittals/getting-started.html>. Once a participant has obtained a digital ID certificate and a docket has been created, the participant can then submit adjudicatory documents. Submissions must be in Portable Document Format (PDF). Additional guidance on PDF

submissions is available on the NRC's public website at <https://www.nrc.gov/site-help/electronic-sub-ref-mat.html>. A filing is considered complete at the time the document is submitted through the NRC's E-Filing system. To be timely, an electronic filing must be submitted to the E-Filing system no later than 11:59 p.m. Eastern Time on the due date. Upon receipt of a transmission, the E-Filing system time-stamps the document and sends the submitter an email notice confirming receipt of the document. The E-Filing system also distributes an email notice that provides access to the document to the NRC's Office of the General Counsel and any others who have advised the Office of the Secretary that they wish to participate in the proceeding, so that the filer need not serve the document on those participants separately. Therefore, applicants and other participants (or their counsel or representative) must apply for and receive a digital ID certificate before adjudicatory documents are filed so that they can obtain access to the documents via the E-Filing system.

A person filing electronically using the NRC's adjudicatory E-Filing system may seek assistance by contacting the NRC's Electronic Filing Help Desk through the "Contact Us" link located on the NRC's public website at <https://www.nrc.gov/site-help/e-submittals.html>, by email to MSHD.Resource@nrc.gov, or by a toll-free call at 1-866-672-7640. The NRC Electronic Filing Help Desk is available between 9 a.m. and 6 p.m., Eastern Time, Monday through Friday, excluding federal holidays.

Participants who believe that they have a good cause for not submitting documents electronically must file an exemption request, in accordance with 10 CFR 2.302(g), with their initial paper filing stating why there is good cause for not filing electronically and requesting authorization to continue to submit documents in paper format. Such filings must be submitted in accordance with 10 CFR 2.302(b)-(d). Participants filing adjudicatory documents in this manner are responsible for serving the document on all other participants. Filing is considered complete by first-class mail as of the time of deposit in the mail, or by courier, express mail, or expedited delivery service upon depositing the document with the provider of the service. A presiding officer, having granted an exemption request from using E-Filing, may require a participant or party to use E-Filing if the presiding officer subsequently determines that the reason for granting

the exemption from use of E-Filing no longer exists.

Documents submitted in adjudicatory proceedings will appear in the NRC's electronic hearing docket which is available to the public at <https://adams.nrc.gov/ehd>, unless excluded pursuant to an order of the Commission or the presiding officer. If you do not have an NRC-issued digital ID certificate as described above, click "cancel" when the link requests certificates and you will be automatically directed to the NRC's electronic hearing dockets where you will be able to access any publicly available documents in a particular hearing docket. Participants are requested not to include personal privacy information, such as social security numbers, home addresses, or personal phone numbers in their filings, unless an NRC regulation or other law requires submission of such information. For example, in some instances, individuals provide home addresses in order to demonstrate proximity to a facility or site. With respect to copyrighted works, except for limited excerpts that serve the purpose of the adjudicatory filings and would constitute a Fair Use application, participants are requested not to include copyrighted materials in their submission.

The Commission will issue a notice or order granting or denying a hearing request or intervention petition, designating the issues for any hearing that will be held and designating the Presiding Officer. A notice granting a hearing will be published in the **Federal Register** and served on the parties to the hearing.

If a person other than Constellation requests a hearing, that person shall set forth with particularity the manner in which his interest is adversely affected by this Confirmatory Order and shall address the criteria set forth in 10 CFR 2.309(d) and (f).

If a hearing is requested by a person whose interest is adversely affected, the Commission will issue an order designating the time and place of any hearings. If a hearing is held, the issue to be considered at such hearing shall be whether this Confirmatory Order should be sustained.

In the absence of any request for hearing, or written approval of an extension of time in which to request a hearing, the provisions specified in Section V above shall be final 30 days from the date of this Confirmatory Order without further order or proceedings. If an extension of time for requesting a hearing has been approved, the provisions specified in Section V shall

be final when the extension expires if a hearing request has not been received.

For the Nuclear Regulatory Commission.
/RA/

John B. Giessner,

Regional Administrator, NRC Region III.

Dated this 16th day of July 2025.

Attachments: As stated.

[FR Doc. 2025–14580 Filed 7–31–25; 8:45 am]

BILLING CODE 7590–01–P

POSTAL REGULATORY COMMISSION

[Docket Nos. MC2025–1588 and K2025–1580; MC2025–1593 and K2025–1585]

New Postal Products

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: The Commission is noticing a recent Postal Service filing for the Commission's consideration concerning a negotiated service agreement. This notice informs the public of the filing, invites public comment, and takes other administrative steps.

DATES: *Comments are due:* August 6, 2025.

ADDRESSES: Submit comments electronically via the Commission's Filing Online system at <https://www.prc.gov>. Those who cannot submit comments electronically should contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section by telephone for advice on filing alternatives.

FOR FURTHER INFORMATION CONTACT: David A. Trissell, General Counsel, at 202–789–6820.

SUPPLEMENTARY INFORMATION:

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- I. Introduction
- II. Public Proceeding(s)
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I. Introduction

Pursuant to 39 CFR 3041.405, the Commission gives notice that the Postal Service filed request(s) for the Commission to consider matters related to Competitive negotiated service agreement(s). The request(s) may propose the addition of a negotiated service agreement from the Competitive product list or the modification of an existing product currently appearing on the Competitive product list.

The public portions of the Postal Service's request(s) can be accessed via the Commission's website (<http://www.prc.gov>). Non-public portions of the Postal Service's request(s), if any, can be accessed through compliance

with the requirements of 39 CFR 3011.301.¹

Section II identifies the docket number(s) associated with each Postal Service request, if any, that will be reviewed in a public proceeding as defined by 39 CFR 3010.101(p), the title of each such request, the request's acceptance date, and the authority cited by the Postal Service for each request. For each such request, the Commission appoints an officer of the Commission to represent the interests of the general public in the proceeding, pursuant to 39 U.S.C. 505 and 39 CFR 3000.114 (Public Representative). The Public Representative does not represent any individual person, entity or particular point of view, and, when Commission attorneys are appointed, no attorney-client relationship is established. Section II also establishes comment deadline(s) pertaining to each such request.

The Commission invites comments on whether the Postal Service's request(s) identified in Section II, if any, are consistent with the policies of title 39. Applicable statutory and regulatory requirements include 39 U.S.C. 3632, 39 U.S.C. 3633, 39 U.S.C. 3642, 39 CFR part 3035, and 39 CFR part 3041. Comment deadline(s) for each such request, if any, appear in Section II.

Section III identifies the docket number(s) associated with each Postal Service request, if any, to add a standardized distinct product to the Competitive product list or to amend a standardized distinct product, the title of each such request, the request's acceptance date, and the authority cited by the Postal Service for each request. Standardized distinct products are negotiated service agreements that are variations of one or more Competitive products, and for which financial models, minimum rates, and classification criteria have undergone advance Commission review. *See* 39 CFR 3041.110(n); 39 CFR 3041.205(a). Such requests are reviewed in summary proceedings pursuant to 39 CFR 3041.325(c)(2) and 39 CFR 3041.505(f)(1). Pursuant to 39 CFR 3041.405(c)–(d), the Commission does not appoint a Public Representative or request public comment in proceedings to review such requests.

II. Public Proceeding(s)

1. *Docket No(s).*: MC2025–1588 and K2025–1580; *Filing Title:* USPS Request to Add Priority Mail Express

¹ *See* Docket No. RM2018–3, Order Adopting Final Rules Relating to Non-Public Information, June 27, 2018, Attachment A at 19–22 (Order No. 4679).

International, Priority Mail International & First-Class Package International Service Contract 86 to Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date:* July 29, 2025; *Filing Authority:* 39 U.S.C. 3642, 39 CFR 3035.105, and 39 CFR 3041.310; *Public Representative:* Katalin Clendenin; *Comments Due:* August 6, 2025.

2. *Docket No(s).*: MC2025–1593 and K2025–1585; *Filing Title:* USPS Request to Add Priority Mail Contract 913 to the Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date:* July 29, 2025; *Filing Authority:* 39 U.S.C. 3642, 39 CFR 3035.105, and 39 CFR 3041.310; *Public Representative:* Jennaca Upperman; *Comments Due:* August 6, 2025.

III. Summary Proceeding(s)

None. See Section II for public proceedings.

This Notice will be published in the **Federal Register**.

Jennie L. Jbara,

Primary Certifying Official.

[FR Doc. 2025–14606 Filed 7–31–25; 8:45 am]

BILLING CODE 7710–FW–P

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 35700; File No. 812–15811]

Lord Abbett Private Credit Fund, et al.

July 30, 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 Sections 18(a)(2), 18(c), 18(i), and 61(a) of the Act.

SUMMARY OF APPLICATION: Applicants request an order to permit certain registered closed-end investment companies that have elected to be regulated as business development companies to issue multiple classes of shares with varying sales loads and asset-based distribution and/or service fees.

APPLICANTS: Lord Abbett Private Credit Fund, Lord Abbett Private Credit Fund S, and Lord Abbett Private Credit Advisor LLC.

FILING DATES: The application was filed on May 23, 2025 and amended on June 27, 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 *Secretaries-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 25, 2025, and should be accompanied by proof of service on applicants, in the form of an affidavit or, for lawyers, a certificate of service. Pursuant to rule 0–5 under the Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by emailing the Commission's Secretary at *Secretaries-Office@sec.gov*.

ADDRESSES: The Commission: *Secretaries-Office@sec.gov*. Applicants: Randolph A. Stuzin, Vice President and Assistant Secretary, 30 Hudson Street, Jersey City, New Jersey 07302; Richard Horowitz, Esq., Dechert LLP, 1095 Avenue of the Americas, New York, NY 10036; William J. Bielefeld and Matthew Barsamian, Dechert LLP, 1900 K Street NW, Washington, DC 20006; and Cynthia R. Beyea, Dechert LLP, *Cynthia.beyea@dechert.com*.

FOR FURTHER INFORMATION CONTACT: Jill Ehrlich, Senior Counsel, or Daniele Marchesani, Assistant Chief 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' First Amended and Restated Application, dated June 27, 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. 2025–14617 Filed 7–31–25; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–103575; File No. SR–BX–2025–013]

Self-Regulatory Organizations; Nasdaq BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to SQF Ports

July 29, 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 28, 2025, Nasdaq BX, Inc. (“BX” 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 amend the Exchange's Pricing Schedule at Options 7, Section 3, BX Options Market—Ports and other Services, to propose a limit to the number of Specialized Quote Feed (“SQF”) Ports a Market Maker⁴ may subscribe to in a month.

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/nasdaq/rules> and at the principal office of the Exchange.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ “Specialized Quote Feed” or “SQF” is an interface that allows Market Makers to connect, send, and receive messages related to quotes, Immediate-or-Cancel Orders, and auction responses into and from the Exchange. Features include the following: (1) options symbol directory messages (e.g., underlying instruments); (2) system event messages (e.g., start of trading hours messages and start of opening); (3) trading action messages (e.g., halts and resumes); (4) execution messages; (5) quote messages; (6) Immediate-or-Cancel Order messages; (7) risk protection triggers and purge notifications; (8) opening imbalance messages; (9) auction notifications; and (10) auction responses. The SQF Purge Interface only receives and notifies of purge requests from the Market Maker. Market Makers may only enter interest into SQF in their assigned options series. Immediate-or-Cancel Orders entered into SQF are not subject to the Order Price Protection, Market Order Spread Protection, or Size Limitation Protection in Options 3, Section 15(a)(1), (a)(2), and (b)(2) respectively. See BX Options 3, Section 7(e)(1)(B).

⁴ The term “BX Options Market Maker” or (“M”) is a Participant that has registered as a Market Maker on BX Options pursuant to Options 2, Section 1, and must also remain in good standing pursuant to Options 2, Section 9. In order to receive Market Maker pricing in all securities, the Participant must be registered as a BX Options Market Maker in at least one security. See BX Options 1, Section 1(a)(40).

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend its Pricing Schedule at Options 7, Section 3, BX Options Market—Ports and other Services, to propose a limit on the number of SQF Ports a Market Maker may subscribe to in a month.

Currently, a BX Options Market Maker is assessed an SQF Port Fee of \$550 per port, per month. Currently, the Exchange has no limits in place on the number of SQF Ports a Market Maker may acquire in a month.

At this time, the Exchange proposes to limit a Market Maker to no more than 250 SQF Ports per month.⁵ A Market Maker requires only one SQF Port to submit quotes in its assigned options series into BX. While a Market Maker may elect to obtain multiple SQF Ports to organize its business,⁶ only one SQF Port is necessary for a Market Maker to fulfill its regulatory quoting obligations.⁷ The Exchange utilizes ports as a secure method for Participants to submit quotes into the Exchange's match engine and for the Exchange to send messages related to those quotes to Participants. In order to properly regulate its Participants and secure the trading environment, the Exchange has taken measures to ensure access is monitored and maintained with various controls. The Exchange believes that the

⁵ The Exchange issued Options Technical Alert #2025–12 to announce the limitation.

⁶ For example, a BX Options Market Maker may desire to utilize multiple SQF Ports for accounting purposes, to measure performance, for regulatory reasons or other determinations that are specific to that Participant.

⁷ BX Options Market Makers have various regulatory requirements as provided for in Options 2, Section 4. Additionally, BX Options Market Makers have certain quoting requirements with respect to their assigned options series as provided in Options 2, Section 5. SQF Ports are the only quoting protocol available on BX and only Market Makers may utilize SQF Ports.

proposed limit of 250 SQF Ports per month will permit the Exchange to obtain greater efficiencies by placing this overall limit on SQF Ports. The Exchange believes a limit of 250 SQF Ports provides it with the appropriate bandwidth to support future growth and new Market Makers entrants.⁸

The Exchange proposes to implement the 250 SQF Ports per month limit on August 1, 2025.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁹ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹⁰ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

The Exchange's proposal to limit a Market Maker to no more than 250 SQF Ports per month is consistent with the Act because it will allow the Exchange to obtain greater efficiencies in its overall connectivity management. The Exchange utilizes ports as a secure method for Participants to submit quotes into the Exchange's match engine and for the Exchange to send messages related to those quotes to Participants. Only BX Participants who are approved as Market Makers may utilize an SQF Port. Once approved, BX Options Market Makers may subscribe to SQF Ports to submit quotes into the Exchange. While a Market Maker may elect to obtain multiple SQF Ports to organize its business,¹¹ only one SQF Port is necessary for a Market Maker to fulfill its regulatory quoting obligations.¹² Today, most Market Makers are in possession of several SQF Ports, and amend the number of SQF Ports from time to time. In fact, not all SQF Ports are actively used by Market Makers. In order to properly regulate its Participants and secure the trading environment, the Exchange has taken measures to ensure access is monitored and maintained with various controls that will protect investors and the public interest. Specifically, the Exchange ensures that information security safeguards, upgrades, and general port management are in effect for all SQF Ports regardless of whether the SQF Port is actively in use. As a

result of these efforts, the Exchange incurs costs to manage and maintain its SQF Ports and the secure environment surrounding its platform.

The Exchange's proposal is intended to permit it to govern its connectivity management in a reasonable manner while protecting investors and the general public by obtaining greater efficiencies with the limit on SQF Ports. The Exchange believes that its proposal is consistent with the Act in that it will provide the Exchange the ability to maintain the appropriate bandwidth to support future growth and new Market Makers entrants thereby removing impediments to and perfect the mechanism of a free and open market.

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.

In terms of intra-market competition, the Exchange does not believe that its proposal will place any category of market participant at a competitive disadvantage because all Market Makers will uniformly be permitted to subscribe to no more than 250 SQF Ports per month. Today, no Market Maker has exceeded 250 SQF Ports.

The Exchange does not believe that its proposal will place an undue burden on intra-market competition because any exchange may elect to adopt a similar limit.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act¹³ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁴

A proposed rule change filed under Rule 19b-4(f)(6)¹⁵ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),¹⁶ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposed rule change may become operative immediately upon filing. The Exchange requests that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) so that the Exchange may implement the proposal on August 1, 2025. The Exchange notes that BX does not prorate SQF Port Fees and, therefore, the Exchange requests that the Commission waive the operative delay so that the 250 SQF Port Fee limit may be in place at the beginning of the month so that the Exchange can manage billing for its Participants.

The Commission believes that waiver of the operative delay is consistent with the protection of investors and the public interest. The Exchange issued an Options Technical Alert to announce the limitation. The Exchange states that the proposed rule change is intended to permit it to govern its connectivity management in a reasonable manner while protecting investors and the general public by obtaining greater efficiencies with the limit on SQF Ports and will provide the Exchange the ability to maintain the appropriate bandwidth to support future growth and new Market Makers entrants. In addition, the Exchange notes that it does not prorate SQF Port Fees and a waiver of the operative delay will allow the 250 SQF Port Fee limit to be in place at the beginning of the month so that the Exchange can manage billing for its Participants. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposed rule change operative upon filing.¹⁷

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

change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

¹⁵ 17 CFR 240.19b-4(f)(6).

¹⁶ 17 CFR 240.19b-4(f)(6)(iii).

¹⁷ For purposes only of waiver the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

⁸ The Exchange will periodically review the SQF Port limit. If the Exchange elects to amend the limit it will file a rule proposal with the Commission.

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ See *supra* note 6.

¹² See *supra* note 7.

¹³ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁴ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule

public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-BX-2025-013 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-BX-2025-013. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-BX-2025-013 and should be submitted on or before August 22, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁸

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025-14560 Filed 7-31-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103581; File No. SR-Phlx-2025-31]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to SQF Ports

July 29, 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 22, 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 amend the Exchange's Pricing Schedule at Options 7, Section 9, B, Port Fees, to propose a limit to the number of Specialized Quote Feed ("SQF")³ Ports a Market Maker⁴ may subscribe to in a month.

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/phlx/rulefilings> and at the principal office of the Exchange.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ "Specialized Quote Feed" or "SQF" is an interface that allows Lead Market Makers, Streaming Quote Traders ("SQTs") and Remote Streaming Quote Traders ("RSQTs") to connect, send, and receive messages related to quotes, Immediate-or-Cancel Orders, and auction responses into and from the Exchange. Features include the following: (1) options symbol directory messages (e.g., underlying and complex instruments); (2) system event messages (e.g., start of trading hours messages and start of opening); (3) trading action messages (e.g., halts and resumes); (4) execution messages; (5) quote messages; (6) Immediate-or-Cancel Order messages; (7) risk protection triggers and purge notifications; (8) opening imbalance messages; (9) auction notifications; and (10) auction responses. The SQF Purge Interface only receives and notifies of purge requests from the Lead Market Maker, SQT or RSQT. Lead Market Makers, SQTs and RSQTs may only enter interest into SQF in their assigned options series. Immediate-or-Cancel Orders entered into SQF are not subject to the Order Price Protection, the Market Order Spread Protection, or Size Limitation in Options 3, Section 15(a)(1), (a)(2) and (b)(2), respectively. See Phlx Options 3, Section 7(a)(i)(B).

⁴ A "Market Maker" means a Streaming Quote Trader or a Remote Streaming Quote Trader who enters quotations for his own account electronically into the System. See Phlx Options 1, Section 1(b)(28).

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend its Pricing Schedule at Options 7, Section 9, B, Port Fees, to propose a limit on the number of SQF Ports a Market Maker may subscribe to in a month.

Currently, a Phlx Market Maker is assessed an SQF Port Fee of \$1,375 per port, per month up to a maximum of \$46,200 per month for active ports.⁵ Currently, the Exchange has no limits in place on the number of SQF Ports a Market Maker may acquire in a month.

At this time, the Exchange proposes to limit a Market Maker to no more than 250 SQF Ports per month, regardless of whether the SQF Ports are active ports.⁶ Further, the Exchange proposes a separate limit of 250 SQF Ports per month applies to any SQF Ports that are being acquired in anticipation of the November 2025 technology migration ("Fusion Ports").⁷ A Market Maker requires only one SQF Port to submit quotes in its assigned options series into Phlx. While a Market Maker may elect to obtain multiple SQF Ports to organize its business,⁸ only one SQF Port is necessary for a Market Maker to fulfill its regulatory quoting obligations.⁹ The

⁵ An active port receives inbound quotes at any time within that month.

⁶ The Exchange issued Options Technical Alert #2025-12 to announce the limitation.

⁷ See <https://www.nasdaqtrader.com/MicroNews.aspx?id=OTU2025-6>. Phlx members and member organizations will need to acquire new ports to connect to the new technology platform to accommodate the symbol migration plan.

⁸ For example, a Phlx Market Maker may desire to utilize multiple SQF Ports for accounting purposes, to measure performance, for regulatory reasons or other determinations that are specific to that member or member organization.

⁹ Phlx Market Makers have various regulatory requirements as provided for in Options 2, Section 4. Additionally, Phlx Market Makers have certain quoting requirements with respect to their assigned options series as provided in Options 2, Section 5.

¹⁸ 17 CFR 200.30-3(a)(12).

Exchange utilizes ports as a secure method for members and member organizations to submit quotes into the Exchange's match engine and for the Exchange to send messages related to those quotes to members and member organizations. In order to properly regulate its members and member organizations and secure the trading environment, the Exchange has taken measures to ensure access is monitored and maintained with various controls. The Exchange believes that the proposed limit of 250 SQF Ports per month for current SQF Ports, regardless of whether they are active and a separate limit of 250 SQF Ports for Fusion Ports, will permit the Exchange to obtain greater efficiencies by placing this overall limit on SQF Ports. The Exchange believes these limits will provide it with the appropriate bandwidth to support future growth and new Market Makers entrants.¹⁰

The Exchange proposes to implement the 250 SQF Ports per month limit on August 15, 2025.

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 Section 6(b)(5) of the Act,¹² in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

The Exchange's proposal to limit a Market Maker to no more than 250 SQF Ports per month is consistent with the Act because it will allow the Exchange to obtain greater efficiencies in its overall connectivity management. The Exchange utilizes ports as a secure method for members and member organizations to submit quotes into the Exchange's match engine and for the Exchange to send messages related to those quotes to members and member organizations. Only Phlx members and member organizations who are approved as Market Makers may utilize an SQF Port. Once approved, Phlx Market Makers may subscribe to SQF Ports to submit quotes into the Exchange. While a Market Maker may elect to obtain multiple SQF Ports to

organize its business,¹³ only one SQF Port is necessary for a Market Maker to fulfill its regulatory quoting obligations.¹⁴ Today, most Market Makers are in possession of several SQF Ports, and amend the number of SQF Ports from time to time. Of note, Phlx allows members and member organizations to obtain SQF Ports at no additional cost once they exceed a monthly fee cap,¹⁵ therefore Market Makers on Phlx may be inclined to increase their total number of SQF Ports as a result of having no incremental cost from the Exchange because of the monthly fee cap. In fact, not all SQF Ports are actively used by Market Makers. In order to properly regulate its members and member organizations and secure the trading environment, the Exchange has taken measures to ensure access is monitored and maintained with various controls that will protect investors and the public interest. Specifically, the Exchange ensures that information security safeguards, upgrades, and general port management are in effect for all SQF Ports regardless of whether the SQF Port is actively in use. As a result of these efforts, the Exchange incurs costs to manage and maintain its SQF Ports and the secure environment surrounding its platform.

The Exchange's proposal is intended to permit it to govern its connectivity management in a reasonable manner while protecting investors and the general public by obtaining greater efficiencies with the limit on SQF Ports. The Exchange believes that its proposal is consistent with the Act in that it will provide the Exchange the ability to maintain the appropriate bandwidth to support future growth and new Market Makers entrants thereby removing impediments to and perfect the mechanism of a free and open market.

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.

In terms of intra-market competition, the Exchange does not believe that its proposal will place any category of market participant at a competitive disadvantage. While some Market Makers currently have more than 250 SQF Ports, the Exchange notes that the proposed limit would be applied uniformly ensuring that no Market

Maker has more than 250 SQF Ports per month as a result of the proposed limit.

The Exchange does not believe that its proposal will place an undue burden on intra-market competition because any exchange may elect to adopt a similar limit.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act¹⁶ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁷

A proposed rule change filed under Rule 19b-4(f)(6)¹⁸ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),¹⁹ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposed rule change may become operative immediately upon filing. The Exchange requests that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) so that the Exchange may implement the proposal on August 15, 2025. The Exchange notes that MRX does not prorate SQF Port Fees and, therefore, the Exchange requests that the Commission waive the operative delay so that the 250 SQF Port Fee limit may be in place prior to the beginning of September so that the Exchange can manage billing for its Members.

The Commission believes that waiver of the operative delay is consistent with the protection of investors and the

SQF Ports are the only ports utilized for quoting on Phlx and only Market Makers may utilize these ports.

¹⁰ The Exchange will periodically review the SQF Port limit. If the Exchange elects to amend the limit it will file a rule proposal with the Commission.

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

¹³ See *supra* note 8.

¹⁴ See *supra* note 9.

¹⁵ Phlx assesses SQF Port Fees up to a maximum of \$46,200 per month.

¹⁶ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁷ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

¹⁸ 17 CFR 240.19b-4(f)(6).

¹⁹ 17 CFR 240.19b-4(f)(6)(iii).

public interest. The Exchange issued an Options Technical Alert to announce the limitation. The Exchange states that the proposed rule change is intended to permit it to govern its connectivity management in a reasonable manner while protecting investors and the general public by obtaining greater efficiencies with the limit on SQF Ports and will provide the Exchange the ability to maintain the appropriate bandwidth to support future growth and new Market Makers entrants. In addition, the Exchange notes that it does not prorate SQF Port Fees and a waiver of the operative delay will allow the 250 SQF Port Fee limit to be in place at the beginning of the month so that the Exchange can manage billing for its Participants. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposed rule change operative upon filing.²⁰

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. 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-2025-31 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.
- All submissions should refer to file number SR-Phlx-2025-31. This file number should be included on the subject line if email is used. To help the

Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-Phlx-2025-31 and should be submitted on or before August 22, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²¹

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2025-14562 Filed 7-31-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[OMB Control No. 3235-0241]

Agency Information Collection Activities; Submission for OMB Review; Comment Request; Extension: Rule 206(4)-2

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget ("OMB") a request for extension and revision of the previously approved collection of information discussed below.

The title for the collection of information is "Rule 206(4)-2 under the Investment Advisers Act of 1940—Custody of Funds or Securities of Clients by Investment Advisers." Rule 206(4)-2 (17 CFR 275.206(4)-2) under the Investment Advisers Act of 1940 (15 U.S.C. 80b-1 *et seq.*) governs the custody of funds or securities of clients by Commission-registered investment advisers. Rule 206(4)-2 requires each registered investment adviser that has custody of client funds or securities to maintain those client funds or securities

with a broker-dealer, bank or other "qualified custodian."¹ The rule requires the adviser to promptly notify clients as to the place and manner of custody, after opening an account for the client and following any changes.² If an adviser sends account statements to its clients, it must insert a legend in the notice and in subsequent account statements sent to those clients urging them to compare the account statements from the custodian with those from the adviser.³ The adviser also must have a reasonable basis, after due inquiry, for believing that the qualified custodian maintaining client funds and securities sends account statements directly to the advisory clients at least quarterly, identifying the amount of funds and of each security in the account at the end of the period and setting forth all transactions in the account during that period.⁴ The client funds and securities of which an adviser has custody must undergo an annual surprise examination by an independent public accountant to verify client assets pursuant to a written agreement with the accountant that specifies certain duties.⁵ Unless client assets are maintained by an independent custodian (*i.e.*, a custodian that is not the adviser itself or a related person), the adviser also is required to obtain or receive a written report of the internal controls relating to the custody of those assets from an independent public accountant that is registered with and subject to regular inspection by the Public Company Accounting Oversight Board ("PCAOB").⁶

The rule exempts advisers from the rule with respect to clients that are registered investment companies. Advisers to limited partnerships, limited liability companies and other pooled investment vehicles are excepted from the account statement delivery and deemed to comply with the annual surprise examination requirement if the limited partnerships, limited liability companies, or pooled investment vehicles are subject to annual audit by an independent public accountant registered with, and subject to regular inspection by the PCAOB, and the audited financial statements are distributed to investors in the pools.⁷ The rule also provides an exception to the surprise examination requirement for advisers that have custody solely because they have authority to deduct

¹ Rule 206(4)-2(a)(1).

² Rule 206(4)-2(a)(2).

³ Rule 206(4)-2(a)(2).

⁴ Rule 206(4)-2(a)(3).

⁵ Rule 206(4)-2(a)(4).

⁶ Rule 206(4)-2(a)(6).

⁷ Rule 206(4)-2(b)(4).

²⁰ For purposes only of waiver the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

²¹ 17 CFR 200.30-3(a)(12).

advisory fees from client accounts,⁸ and advisers that have custody solely because a related person holds the adviser's client assets (or has any authority to obtain possession of them) and the related person is operationally independent of the adviser.⁹

Advisory clients use this information to confirm proper handling of their accounts. The Commission's staff uses the information obtained through this collection in its enforcement, regulatory and examination programs. Without the information collected under the rule, the Commission would be less efficient and effective in its programs, and clients would not have information valuable for monitoring an adviser's handling of their accounts.

The respondents to this information collection are investment advisers registered with the Commission and have custody of clients' funds or securities. We estimate that 9,210 advisers would be subject to the information collection burden under rule 206(4)–2. The number of responses under rule 206(4)–2 will vary considerably depending on the number of clients for which an adviser has custody of funds or securities, and the number of investors in pooled investment vehicles that the adviser manages. It is estimated that the average number of responses annually for each respondent would be 3,639, and an average time of 0.009426547 hours per response. The annual aggregate burden for all respondents to the requirements of rule 206(4)–2 is estimated to be 315,925 hours.

This collection of information is found at 17 CFR 275.206(4)–2 and is mandatory. Responses to the collection of information are not kept confidential. Commission-registered investment advisers are required to maintain and preserve certain information required under rule 206(4)–2 for five years. The long-term retention of these records is necessary for the Commission's examination program to ascertain compliance with the Investment Advisers Act.

The estimated average burden hours are made solely for the purposes of the Paperwork Reduction Act and are not derived from a comprehensive or even representative survey or study of the cost of Commission rules and forms.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number.

Written comments are invited on: (a) whether this proposed collection of information is necessary for the proper performance of the functions of the SEC, including whether the information will have practical utility; (b) the accuracy of the SEC's estimate of the burden imposed by the proposed collection of information, including the validity of the methodology and the assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated, electronic collection techniques or other forms of information technology.

The public may view and comment on this information collection request at: https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202504-3235-016 or email comment to MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov within 30 days of the day after publication of this notice, by September 2, 2025.

Dated: July 29, 2025.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025–14553 Filed 7–31–25; 8:45 am]

BILLING CODE P

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 35695; File No. 812–15781]

Invesco Dynamic Credit Opportunity Fund, *et al.*

July 29, 2025.

AGENCY: Securities and Exchange Commission (“Commission” or “SEC”).

ACTION: Notice.

Notice of application for an order under sections 17(d) and 57(i) of the Investment Company Act of 1940 (the “Act”) and rule 17d–1 under the Act to permit certain joint transactions otherwise prohibited by sections 17(d) and 57(a)(4) of the Act and rule 17d–1 under the Act.

SUMMARY OF APPLICATION: Applicants request an order to permit certain business development companies (“BDCs”) and closed-end management investment companies to co-invest in portfolio companies with each other and with certain affiliated investment entities.

APPLICANTS: Invesco Dynamic Credit Opportunity Fund, Invesco Senior Income Trust, Invesco Senior Loan Fund, Invesco Advisers, Inc., Invesco Senior Secured Management, Inc.,

Invesco Direct Lending (UL) Master Fund II, SCSp, Invesco Direct Lending (L) II Blocker, LLC, Invesco Direct Lending (L) II Holdco, L.P., Invesco Direct Lending (UL) II Holdco, L.P., Invesco Direct Lending (UL) Fund (Cayman) II, L.P., Invesco Private Credit Opportunities Master Fund, L.P., Invesco Private Credit Opportunities Holdco, LLC, Invesco PCO Evergreen Master Fund, L.P., Invesco PCO Evergreen Holdco, LLC, Invesco Credit Partners Master Fund III, L.P., and Invesco Credit Partners Opportunities Fund 2023, L.P.

FILING DATES: The application was filed on May 6, 2025, and amended on July 9, 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 25, 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 at Secretarys-Office@sec.gov.

ADDRESSES: The Commission: Secretarys-Office@sec.gov. Applicants: Michael W. Mundt, Esq. and Matthew R. DiClemente, Esq., Stradley Ronon Stevens & Young, LLP, at MMundt@stradley.com and MDiClemente@stradley.com, respectively, and Melanie Ringold, Esq., Sean Ryan, Esq. and Stephen Sullivan, Esq. Invesco Ltd., at melanie.ringold@invesco.com, sean.ryan@invesco.com, and stephen.sullivan@invesco.com, respectively.

FOR FURTHER INFORMATION CONTACT: Kieran G. Brown, Senior Counsel, or Adam Large, 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

⁸ Rule 206(4)–2(b)(3).

⁹ Rule 206(4)–2(b)(6).

Applicants' first amended application, dated July 9, 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.html>. You may also call the SEC's Office of Investor Education and Advocacy at (202) 551-8090.

For the Commission, by the Division of Investment Management, under delegated authority.

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2025-14535 Filed 7-31-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103561; File No. SR-NASDAQ-2025-053]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing of Proposed Rule Change To Amend the iShares Ethereum Trust To Permit Staking of Ether Under Nasdaq Rule 5711(d) (Commodity-Based Trust Shares)

July 29, 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 16, 2025, The Nasdaq Stock Market LLC ("Nasdaq" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I and II below, which Items have been substantially 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 iShares Ethereum Trust (the "Trust"), shares (the "Shares") of which have been approved by the Commission to list and trade on the Exchange pursuant to Nasdaq Rule 5711(d), to permit staking of ether held by the Trust.

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/>

[rulebook/nasdaq/rulefilings](https://listingcenter.nasdaq.com/) and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Commission approved the listing and trading of the Shares on the Exchange pursuant to Nasdaq Rule 5711(d)³ on May 23, 2024.⁴ iShares Delaware Trust Sponsor LLC, a Delaware limited liability company and an indirect subsidiary of BlackRock, Inc. ("BlackRock"), is the sponsor of the Trust (the "Sponsor"). Coinbase Custody Trust Company, LLC (the "Ether Custodian") is the custodian for the Trust's ether holdings, and maintains a custody account for the Trust ("Custody Account"); Coinbase, Inc. (the "Prime Execution Agent"), an affiliate of the Ether Custodian, is the prime broker for the Trust and maintains a trading account for the Trust ("Trading Account"); and The Bank of New York Mellon is the custodian for the Trust's cash holdings (the "Cash Custodian") and the

³ Nasdaq Rule 5711(d) governs the listing and trading of Commodity-Based Trust Shares, which means a security (1) that is issued by a trust that holds (a) a specified commodity deposited with the trust, or (b) a specified commodity and, in addition to such specified commodity, cash; (2) that is issued by such trust in a specified aggregate minimum number in return for a deposit of a quantity of the underlying commodity and/or cash; and (3) that, when aggregated in the same specified minimum number, may be redeemed at a holder's request by such trust which will deliver to the redeeming holder the quantity of the underlying commodity and/or cash. See Nasdaq Rule 5711(d)(iv)(A).

⁴ See Securities Exchange Act Release No. 100224 (May 23, 2024), 89 FR 46937 (May 30, 2024) (Self-Regulatory Organizations; NYSE Arca, Inc.; The Nasdaq Stock Market LLC; Cboe BZX Exchange, Inc.; Order Granting Accelerated Approval of Proposed Rule Changes, as Modified by Amendments Thereto, To List and Trade Shares of Ether-Based Exchange-Traded Products) ("Spot ETH ETP Approval Order").

administrator of the Trust (the "Trust Administrator").⁵

The Exchange now proposes to amend several portions of Amendment No. 2, as amended, to allow the staking of ether held by the Trust.⁶ Except for the changes described below, all other representations in Amendment No. 2, as amended, remain unchanged and will continue to constitute continued listing requirements. In addition, the Trust will continue to comply with the terms of Amendment No. 2, as amended, and the requirements in Rule 5711(d).

Description of the Trust

The Exchange first proposes to amend the Amendment No. 2 section entitled "Description of the Trust" by deleting the following representation:

Neither the Trust, nor the Sponsor, nor the Ether Custodian (as defined below), nor any other person associated with the Trust will, directly or indirectly, engage in action where any portion of the Trust's ETH becomes subject to the Ethereum proof-of-stake validation or is used to earn additional ETH or generate income or other earnings.

Staking

Next, the Exchange proposes to add the following "Staking" section after the "Custody of the Trust's Ether and Creation and Redemption" section in Amendment No. 2:

Staking

The Sponsor may stake, or cause to be staked, all or a portion of the Trust's ether through one or more trusted staking providers ("Staking Providers"). 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 by the Staking Provider, which may be treated as income to the Trust.

The Sponsor's use of Staking Providers for staking activities on behalf of the Trust will be conducted through a custodial arrangement, consistent with the May 29, 2025 statement issued by the Division of Corporation Finance's statement, entitled "Certain Protocol Staking Activities" ("Corp Fin Statement").⁷ The Sponsor may seek to utilize alternative means to engage in staking activities, subject to its determination that the Trust may do so without undue legal,

⁵ See Securities Exchange Act Release No. 100212 (May 22, 2024), 89 FR 46556 (May 29, 2024) (SR-NASDAQ-2023-045) (Notice of Filing of Amendment No. 2 to a Proposed Rule Change To List and Trade Shares of the iShares Ethereum Trust Under Nasdaq Rule 5711(d)) ("Amendment No. 2").

⁶ The Exchange has also filed a separate rule change proposal to amend portions of Amendment No. 2 to allow for in-kind creations and redemptions. See Securities Exchange Act Release No. 103095 (May 21, 2025), 90 FR 22525 (May 28, 2025) (SR-NASDAQ-2025-038).

⁷ See Division of Corporation Finance, Statement on Certain Protocol Staking Activities (May 29, 2025), available at <https://www.sec.gov/newsroom/speeches-statements/statement-certain-protocol-staking-activities-052925>.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

regulatory or tax risk and consistent with the Corp Fin Statement. The Sponsor's engagement in any staking activities on behalf of the Trust is contingent upon it receiving an opinion of counsel or guidance from the U.S. government on the U.S. federal income tax treatment of staking activities by the Trust.

Staking by the Sponsor on Behalf of the Trust

The Sponsor expects to maintain sufficient liquidity in the Trust to satisfy redemptions. Any ether staked, or cause to be staked by the Sponsor on behalf of the Trust will consist exclusively of ether owned by the Trust.

First, the Sponsor will only stake, or cause to be staked, the ether held by the Trust. The Sponsor will not seek to pool the ether held by the Trust with ether held by other entities. Second, the Sponsor will not advertise itself as providing any staking services generally, or promise any specific level of return from staking, or solicit delegated stakes from entities other than the Trust. Third, the Sponsor will stake, or cause to be staked, the Trust's ether solely in order to preserve the assets of the Trust by contributing to the security of the network and to capture economic value for the Trust's shareholders. Fourth, the Sponsor will not bear or subsidize the risk of slashing or forks on behalf of the Trust.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁹ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

The Exchange believes the proposed rule change is designed to remove impediments to and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest because it would allow the Trust to stake its ether on behalf of its investors. The Ethereum network allows for staking of its native asset, ether, and permits validators who successfully stake ether to receive block rewards. The net beneficiaries are not only validators, or those on behalf of whom they stake ether, but also the Ethereum blockchain itself, which grows and is progressively made more secure through the validation of transactions. Staking permits validators to contribute to network security and functionality. Validators are

compensated for fulfilling this important role through block rewards.

Allowing the Trust to stake its ether would benefit investors and help the Trust to better track the returns associated with holding ether. This would improve the creation and redemption process for both authorized participants and the Trust, increase efficiency, and ultimately benefit the end investors in the Trust.

Except for the changes described above, all other representations in Amendment No. 2, as amended, remain unchanged and will continue to constitute continued listing requirements for the Trust. In addition, the Trust will continue to comply with the terms of Amendment No. 2, as amended, and the requirements in Rule 5711(d).

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. As discussed above, the proposed amendments are intended to benefit investors and allow the Trust to better track the returns associated with holding ether. The Exchange believes these changes will not impose any burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall: (a) by order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NASDAQ-2025-053 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-2025-053. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NASDAQ-2025-053 and should be submitted on or before August 22, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁰

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025-14561 Filed 7-31-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103576; File No. SR-NASDAQ-2025-055]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to SQF Port Fees

July 29, 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 22, 2025, The Nasdaq Stock Market LLC ("Nasdaq" or "Exchange") filed with the Securities and Exchange Commission

¹⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

(“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 amend The Nasdaq Options Market LLC’s (“NOM”) Pricing Schedule at Options 7, Section 3, Nasdaq Options Market—Ports and Other Services, to propose a limit to the number of Specialized Quote Feed (“SQF”) ³ Ports a Market Maker ⁴ may subscribe to in a month.

The text of the proposed rule change is available on the Exchange’s website at <https://listingcenter.nasdaq.com/rulebook/nasdaq/rulefilings> and at the principal office of the Exchange.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

³ “Specialized Quote Feed” or “SQF” is an interface that allows Market Makers to connect, send, and receive messages related to quotes and Immediate-or-Cancel Orders into and from the Exchange. Features include the following: (1) options symbol directory messages (e.g., underlying instruments); (2) system event messages (e.g., start of trading hours messages and start of opening); (3) trading action messages (e.g., halts and resumes); (4) execution messages; (5) quote messages; (6) Immediate-or-Cancel Order messages; (7) risk protection triggers and purge notifications; and (8) opening imbalance messages. The SQF Purge Interface only receives and notifies of purge requests from the Market Maker. Market Makers may only enter interest into SQF in their assigned options series. Immediate-or-Cancel Orders entered into SQF are not subject to the Order Price Protection, Market Order Spread Protection, or Size Limitation in Options 3, Section 15(a)(1) and (a)(2), and (b)(2), respectively. See NOM Options 3, Section 7(e)(1)(B).

⁴ The term “Nasdaq Options Market Maker” or “Options Market Maker” or “Market Maker” mean an Options Participant registered with the Exchange for the purpose of making markets in options contracts traded on the Exchange and that is vested with the rights and responsibilities specified in Options 2 of these Rules. See NOM Options 1, Section 1(a)(27).

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend its Pricing Schedule at Options 7, Section 3, Nasdaq Options Market—Ports and Other Services, to propose a limit on the number of SQF Ports a Market Maker may subscribe to in a month.

Currently, a NOM Options Market Maker is assessed an incremental SQF Port Fee of \$1,620 per port, per month for the first five ports (1–5), \$1,080 per port per month for the next 15 ports (6–20), and \$540 per port per month for all port over 20 ports (21 and above). Currently, the Exchange has no limits in place on the number of SQF Ports a Market Maker may acquire in a month.

At this time, the Exchange proposes to limit a Market Maker to no more than 250 SQF Ports per month.⁵ A Market Maker requires only one SQF Port to submit quotes in its assigned options series into NOM. While a Market Maker may elect to obtain multiple SQF Ports to organize its business,⁶ only one SQF Port is necessary for a Market Maker to fulfill its regulatory quoting obligations.⁷ The Exchange utilizes ports as a secure method for Participants to submit quotes into the Exchange’s match engine and for the Exchange to send messages related to those quotes to Participants. In order to properly regulate its Participants and secure the trading environment, the Exchange has taken measures to ensure access is

⁵ The Exchange issued Options Technical Alert #2025–12 to announce the limitation.

⁶ For example, a NOM Options Market Maker may desire to utilize multiple SQF Ports for accounting purposes, to measure performance, for regulatory reasons or other determinations that are specific to that Participant.

⁷ NOM Options Market Makers have various regulatory requirements as provided for in Options 2, Section 4. Additionally, NOM Options Market Makers have certain quoting requirements with respect to their assigned options series as provided in Options 2, Section 5. SQF Ports or QUO Ports may be utilized to quote on NOM and only Market Makers may utilize these ports. The Exchange is not limiting the number of QUO Ports at this time. “Quote Using Orders” or “QUO” is an interface that allows Market Makers to connect, send, and receive messages related to single-sided orders to and from the Exchange. Order Features include the following: (1) options symbol directory messages (e.g., underlying); (2) system event messages (e.g., start of trading hours messages and start of opening); (3) trading action messages (e.g., halts and resumes); (4) execution messages; (5) order messages; and (6) risk protection triggers and cancel notifications. Orders submitted by Market Makers over this interface are treated as quotes. Market Makers may only enter interest into QUO in their assigned options series. Orders entered into QUO are not subject to the Order Price Protection or Size Limitation in Options 3, Section 15(a)(1) and (b)(2), respectively. See Options 3, Section 7(e)(1)(D).

monitored and maintained with various controls. The Exchange believes that the proposed limit of 250 SQF Ports per month will permit the Exchange to obtain greater efficiencies by placing this overall limit on SQF Ports. The Exchange believes a limit of 250 SQF Ports provides it with the appropriate bandwidth to support future growth and new Market Makers entrants.⁸

The Exchange proposes to implement the 250 SQF Ports per month limit on August 1, 2025.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁹ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹⁰ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

The Exchange’s proposal to limit a Market Maker to no more than 250 SQF Ports per month is consistent with the Act because it will allow the Exchange to obtain greater efficiencies in its overall connectivity management. The Exchange utilizes ports as a secure method for Participants to submit quotes into the Exchange’s match engine and for the Exchange to send messages related to those quotes to Participants. Only NOM Participants who are approved as Market Makers may utilize an SQF Port. Once approved, NOM Options Market Makers may subscribe to SQF Ports to submit quotes into the Exchange. While a Market Maker may elect to obtain multiple SQF Ports to organize its business,¹¹ only one SQF Port is necessary for a Market Maker to fulfill its regulatory quoting obligations.¹² Today, most Market Makers are in possession of several SQF Ports, and amend the number of SQF Ports from time to time. In fact, not all SQF Ports are actively used by Market Makers. In order to properly regulate its Participants and secure the trading environment, the Exchange has taken measures to ensure access is monitored and maintained with various controls that will protect investors and the public interest. Specifically, the Exchange ensures that information security safeguards, upgrades, and general port management are in effect

⁸ The Exchange will periodically review the SQF Port limit. If the Exchange elects to amend the limit it will file a rule proposal with the Commission.

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ See *supra* note 6.

¹² See *supra* note 7.

for all SQF Ports regardless of whether the SQF Port is actively in use. As a result of these efforts, the Exchange incurs costs to manage and maintain its SQF Ports and the secure environment surrounding its platform.

The Exchange's proposal is intended to permit it to govern its connectivity management in a reasonable manner while protecting investors and the general public by obtaining greater efficiencies with the limit on SQF Ports. The Exchange believes that its proposal is consistent with the Act in that it will provide the Exchange the ability to maintain the appropriate bandwidth to support future growth and new Market Makers entrants thereby removing impediments to and perfect the mechanism of a free and open market.

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.

In terms of intra-market competition, the Exchange does not believe that its proposal will place any category of market participant at a competitive disadvantage because all Market Makers will uniformly be permitted to subscribe to no more than 250 SQF Ports per month. Today, no Market Maker has exceeded 250 SQF Ports.

The Exchange does not believe that its proposal will place an undue burden on intra-market competition because any exchange may elect to adopt a similar limit.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act¹³ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁴

A proposed rule change filed under Rule 19b-4(f)(6)¹⁵ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),¹⁶ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposed rule change may become operative immediately upon filing. The Exchange requests that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) so that the Exchange may implement the proposal on August 1, 2025. The Exchange notes that NOM does not prorate SQF Port Fees and, therefore, the Exchange requests that the Commission waive the operative delay so that the 250 SQF Port Fee limit may be in place at the beginning of the month so that the Exchange can manage billing for its Participants.

The Commission believes that waiver of the operative delay is consistent with the protection of investors and the public interest. The Exchange issued an Options Technical Alert to announce the limitation. The Exchange states that the proposed rule change is intended to permit it to govern its connectivity management in a reasonable manner while protecting investors and the general public by obtaining greater efficiencies with the limit on SQF Ports and will provide the Exchange the ability to maintain the appropriate bandwidth to support future growth and new Market Makers entrants. In addition, the Exchange notes that it does not prorate SQF Port Fees and a waiver of the operative delay will allow the 250 SQF Port Fee limit to be in place at the beginning of the month so that the Exchange can manage billing for its Participants. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposed rule change operative upon filing.¹⁷

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if

the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

¹⁵ 17 CFR 240.19b-4(f)(6).

¹⁶ 17 CFR 240.19b-4(f)(6)(iii).

¹⁷ For purposes only of waiver the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NASDAQ-2025-055 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-2025-055. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NASDAQ-2025-055 and should be submitted on or before August 22, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁸

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025-14563 Filed 7-31-25; 8:45 am]

BILLING CODE 8011-01-P

¹⁸ 17 CFR 200.30-3(a)(12).

¹³ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁴ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–103569; File No. SR–CBOE–2025–017]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 4, To Amend Rules 4.3, 4.20, and 8.30, To Allow the Exchange To List and Trade Options on the VanEck Bitcoin ETF

July 29, 2025.

I. Introduction

On March 14, 2025, Cboe Exchange, Inc. (“Cboe” 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 options on the VanEck Bitcoin Trust.³ On March 26, 2025, the Exchange filed Amendment No. 1 to the proposed rule change. On March 27, 2025, the Exchange withdrew Amendment No. 1, filed and withdrew Amendment No. 2, and filed Amendment No. 3 to the proposal, which superseded and replaced the original proposal in its entirety.⁴ The proposed rule change, as modified by Amendment No. 3, was published for comment in the **Federal Register** on April 3, 2025.⁵ On May 1, 2025, the Exchange filed Amendment No. 4 to the proposed rule change, which superseded the initial proposed rule change and Amendment Nos. 1 through 3 and replaced them in their entirety.⁶

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ On January 10, 2024, the Commission approved proposals by NYSE Arca, Inc., The Nasdaq Stock Market LLC, and Cboe BZX Exchange, Inc. to list and trade the shares of 11 spot bitcoin-based trust shares and trust units, including the trust underlying the proposed options herein. See Securities Exchange Act Release No. 99306 (Jan. 10, 2024), 89 FR 3008 (Jan. 17, 2024) (order approving File Nos. 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).

⁴ Amendment No. 3 modified the original filing by adding information regarding the proposed changes to Rule 4.20 and correcting minor technical errors.

⁵ See Securities Exchange Act Release No. 102742 (Mar. 28, 2025), 90 FR 14670 (April 3, 2025).

⁶ Amendment No. 4 modified the original filing, as modified by Amendment No. 3, by changing references to the VanEck Bitcoin Trust to the VanEck Bitcoin ETF and correcting a description of the 30-day period over which average daily volume was measured for shares of the VanEck Bitcoin ETF. Amendment No. 4 is available at <https://www.sec.gov/comments/sr-cboe-2025-017/srcboe2025017-600895-1751482.pdf>.

On May 14, 2025, the Commission designated a longer period within which to take action on the proposed rule change, as modified by Amendment No. 4.⁷ On June 27, 2025, the Commission published for comment the proposed rule change, as modified by Amendment No. 4, and instituted proceedings under Section 19(b)(2)(B) of the Act⁸ to determine whether to approve or disapprove the proposed rule change, as modified by Amendment No. 4.⁹ The Commission did not receive any comments on the proposal. The Commission is approving the proposed rule change, as modified by Amendment No. 4, on an accelerated basis.

II. Description of the Proposal, as Modified by Amendment No. 4¹⁰

As described more fully in the OIP, the Exchange has proposed to amend Rules 4.3 (Criteria for Underlying Securities), 4.20 (FLEX Option Classes), and 8.30 (Position Limits), to allow the Exchange to list and trade options on the VanEck Bitcoin ETF.¹¹ First, the Exchange proposes to amend Rule 4.3, Interpretation and Policy .06(a)(4), to allow the Exchange to list and trade options on Units that represent interests in the VanEck Bitcoin ETF, designating them as “Units” deemed appropriate for options trading on the Exchange.¹²

The Exchange states that the VanEck Bitcoin ETF satisfies the criteria and guidelines in Rule 4.3, Interpretation and Policy .01.¹³ Rule 4.3(a) sets forth criteria for underlying securities on

⁷ See Securities Exchange Act Release No. 103046 (May 14, 2025), 90 FR 21524 (May 20, 2025). The Commission designated July 2, 2025, as the date by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change as modified by Amendment No. 4.

⁸ 15 U.S.C. 78s(b)(2)(B).

⁹ See Securities Exchange Act Release No. 103340 (Jun. 27, 2025), 90 FR 29088 (July 2, 2025) (“OIP”).

¹⁰ For a full description of the proposed rule change, refer to OIP, *supra* note 9.

¹¹ The Exchange’s rules use the terms “Units” and “ETF” to refer to several types of investment products. See Exchange Rule 1.1. In its proposal to list and trade shares of the VanEck Bitcoin Trust (the “Trust”), CboeBZX Exchange, Inc. states that shares of the Trust will be registered with the Commission on Form S–1. See Securities Exchange Act Release No. 99289 (Jan. 8, 2024), 89 FR 2413, 2414 (Jan. 12, 2024) (File No. SR–CboeBZX–2023–040) (Notice of Filing of Amendment No. 2 to a Proposed Rule Change to List and Trade Shares of the VanEck Bitcoin Trust Under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares). Amendment No. 8 to the Form S–1, dated January 9, 2024, states, “The Trust is not registered under the Investment Company Act of 1940, as amended (the ‘1940 Act’) and is not subject to regulation under the 1940 Act.” Amendment No. 8 to the Form S–1 is available at https://www.sec.gov/Archives/edgar/data/1838028/000093041324000056/c106800_s1a.htm.

¹² See OIP, 90 FR at 29089.

¹³ See *id.* at 29089.

which option contracts are approved for listing and trading. One of the criteria is that a security must be characterized by a substantial number of outstanding shares that are widely held and actively traded.¹⁴ The Exchange states that, as of March 5, 2025, the VanEck Bitcoin ETF had 49,900,000 shares outstanding,¹⁵ which is more than the minimum of 7,000,000 shares outstanding that the Exchange generally requires to list options on a corporate stock pursuant to Rule 4.3, Interpretation and Policy .01(a)(1).¹⁶ Additionally, the Exchange states that the shares of the VanEck Bitcoin ETF are widely held because, as of January 31, 2025, the VanEck Bitcoin ETF had 32,469 beneficial holders, which is more than the minimum of 2,000 beneficial holders the Exchange generally requires for corporate stock in order to list options on that stock pursuant to Rule 4.3, Interpretation and Policy .01(a)(2).¹⁷

The Exchange also provides that, as of March 5, 2025, the VanEck Bitcoin ETF had six-month total trading volume of 133,275,448 shares and, for the period from January 21, 2025, through March 5, 2025, 30-day average daily volume (“ADV”) of 794,677 shares and 30-day average notional daily volume of \$39,163,513.72.¹⁸ The Exchange states that the VanEck Bitcoin ETF is characterized as having shares that are actively traded because its six-month trading volume of 133,275,448 shares, as of March 5, 2025, is higher than 2,400,000 shares, which is the volume over the preceding 12 months the Exchange generally requires for a corporate stock to list options on that security, as set forth in Rule 4.3, Interpretation and Policy .01(b).¹⁹

The Exchange states that the VanEck Bitcoin ETF satisfies the Exchange’s initial listing standards set forth in Rule 4.3 (Criteria for Underlying Securities), Interpretation and Policy .06(b)(2), which requires that Units be available for creation or redemption each business day from or through the issuer in cash or in kind at a price related to net asset value, and the issuer must be obligated to issue Units in a specified aggregate number even if some or all of the investment assets required to be deposited have not been received by the issuer, subject to conditions.²⁰ Options on the VanEck Bitcoin ETF will be subject to the Exchange’s continued

¹⁴ See *id.* at 29089–90.

¹⁵ See *id.* at 29090.

¹⁶ See *id.*

¹⁷ See *id.*

¹⁸ See *id.*

¹⁹ See *id.*

²⁰ See *id.*

listing standards set forth in Rule 4.4, Interpretation and Policy .06, for Units deemed appropriate for options trading pursuant to Rule 4.3, Interpretation and Policy .06.²¹

Options on the VanEck Bitcoin ETF will be physically settled contracts with American-style exercise²² and will trade in the same manner as any other Unit options: the Exchange represents that the same Exchange rules that currently govern the listing and trading of all Unit options, including rules governing listing criteria, expirations, exercise prices, minimum increments, margin requirements, customer accounts, and trading halt procedures will apply to the listing and trading of VanEck Bitcoin ETF options on the Exchange in the same manner as they apply to other options on all other Units that are listed and traded on the Exchange.²³

Second, the Exchange proposes to amend Rule 4.20 (FLEX Option Classes), which currently permits the Exchange to authorize for trading a FLEX option class on any equity security if it may authorize for trading a non-FLEX option class on that equity security pursuant to Rule 4.3.²⁴ The proposed rule change would amend Rule 4.20 to exclude the VanEck Bitcoin ETF from being eligible for trading as FLEX options.²⁵

Finally, the Exchange proposes to amend Rule 8.30 (Position Limits), Interpretation and Policy .10, to provide a position limit of 25,000 same-side option contracts for options on the VanEck Bitcoin ETF.²⁶ Pursuant to Rule 8.42 (Exercise Limits), Interpretation and Policy .02, the exercise limits for options on the VanEck Bitcoin ETF will be equivalent to this proposed position limit.²⁷ The Exchange states that the proposed position and exercise limits are well below those of other ETFs with similar market characteristics and are the lowest position and exercise limits available for equity options in the industry, and are more than appropriate given the VanEck Bitcoin ETF's market

capitalization, ADV, and number of outstanding shares.²⁸

In determining the proposed position and exercise limits, the Exchange considered the six-month ADV, shares outstanding and market capitalization of the VanEck Bitcoin ETF. As of March 5, 2025, the VanEck Bitcoin ETF had a six-month ADV of 1,074,802 shares, 49,900,000 shares outstanding, and a market capitalization of \$1,271,859,416.²⁹ The Exchange also compared the number of outstanding shares of the VanEck Bitcoin ETF to those of other ETFs with similar outstanding shares (as of March 5, 2025).³⁰ The Exchange calculated the approximate average position (and exercise limit) of options on those ETFs to be 225,000 contracts.³¹ The Exchange states that the proposed position and exercise limits are significantly lower than the average limit of the options on the other ETFs.³²

The Exchange states that if a market participant held the maximum number of positions possible in VanEck Bitcoin ETF options pursuant to the proposed position and exercise limits, the equivalent shares represented by the proposed position/exercise limit (2,500,000 shares) would represent approximately 5.01% of the current outstanding shares of the VanEck Bitcoin ETF (49,900,000 shares).³³ Therefore, according to the Exchange, if a market participant exercised all of these positions at the same time, that market participant would control a small percentage of the outstanding shares of the VanEck Bitcoin ETF.³⁴

The Exchange also compared the size of the proposed position limit to the market capitalization of the bitcoin market.³⁵ The Exchange states that, as of March 5, 2025, the bitcoin market had a market capitalization of approximately \$1.797 trillion.³⁶ The Exchange explains that the proposed position and exercise limit of 25,000 same-side contracts would prevent a market participant from holding positions that could result in the receipt of more than 2,500,000 shares of the VanEck Bitcoin ETF.³⁷ The Exchange calculated that the value of 2,500,000 shares of the VanEck Bitcoin ETF, as of March 5, 2025, represented 0.0035% of the value of the bitcoin market. The Exchange concluded that if

a market participant with the maximum 25,000 same-side contracts in options in the VanEck Bitcoin ETF decided to simultaneously exercise its positions, its actions would have no practical impact on the bitcoin market.³⁸

The Exchange believes that the proposed position limit is appropriate when compared to the bitcoin futures contract position limit imposed by the Chicago Mercantile Exchange ("CME"), which is 2,000 futures for the initial spot month.³⁹ According to the Exchange, on March 5, 2025, CME Mar 25 bitcoin futures settled at \$90,935, so a position of 2,000 CME bitcoin futures had a notional value of \$909,350,000.⁴⁰ Based on the share price of the VanEck Bitcoin ETF on March 5, 2025, the Exchange calculated that 335,214 VanEck Bitcoin ETF option contracts would equal the notional value of the 2,000 CME bitcoin futures, a "significantly higher" number of contracts than the proposed position limit of 25,000 contracts.⁴¹

Additionally, based on the number of outstanding shares of the VanEck Bitcoin ETF (49,900,000 shares as of March 5, 2025), the Exchange calculated that approximately 20 market participants holding the maximum of 25,000 same-side positions in options on the VanEck Bitcoin ETF would have to simultaneously exercise all of those options to put the underlying security under stress.⁴² The Exchange states that this would be unlikely to happen, but if it did, the Exchange does not expect the VanEck Bitcoin ETF to be under stress because more shares could be created through the trust's creation and redemption process.⁴³

The Exchange represents that it has an adequate surveillance program in place for options and intends to apply the same program procedures to options on the VanEck Bitcoin ETF that it applies to the Exchange's other options products.⁴⁴ The Exchange states that its existing surveillance procedures are designed to deter and detect possible manipulative behavior which might arise from listing and trading the proposed options on the VanEck Bitcoin ETF.⁴⁵ The Exchange states that its market surveillance staff would have access to the surveillances conducted by Cboe BZX Exchange, Inc., an affiliated market of the Exchange, with respect to

²¹ See *id.* at 29090.

²² See *id.*

²³ See *id.* at 29091.

²⁴ See *id.*

²⁵ See *id.*

²⁶ See *id.*

²⁷ See *id.* The Exchange is not proposing to amend Rule 8.42, Interpretation and Policy .02, which provides that exercise limits for options on shares or other securities that represent interests in registered investment companies (or series thereof) organized as open-end management investment companies, unit investment trusts or similar entities that satisfy the criteria set forth in Rule 4.3, Interpretation and Policy .06 shall be equivalent to the position limits for such options provided in Rule 8.30, Interpretation and Policy .10.

²⁸ See OIP, 90 FR at 29092.

²⁹ See *id.* at 29091.

³⁰ See *id.*

³¹ See *id.*

³² See *id.*

³³ See *id.* at 29092.

³⁴ See *id.*

³⁵ See *id.* at 29094.

³⁶ See *id.*

³⁷ See *id.*

³⁸ See *id.*

³⁹ See *id.*

⁴⁰ See *id.*

⁴¹ See *id.* at 29095.

⁴² See *id.*

⁴³ See *id.*

⁴⁴ See *id.* at 29092.

⁴⁵ See *id.* at 29093.

the VanEck Bitcoin ETF, and would review activity in the VanEck Bitcoin ETF when conducting surveillances for market abuse or manipulation in the VanEck Bitcoin ETF options.⁴⁶ The Exchange also represents that it will implement any new surveillance procedures it deems necessary to effectively monitor the trading of options on the VanEck Bitcoin ETF.⁴⁷

Additionally, the Exchange states that it is a member of the Intermarket Surveillance Group (“ISG”), and that ISG members coordinate surveillance and investigative information sharing in the stock, options, and futures markets.⁴⁸ The Exchange would be able to obtain information regarding trading of shares of the VanEck Bitcoin ETF through ISG.⁴⁹

The Exchange states that it has a Regulatory Services Agreement with the Financial Industry Regulatory Authority (“FINRA”) for certain market surveillance, investigation and examinations functions,⁵⁰ and that all options exchanges allocate amongst themselves and FINRA responsibilities to conduct certain options-related market surveillance that are common to rules of all options exchanges, pursuant to a multi-party 17d–2 joint plan.⁵¹ The Exchange also represents that it and the Options Price Reporting Authority have the necessary systems capacity to handle the additional traffic associated with the listing of new series that may result from the introduction of options on the VanEck Bitcoin ETF.⁵²

III. Discussion and Commission Findings

After careful consideration, the Commission finds that the proposed rule change, as modified by Amendment No. 4, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange,⁵³ and, in particular, the requirements of Section 6 of the Act.⁵⁴ Specifically, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,⁵⁵ which requires that an exchange have rules designed to prevent fraudulent and manipulative

acts and practices and to protect investors and the public interest.

A. Widely Held and Actively Traded

The Exchange’s initial listing standards require, among other things, that the security underlying a listed option be “characterized by a substantial number of outstanding shares that are widely held and actively traded.”⁵⁶ As described above, the Exchange states that, as of March 5, 2025, the VanEck Bitcoin ETF had 49,900,000 shares outstanding and that, as of January 31, 2025, VanEck Bitcoin ETF had 32,469 beneficial holders.⁵⁷ In addition, the Exchange states that, as of March 5, 2025, the VanEck Bitcoin ETF had six-month total trading volume of 133,275,448 shares and, for the period from January 21, 2025, through March 5, 2025, 30-day ADV of 794,677 shares and 30-day average notional daily volume of \$39,163,513.72.⁵⁸ The Exchange also states that, as of March 5, 2025, the VanEck Bitcoin ETF had a market capitalization of \$1,271,859,416.⁵⁹

The Commission has reviewed the Exchange’s analysis and publicly available data regarding the VanEck Bitcoin ETF. Based on this review of information provided by the Exchange and publicly available information—including information regarding the number of shares outstanding and the number of beneficial holders for the VanEck Bitcoin ETF, the ADV of the VanEck Bitcoin ETF, and the market capitalization of the VanEck Bitcoin ETF—the Commission concludes that it is reasonable for the Exchange to determine that the VanEck Bitcoin ETF satisfies the requirement of Cboe Rule 4.3(a)(2) that the security underlying a listed option be widely held and actively traded.

B. Position and Exercise Limits

Position and exercise limits serve as a regulatory tool designed to deter manipulative schemes and adverse market impact surrounding the use of options. Since the inception of standardized options trading, the options exchanges have had rules limiting the aggregate number of options contracts that a member or customer may hold or exercise. Options position and exercise limits are intended to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market to benefit

the options position.⁶⁰ In addition, such limits serve to reduce the possibility of disruption in the options market itself, especially in illiquid classes.⁶¹ As the Commission has previously recognized, markets with active and deep trading interest, as well as with broad public ownership, are more difficult to manipulate or disrupt than less active and deep markets with smaller public floats.⁶² The Commission also has recognized that position and exercise limits must be sufficient to prevent investors from disrupting the market for the underlying security by acquiring and exercising a number of options contracts disproportionate to the deliverable supply and average trading volume of the underlying security.⁶³ At the same time, the Commission has recognized that limits must not be established at levels that are so low as to discourage participation in the options market by institutions and other investors with substantial hedging needs or to prevent specialists and market-makers from adequately meeting their obligations to maintain a fair and orderly market.⁶⁴

The Exchange proposes a position limit of 25,000 contracts on the same side of the market for options on the VanEck Bitcoin ETF and an equivalent exercise limit.⁶⁵ In proposing these position and exercise limits, the Exchange considered, among other things, the approximate six-month ADV, outstanding shares, and market capitalization of the VanEck Bitcoin ETF.⁶⁶ The Exchange states that the proposed position and exercise limits of 25,000 contracts are significantly lower than the position and exercise limits of options on other ETFs with a similar

⁶⁰ See Securities Exchange Act Release No. 39489 (Dec. 24, 1997), 63 FR 276, 279 (Jan. 5, 1998) (order approving File No. SR-CBOE-97-11) (“Position Limit Order”).

⁶¹ *Id.*

⁶² *Id.*

⁶³ See, e.g., Securities Exchange Act Release Nos. 21907 (Mar. 29, 1985), 50 FR 13440, 13441 (Apr. 4, 1985) (order approving File Nos. SR-CBOE-84-21, SR-Amex-84-30, SR-Phlx-84-25, and SR-PSE-85-1); and 40875 (Dec. 31, 1998), 64 FR 1842, 1843 (Jan. 12, 1999) (order approving File Nos. SR-CBOE-98-25; Amex-98-22; PCX-98-33; and Phlx-98-36).

⁶⁴ See *id.*

⁶⁵ See OIP, 90 FR at 29091; proposed Cboe Rule 8.30, Interpretation and Policy .10 (establishing a 25,000-contract position limit for options on the VanEck Bitcoin ETF); Cboe Rule 8.42, Interpretation and Policy .02 (stating that exercise limits for options on shares or other securities that represent interests in registered investment companies (or series thereof) organized as open-end management investment companies, unit investment trusts or similar entities that satisfy the criteria set forth in Rule 4.3, Interpretation and Policy .06 shall be equivalent to the position limits prescribed for such options in Rule 8.30, Interpretation and Policy .10).

⁶⁶ See OIP, 90 FR at 29091.

⁴⁶ See *id.* at 29092–93.

⁴⁷ See *id.* at 29093.

⁴⁸ See *id.*

⁴⁹ See *id.*

⁵⁰ See *id.*

⁵¹ See *id.*

⁵² See *id.*

⁵³ In approving this proposed rule change, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

⁵⁴ 15 U.S.C. 78f.

⁵⁵ 15 U.S.C. 78f(b)(5).

⁵⁶ See Cboe Rule 4.3(a)(2).

⁵⁷ See OIP, 90 FR at 29090.

⁵⁸ *Id.*

⁵⁹ *Id.* at 29091.

number of outstanding shares.⁶⁷ In addition, the Exchange states that the number of shares represented by the proposed position and exercise limits were equal to approximately 5.01% of the outstanding shares of the VanEck Bitcoin ETF.⁶⁸ The Exchange further states that “[t]he proposed position and exercise limits are the lowest position and exercise limits available for equity options in the industry, are extremely conservative, and are more than appropriate given the VanEck Bitcoin ETF’s market capitalization, ADV, and high number of outstanding shares.”⁶⁹

The Exchange also compared the size of the position and exercise limits to the market capitalization of the bitcoin market, which, according to the Exchange, had a market capitalization of \$1.797 trillion as of March 5, 2025.⁷⁰ The Exchange calculated that, with a position limit of 25,000 contracts (2,500,000 shares of the VanEck Bitcoin ETF), as of March 5, 2025, a market participant could hold a position in shares of the VanEck Bitcoin ETF that represented 0.0035% of the bitcoin market, a position that the Exchange states “would have no practical impact on the Bitcoin market.”⁷¹

The Exchange states that the proposed position and exercise limits also are appropriate given position limits for bitcoin futures.⁷² The Exchange states that the CME establishes a position limit of 2,000 bitcoin futures for the spot month and that, as of March 5, 2025, such a position would have had a notional value of \$909,350,000.⁷³ The Exchange states that, as of that date, 355,214 option contracts on the VanEck Bitcoin ETF would be the equivalent of the \$909,350,000 CME bitcoin futures notional value.⁷⁴ The Exchange states that the option contract equivalent numbers are significantly higher than the proposed position and exercise limit of 25,000 contracts.⁷⁵

In addition, the Exchange states that with a position limit of 25,000 contracts, 20 market participants, each with a position of 25,000 contracts, would have to exercise all of their VanEck Bitcoin ETF options to place the VanEck Bitcoin

ETF shares under stress.⁷⁶ Based on the information provided, demonstrating, among other things, that the VanEck Bitcoin ETF is characterized by a substantial number of outstanding shares that are actively traded and widely held, the Exchange believes the proposed position and exercise limits are extremely conservative compared to those of ETF options with similar market characteristics.⁷⁷ The Exchange states that the proposed position and exercise limits reasonably and appropriately balance the liquidity provisioning in the market against the prevention of manipulation. The Exchange further states that the proposed limits are effectively designed to prevent an individual customer or entity from establishing options positions that could be used to manipulate the market of the underlying as well as the bitcoin market.⁷⁸

The Commission finds that the proposed position and exercise limits are consistent with the Act, and in particular, with the requirements in Section 6(b)(5) that the rules of a national securities exchange are designed to prevent fraudulent and manipulative acts and practices and to protect investors and the public interest. As discussed above, the Commission has recognized that position and exercise limits must be sufficient to prevent investors from disrupting the market for the underlying security by acquiring and exercising a number of options contracts disproportionate to the deliverable supply and average trading volume of the underlying security.⁷⁹ In addition, the Commission has stated previously that rules regarding position and exercise limits are intended to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options position.⁸⁰ Based on its review of the data and analysis provided by the Exchange, the Commission concludes that the proposed position and exercise limits satisfy these objectives. Specifically, the Commission has considered and reviewed the Exchange’s analysis that, as of March 5, 2025, the proposed position and exercise limits of 25,000 contracts represented 5.01% of

the outstanding shares of the VanEck Bitcoin ETF.⁸¹ The Commission also has considered and reviewed the Exchange’s statement that with a position limit of 25,000 contracts, 20 market participants, each with a same side position of 25,000 contracts, would have to exercise all of their VanEck Bitcoin ETF options to place the VanEck Bitcoin ETF shares under stress.⁸² Based on the Commission’s review of this information and analysis, the Commission concludes that the proposed position and exercise limits are designed to prevent investors from disrupting the market for the underlying securities by acquiring and exercising a number of options contracts disproportionate to the deliverable supply and average trading volume of the underlying security, and to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options position.⁸³

C. Surveillance

As described more fully above, the Exchange states that it will apply its existing options surveillance program procedures to options on the VanEck Bitcoin ETF⁸⁴ and it will implement any new surveillance procedures it deems necessary to effectively monitor the trading of options on the VanEck Bitcoin ETF.⁸⁵ The Exchange states that its market surveillance staff would have access to the surveillances conducted by Cboe BZX Exchange, Inc.⁸⁶ with respect to the VanEck Bitcoin ETF and would review activity in the underlying VanEck Bitcoin ETF when conducting surveillances for market abuse or manipulation in the options on the VanEck Bitcoin ETF.⁸⁷ In addition, the Exchange states that it is a member of the ISG and that, in addition to the

⁶⁷ See *supra* note 68.

⁶⁸ See *supra* note 76.

⁶⁹ The proposal also excludes the VanEck Bitcoin ETF options from FLEX trading. The Exchange states that the Exchange may submit a separate rule filing that would permit the Exchange to authorize for trading FLEX options on the VanEck Bitcoin Trust (which filing may propose changes to existing FLEX option position limits for such options if appropriate). See OIP, 90 FR at 29094, n. 42. Excluding VanEck Bitcoin ETF options from FLEX trading will allow the Commission to consider the listing of FLEX options on the VanEck Bitcoin ETF in the context of any separate proposal the Exchange files to list such options.

⁷⁰ The surveillance program includes surveillance patterns for price and volume movements as well as patterns for potential manipulation (e.g., spoofing and marking the close). See *id.* at 29092, n.29.

⁷¹ See *id.* at 29093.

⁷² Cboe BZX Exchange, Inc. is an affiliated market of the Exchange. See *id.* at 29092, n.30.

⁷³ See *id.* at 29092–93.

⁷⁴ The Exchange states that options on ETFs with outstanding shares similar to the VanEck Bitcoin ETF had average position and exercise limits of 225,000 contracts. See *id.*

⁷⁵ See *id.* at 29092.

⁷⁶ See *id.*

⁷⁷ See *id.* at 29094.

⁷⁸ See *id.*

⁷⁹ See *id.*

⁸⁰ See *id.*

⁸¹ See *id.* at 29094–95.

⁸² See *id.* at 29095.

⁷⁶ The Exchange bases this calculation on the number of VanEck Bitcoin ETF shares outstanding as of March 5, 2025. See *id.*

⁷⁷ See *id.* at 29096.

⁷⁸ See *id.* (citing the Position Limit Order, *supra* note 60).

⁷⁹ See *supra* note 63 and accompanying text.

⁸⁰ See Securities Exchange Act Release No. 57352 (Feb. 19, 2008), 73 FR 10076, 10080 (Feb. 25, 2008) (order approving File No. SR-CBOE-2008-07).

surveillances conducted by Cboe BZX Exchange, Inc., the Exchange would be able to obtain information regarding trading of shares of the VanEck Bitcoin ETF through ISG.⁸⁸ The Exchange further states that ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets.⁸⁹ Together, these surveillance procedures should allow the Exchange to investigate suspected manipulations or other trading abuses in options on the VanEck Bitcoin ETF.

Accordingly, the Commission finds that the Exchange's surveillance procedures for the proposed options are designed to prevent fraudulent and manipulative acts and practices and to protect investors and the public interest.

D. Retail Customers

Existing rules governing broker-dealer conduct when dealing with retail customers will apply to the proposed options on the VanEck Bitcoin ETF. For example, the Exchange's rules require its members to "exercise due diligence to learn the essential facts as to the customer and his investment objectives and financial situation" when approving a customer's account for options transactions.⁹⁰ In fulfilling this obligation, the member must consider, among other things, a customer's investment objectives; employment status; estimated annual income; estimated net worth; and investment experience and knowledge.⁹¹ Further, FINRA's heightened suitability requirements for options trading accounts require that a person recommending an opening position in any option contract have "a reasonable basis for believing, at the time of making the recommendation, that the customer has such knowledge and experience in financial matters that he may reasonably be expected to be capable of evaluating the risks of the recommended transaction, and is financially able to bear the risks of the recommended position in the option contract."⁹²

IV. Accelerated Approval of Amendment No. 4

The Commission finds good cause, pursuant to Section 19(b)(2) of the Act, for approving Amendment No. 4 prior to the 30th day after the date of publication of notice of Amendment No. 4 in the **Federal Register**. Amendment No. 4 changes references to the VanEck

Bitcoin Trust in the proposed rule change to the VanEck Bitcoin ETF and corrects a description in the proposed rule change of the 30-day period over which ADV was measured for shares of the VanEck Bitcoin ETF. The correction of the 30-day period over which ADV was measured improves the accuracy of the Exchange's proposal. Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,⁹³ to approve the proposed rule change, as modified by Amendment No. 4, on an accelerated basis.

V. Conclusion

For the reasons set forth above, the Commission finds that the proposed rule change, as modified by Amendment No. 4, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange and, in particular, the requirements of Section 6(b)(5) of the Act.⁹⁴

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁹⁵ that the proposed rule change (SR-CBOE-2025-017), as modified by Amendment No. 4, is approved.

By the Commission.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025-14550 Filed 7-31-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103580; File No. SR-GEMX-2025-18]

Self-Regulatory Organizations; Nasdaq GEMX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to SQF Ports

July 29, 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 22, 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 amend the Exchange's Pricing Schedule at Options 7, Section 6, C, Ports and Other Services, to propose a limit to the number of Specialized Quote Feed ("SQF")³ Ports a Market Maker⁴ may subscribe to in a month.

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/gemx/rulefilings> and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend its Pricing Schedule at Options 7, Section 7, C, Ports and Other Services, to propose a limit on the number of SQF Ports a Market Maker may subscribe to in a month.

³ "Specialized Quote Feed" or "SQF" is an interface that allows Market Makers to connect, send, and receive messages related to quotes, Immediate-or-Cancel Orders, and auction responses to the Exchange. Features include the following: (1) options symbol directory messages (e.g., underlying instruments); (2) System event messages (e.g., start of trading hours messages and start of opening); (3) trading action messages (e.g., halts and resumes); (4) execution messages; (5) quote messages; (6) Immediate-or-Cancel Order messages; (7) risk protection triggers and purge notifications; (8) opening imbalance messages; (9) auction notifications; and (10) auction responses. The SQF Purge Interface only receives and notifies of purge requests from the Market Maker. Market Makers may only enter interest into SQF in their assigned options series. Immediate-or-Cancel Orders entered into SQF are not subject to the Order Price Protection, Market Order Spread Protection, and Size Limitation Protection in Options 3, Section 15(a)(1)(A), (1)(B), and (2)(B) respectively. See GEMX Supplementary Material .03 (c) to Options 3, Section 7.

⁴ The term "Market Makers" refers to "Competitive Market Makers" and "Primary Market Makers" collectively. See GEMX Options 1, Section 1(a)(21).

⁸⁸ See *id.* at 29093.

⁸⁹ See *id.*

⁹⁰ See Cboe Rule 9.1(b).

⁹¹ See *id.*

⁹² See FINRA Rule 2360(b)(19).

⁹³ 15 U.S.C. 78s(b)(2).

⁹⁴ 15 U.S.C. 78f(b)(5).

⁹⁵ 15 U.S.C. 78s(b)(2).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Currently, a GEMX Market Maker is assessed an SQF Port Fee of \$1,350 per port, per month.⁵ Currently, the Exchange has no limits in place on the number of SQF Ports a Market Maker may acquire in a month.

At this time, the Exchange proposes to limit a Market Maker to no more than 250 SQF Ports per month.⁶ A Market Maker requires only one SQF Port to submit quotes in its assigned options series into GEMX. While a Market Maker may elect to obtain multiple SQF Ports to organize its business,⁷ only one SQF Port is necessary for a Market Maker to fulfill its regulatory quoting obligations.⁸ The Exchange utilizes ports as a secure method for Members to submit quotes into the Exchange's match engine and for the Exchange to send messages related to those quotes to Members. In order to properly regulate its Members and secure the trading environment, the Exchange has taken measures to ensure access is monitored and maintained with various controls. The Exchange believes that the proposed limit of 250 SQF Ports per month will permit the Exchange to obtain greater efficiencies by placing this overall limit on SQF Ports. The Exchange believes a limit of 250 SQF Ports provides it with the appropriate bandwidth to support future growth and new Market Makers entrants.⁹

The Exchange proposes to implement the 250 SQF Ports per month limit on August 15, 2025.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹⁰ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹¹ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market

system, and, in general to protect investors and the public interest.

The Exchange's proposal to limit a Market Maker to no more than 250 SQF Ports per month is consistent with the Act because it will allow the Exchange to obtain greater efficiencies in its overall connectivity management. The Exchange utilizes ports as a secure method for Members to submit quotes into the Exchange's match engine and for the Exchange to send messages related to those quotes to Members. Only GEMX Members who are approved as Market Makers may utilize an SQF Port. Once approved, GEMX Market Makers may subscribe to SQF Ports to submit quotes into the Exchange. While a Market Maker may elect to obtain multiple SQF Ports to organize its business,¹² only one SQF Port is necessary for a Market Maker to fulfill its regulatory quoting obligations.¹³ Today, most Market Makers are in possession of several SQF Ports, and amend the number of SQF Ports from time to time. Of note, GEMX allows Members to obtain SQF Ports at no additional cost once they exceed a monthly fee cap,¹⁴ therefore Market Makers on GEMX may be inclined to increase their total number of SQF Ports as a result of having no incremental cost from the Exchange because of the monthly fee cap. In fact, not all SQF Ports are actively used by Market Makers. In order to properly regulate its Members and secure the trading environment, the Exchange has taken measures to ensure access is monitored and maintained with various controls that will protect investors and the public interest. Specifically, the Exchange ensures that information security safeguards, upgrades, and general port management are in effect for all SQF Ports regardless of whether the SQF Port is actively in use. As a result of these efforts, the Exchange incurs costs to manage and maintain its SQF Ports and the secure environment surrounding its platform.

The Exchange's proposal is intended to permit it to govern its connectivity management in a reasonable manner while protecting investors and the general public by obtaining greater efficiencies with the limit on SQF Ports. The Exchange believes that its proposal is consistent with the Act in that it will provide the Exchange the ability to maintain the appropriate bandwidth to support future growth and new Market

Makers entrants thereby removing impediments to and perfect the mechanism of a free and open market.

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.

In terms of intra-market competition, the Exchange does not believe that its proposal will place any category of market participant at a competitive disadvantage. While some Market Makers currently have more than 250 SQF Ports, the Exchange notes that the proposed limit would be applied uniformly ensuring that no Market Maker has more than 250 SQF Ports per month as a result of the proposed limit.

The Exchange does not believe that its proposal will place an undue burden on intra-market competition because any exchange may elect to adopt a similar limit.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act¹⁵ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁶

A proposed rule change filed under Rule 19b-4(f)(6)¹⁷ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),¹⁸ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the

⁵ The SQF Port and the SQF Purge Port are subject to a monthly cap of \$18,900, which cap is applicable to Market Makers.

⁶ The Exchange issued Options Technical Alert #2025-12 to announce the limitation.

⁷ For example, a Market Maker may desire to utilize multiple SQF Ports for accounting purposes, to measure performance, for regulatory reasons or other determinations that are specific to that Member.

⁸ GEMX Market Makers have various regulatory requirements as provided for in Options 2, Section 4. Additionally, GEMX Market Makers have certain quoting requirements with respect to their assigned options series as provided in Options 2, Section 5. SQF Ports are the only quoting protocol available on GEMX and only Market Makers may utilize SQF Ports.

⁹ The Exchange will periodically review the SQF Port limit. If the Exchange elects to amend the limit it will file a rule proposal with the Commission.

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

¹² See *supra* note 7.

¹³ See *supra* note 8.

¹⁴ The SQF Port and the SQF Purge Port are subject to a monthly cap of \$18,900 pursuant to Options 7, Section 6, C.

¹⁵ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁶ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

¹⁷ 17 CFR 240.19b-4(f)(6).

¹⁸ 17 CFR 240.19b-4(f)(6)(iii).

Commission to waive the 30-day operative delay so that the proposed rule change may become operative immediately upon filing. The Exchange requests that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) so that the Exchange may implement the proposal on August 15, 2025. The Exchange notes that MRX does not prorate SQF Port Fees and, therefore, the Exchange requests that the Commission waive the operative delay so that the 250 SQF Port Fee limit may be in place prior to the beginning of September so that the Exchange can manage billing for its Members.

The Commission believes that waiver of the operative delay is consistent with the protection of investors and the public interest. The Exchange issued an Options Technical Alert to announce the limitation. The Exchange states that the proposed rule change is intended to permit it to govern its connectivity management in a reasonable manner while protecting investors and the general public by obtaining greater efficiencies with the limit on SQF Ports and will provide the Exchange the ability to maintain the appropriate bandwidth to support future growth and new Market Makers entrants. In addition, the Exchange notes that it does not prorate SQF Port Fees and a waiver of the operative delay will allow the 250 SQF Port Fee limit to be in place at the beginning of the month so that the Exchange can manage billing for its Participants. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposed rule change operative upon filing.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. 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.

¹⁹ For purposes only of waiver the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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-2025-18 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-2025-18. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to file number SR-GEMX-2025-18 and should be submitted on or before August 22, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁰

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025-14569 Filed 7-31-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103574; File No. SR-NYSEARCA-2025-05]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Designation of Longer Period for Commission Action on Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change, as Modified by Amendment No. 1, To List and Trade Shares of the Grayscale Litecoin Trust (LTC) Under NYSE Arca Rule 8.201-E (Commodity-Based Trust Shares)

July 29, 2025.

On January 24, 2025, NYSE Arca, Inc. ("NYSE Arca") 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 of the Grayscale Litecoin Trust (LTC) under NYSE Arca Rule 8.201-E (Commodity-Based Trust Shares). On February 3, 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 February 12, 2025.³

On March 11, 2025, pursuant to Section 19(b)(2) of the Exchange 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 On May 13, 2025, the Commission initiated 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. 1.⁷

Section 19(b)(2) of the Act⁸ provides that, after initiating proceedings, the Commission shall issue an order

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 102367 (Feb. 6, 2025), 90 FR 9452. Comments received on the proposed rule change are available at: <https://www.sec.gov/comments/sr-nysearca-2025-05/srnysearca202505.htm>.

⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 102590, 90 FR 12425 (Mar. 17, 2025) (designating May 13, 2025, as the date by which the Commission shall either approve, 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 Securities Exchange Act Release No. 103031, 90 FR 21366 (May 19, 2025).

⁸ 15 U.S.C. 78s(b)(2).

²⁰ 17 CFR 200.30-3(a)(12).

approving or disapproving the proposed rule change not later than 180 days after the date of publication of notice of filing of the proposed rule change. The Commission may extend the period for issuing an order approving or disapproving the proposed rule change, however, by not more than 60 days if the Commission determines that a longer period is appropriate and publishes the reasons for such determination. The proposed rule change was published for comment in the **Federal Register** on February 12, 2025.⁹ The 180th day after publication of the proposed rule change is August 11, 2025. The Commission is extending the time period for approving or disapproving the proposed rule change for an additional 60 days.

The Commission finds it appropriate to designate a longer period within which to issue an order approving or disapproving the proposed rule change so that it has sufficient time to consider the proposed rule change and the issues raised therein. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,¹⁰ designates October 10, 2025, as the date by which the Commission shall either approve or disapprove the proposed rule change, as modified by Amendment No. 1 (File No. SR-NYSEARCA-2025-05).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹¹

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2025-14566 Filed 7-31-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103570; File No. SR-NYSEARCA-2025-15]

Self-Regulatory Organizations; NYSE Arca, Inc.; Order Granting Approval of a Proposed Rule Change To List and Trade Shares of the Bitwise Bitcoin and Ethereum ETF Under NYSE Arca Rule 8.201-E (Commodity-Based Trust Shares)

July 29, 2025.

I. Introduction

On February 19, 2025, NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or

“Exchange Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to list and trade shares (“Shares”) of the Bitwise Bitcoin and Ethereum ETF (“Trust”) under NYSE Arca Rule 8.201-E (Commodity-Based Trust Shares). The proposed rule change was published for comment in the **Federal Register** on March 12, 2025.³

On April 24, 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 On June 10, 2025, the Commission instituted proceedings under Section 19(b)(2)(B) of the Act⁶ to determine whether to approve or disapprove the proposed rule change.⁷ This order approves the proposed rule change (“Proposal”).

II. Description of the Proposal

As described in more detail in the Notice,⁸ the Exchange proposes to list and trade Shares of the Trust under NYSE Arca Rule 8.201-E (Commodity-Based Trust Shares). The Trust will hold both spot bitcoin⁹ and spot ether.¹⁰

According to the Exchange, the investment objective of the Trust is to seek to provide exposure to the value of bitcoin and ether held by the Trust, less the expenses of the Trust’s operations and other liabilities.¹¹ The Trust’s

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 102534 (Mar. 6, 2025), 90 FR 11855 (“Notice”). Comments received on the proposed rule change are available at: <https://www.sec.gov/comments/sr-nysearca-2025-15/srnysearca202515.htm>.

⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 102925, 90 FR 17985 (Apr. 30, 2025). The Commission designated June 10, 2025, as the date by which the Commission shall approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change.

⁶ 15 U.S.C. 78s(b)(2)(B).

⁷ See Securities Exchange Act Release No. 103215, 90 FR 25389 (Jun. 16, 2025).

⁸ See *supra* note 3.

⁹ Bitcoins are digital assets that are issued and transferred via a distributed, open-source protocol used by a peer-to-peer computer network through which transactions are recorded on a public transaction ledger known as the “Bitcoin blockchain.” The Bitcoin protocol governs the creation of new bitcoins and the cryptographic system that secures and verifies bitcoin transactions.

¹⁰ Ether is a digital asset that is native to, and minted and transferred via, a distributed, open-source protocol used by a peer-to-peer computer network through which transactions are recorded on a public transaction ledger known as “Ethereum.” The Ethereum protocol governs the creation of new ether and the cryptographic system that secures and verifies transactions on Ethereum.

¹¹ See Notice at 11855. The Trust is a Delaware statutory trust and will operate pursuant to a trust

allocation of its assets to bitcoin and ether will approximate the relative market capitalization of bitcoin and ether to one another.¹² The Trust’s only assets will be bitcoin, ether, and cash.¹³ The Trust’s net asset value (“NAV”) and NAV per Share will be determined by the administrator of the Trust once each Exchange trading day as of 4:00 p.m. E.T., or as soon thereafter as practicable.¹⁴ For purposes of calculating the Trust’s NAV, the administrator will determine the price of the Trust’s bitcoin and ether by reference to the CME CF Bitcoin—New York Variant for its bitcoin holdings and to the CME CF Ether—Dollar Reference Rate—New York Variant for its ether holdings (the “Pricing Benchmarks”).¹⁵ The Trust will create and redeem Shares from time to time, but only in one or more “Creation Units,” which will initially consist of at least 10,000 Shares.¹⁶

III. Discussion and Commission Findings

After careful review, the Commission finds that the Proposal is consistent with the Exchange Act and rules and regulations thereunder applicable to a national securities exchange.¹⁷ In particular, the Commission finds that the Proposal is consistent with Section 6(b)(5) of the Exchange Act,¹⁸ which requires, among other things, that the Exchange’s rules be designed to “prevent fraudulent and manipulative

agreement between Bitwise Investment Advisers, LLC (“Sponsor”) and Delaware Trust Company, as trustee. Coinbase Custody Trust Company, LLC will maintain custody of the Trust’s bitcoin and ether. Bank of New York Mellon will be the custodian for the Trust’s cash holdings, the administrator of the Trust, and the transfer agent for the Trust. See *id.*

¹² See *id.* As of the date of the filing, the relative market capitalization of bitcoin and ether was 83% bitcoin and 17% ether. The Exchange states that the Trust will calculate the market capitalization of bitcoin and ether by multiplying the Pricing Benchmarks (as defined herein) by the current circulating supply of bitcoin and ether respectively, as determined by the Sponsor, and will calculate the relative market capitalization by dividing each of bitcoin and ether’s market capitalization by the combined market capitalization of both. See *id.* at 11855 n.9.

¹³ See *id.* at 11855.

¹⁴ See *id.* at 11856.

¹⁵ See *id.* at 11855. The Pricing Benchmarks are calculated by CF Benchmarks Ltd. based on an aggregation of executed trade flow of major bitcoin and ether trading platforms and are designed to provide a daily, 4:00 p.m. E.T. reference rate of the U.S. dollar price of one bitcoin or one ether. See *id.* at 11855 n.10.

¹⁶ See *id.* at 11857. Authorized participants will deliver only cash to create Shares and will receive only cash when redeeming Shares. See *id.*

¹⁷ In approving the Proposal, the Commission has considered the Proposal’s impacts on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹⁸ 15 U.S.C. 78f(b)(5).

⁹ See *supra* note 3 and accompanying text.

¹⁰ 15 U.S.C. 78s(b)(2).

¹¹ 17 CFR 200.30-3(a)(57).

acts and practices” and, “in general, to protect investors and the public interest;” and with Section 11A(a)(1)(C)(iii) of the Exchange Act,¹⁹ which sets forth Congress’ finding that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities.

A. Exchange Act Section 6(b)(5)

The Trust will hold both spot bitcoin and spot ether weighted according to their relative market capitalizations.²⁰ The structure of the Trust, the terms of its operation and the trading of its Shares, and the representations in the Exchange’s filing are substantially similar to those of the spot bitcoin and spot ether exchange-traded product (“ETP”) proposals approved in prior Commission orders.²¹ As such, based on the record before the Commission, the Commission is able to conclude that the Proposal is consistent with Section 6(b)(5) of the Exchange Act.²²

B. Exchange Act Section 11A(a)(1)(C)(iii)

The Proposal sets forth aspects of the proposed ETP, including the availability of pricing information, transparency of portfolio holdings, and types of surveillance procedures, that are consistent with other ETPs that the Commission has approved.²³ This includes commitments regarding: the availability of quotation and last-sale information for the Shares; the availability on the Trust’s website of certain information related to the Trust, including NAV; the dissemination of an

intra-day indicative value by one or more major market data vendors, updated every 15 seconds throughout the Exchange’s core trading session; the Exchange’s surveillance procedures and ability to obtain information regarding trading in the Shares; the conditions under which the Exchange would implement trading halts and suspensions; and the requirements of registered market makers in the Shares.²⁴ In addition, 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.²⁵ Further, the listing rules of the Exchange require that all statements and representations made in its filing regarding, among others, the description of the Trust’s holdings, limitations on such holdings, and the applicability of the Exchange’s listing rules specified in the filing, will constitute continued listing requirements.²⁶ Moreover, the Proposal states that: the Trust’s Sponsor has represented to the Exchange that it will advise the Exchange of any failure by the Trust to comply with the continued listing requirements; pursuant to obligations under Section 19(g)(1) of the Exchange Act, the Exchange will monitor for compliance with the continued listing requirements; and if the Trust is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures.²⁷

The Commission therefore finds that the Proposal, as with other ETPs that the Commission has approved,²⁸ is reasonably designed to promote fair disclosure of information that may be necessary to price the Shares appropriately, to prevent trading when a reasonable degree of transparency cannot be assured, to safeguard material non-public information relating to the Trust’s portfolio, and to ensure fair and orderly markets for the Shares.

IV. Conclusion

This approval order is based on all of the Exchange’s representations and descriptions in the Proposal, which the Commission has carefully evaluated as discussed above.²⁹ For the reasons set forth above, the Commission finds, pursuant to Section 19(b)(2) of the

Exchange Act,³⁰ that the Proposal is consistent with the requirements of the Exchange Act and the rules and regulations thereunder applicable to a national securities exchange, and in particular, with Section 6(b)(5) and Section 11A(a)(1)(C)(iii) of the Exchange Act.³¹

It is therefore ordered, pursuant to Section 19(b)(2) of the Exchange Act,³² that the Proposal (SR-NYSEARCA-2025-15) be, and hereby is, approved.

By the Commission.

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2025-14547 Filed 7-31-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103583; File No. SR-NYSETEX-2025-21]

Self-Regulatory Organizations; NYSE Texas, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Harmonize NYSE Texas Rule 11.3110 With FINRA Rule 3110

July 29, 2025.

Pursuant to Section 19(b)(1) ¹ of the Securities Exchange Act of 1934 (“Act”) ² and Rule 19b-4 thereunder,³ notice is hereby given that, on July 14, 2025, the NYSE Texas, Inc. (“NYSE Texas” 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 harmonize NYSE Texas Rule 11.3110 (Supervision) with certain changes by the Financial Industry Regulatory Authority, Inc. (“FINRA”) to FINRA Rule 3110 to permit eligible Participants to participate in FINRA’s remote inspections program (“FINRA Pilot Program”) and to adopt FINRA’s Residential Supervisory Location

¹⁹ 15 U.S.C. 78k-1(a)(1)(C)(iii).

²⁰ See Notice at 11855. The Trust could also hold cash. See *id.*

²¹ See, e.g., 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, Securities Exchange Act Release No. 101998 (Dec. 19, 2024), 89 FR 106707 (Dec. 30, 2024) (SR-NASDAQ-2024-028; SR-CBOEBZX-2024-091) (“Spot Bitcoin/Ether ETP Approval Order”). See also *infra* Item III.B.

²² The Commission received one comment letter supporting the Proposal and stating that approving the Proposal would provide clear benefits to investors while promoting fair, orderly, and efficient markets. See Letter from Gregory E. Xethalis, General Counsel, Daniel A. Leonardo, Chief Compliance Officer & Deputy General Counsel, and Jay B. Stolkin, Deputy General Counsel, Multicoin Capital Management, LLC, dated Apr. 29, 2025.

²³ See, e.g., Spot Bitcoin/Ether ETP Approval Order at 106709.

²⁴ See Notice at 11862-64.

²⁵ See *id.* at 11863.

²⁶ See NYSE Arca Rule 8.201-E(e)(2)(vii).

²⁷ See Notice at 11864.

²⁸ See Spot Bitcoin/Ether ETP Approval Order.

²⁹ In addition, the Shares of the Trust must comply with the requirements of NYSE Arca Rule 8.201-E (Commodity-Based Trust Shares) to be listed and traded on the Exchange on an initial and continuing basis.

³⁰ 15 U.S.C. 78s(b)(2).

³¹ 15 U.S.C. 78f(b)(5); 15 U.S.C. 78k-1(a)(1)(C)(iii).

³² 15 U.S.C. 78s(b)(2).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

(“RSL”) classification. The proposed rule change is available on the Exchange’s website at www.nyse.com and at the principal office of the Exchange.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the 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

The Exchange proposes to harmonize NYSE Texas Rule 11.3110 (Supervision) with certain changes by FINRA to FINRA Rule 3110 to permit eligible Participants to participate in the FINRA Pilot Program and to adopt FINRA’s RSL classification.⁴ The proposed rule change would harmonize the Exchange’s office and other location inspection rules with those of FINRA and thus promote uniform inspection standards across the securities industry. Additionally, because proposed Supplementary Material .18 to NYSE Texas Rule 11.3110 and proposed Supplementary Material .19 to NYSE Texas Rule 11.3110 would be substantially similar to FINRA Rule 3110.18 and FINRA Rule 3110.19, respectively, this rule change enables NYSE Texas Rule 11.3110 to continue to be incorporated into the agreement between NYSE Texas and FINRA to allocate regulatory responsibility for common rules (the “17d–2 Agreement”).⁵

⁴ This proposed change also aligns with NYSE Rule 3110, which was recently updated to conform with FINRA Rule 3110 regarding Supervision. See Securities Exchange Act Release No. 101325 (October 15, 2024), 89 FR 84221 (October 21, 2024) (SR–NYSE–2024–64). See also NYSE Rule 3110.

⁵ See Securities Exchange Act Release No. 60409 (July 30, 2009), 74 FR 39353, (August 6, 2009) (File No. 4–587). The 17d–2 Agreement includes a certification by NYSE Texas that states that the requirements contained in certain Exchange rules are identical to, or substantially similar to certain FINRA rules that have been identified as comparable.

Background and Proposed Rule Change

NYSE Texas Rule 11.3110 is based on FINRA Rule 3110⁶ and requires Participant Firms to establish and maintain a system to supervise the activities of each associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable Exchange rules, and sets forth the minimum requirements for such supervisory system.⁷ Under NYSE Texas Rule 11.3110, final responsibility for proper supervision rests with the Participant Firm.

As part of an overall supervisory system, Participant Firms must conduct inspections of each of their offices or locations on a designated frequency depending on the classification of the location or the nature of the activities that take place: an office of supervisory jurisdiction (“OSJ”) and supervisory branch offices must be inspected at least annually;⁸ non-supervisory branch offices, at least every three years;⁹ and non-branch locations on a periodic schedule, presumed to be at least every three years.¹⁰ Moreover, Participant Firms must retain a written record of the date upon which each review and inspection occurred, reduce a location’s inspection to a written report and keep each inspection report on file either for a minimum of three years or, if the location’s inspection schedule is longer than three years, until the next inspection report has been written.¹¹ If applicable to the location being inspected, the inspection report must include the testing and verification of the Participant Firm’s policies and procedures, including supervisory policies and procedures, in specified areas.¹² Finally, the rule requires a Participant to ensure that the person conducting the inspection is not an

⁶ See Securities Exchange Act Release No. 100187 (May 21, 2024), 89 FR 46191 (May 28, 2024) (SR–NYSECHX–2024–18). On March 28, 2025, NYSE Chicago, Inc. equities market became NYSE Texas, Inc. See Securities Exchange Act Release No. 102507 (February 28, 2025), 90 FR 11445 (March 6, 2025) (SR–NYSECHX–2025–01) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Repeal the Exchange’s Certificate of Incorporation; Adopt the Certificate of Formation of NYSE Texas, Inc.; Amend the Exchange’s By-Laws, Rules, and Certain Fee Schedules; and Amend the Certificate of Incorporation and By-Laws of the Exchange’s Holding Company To Reflect the Conversion of the Exchange to a Texas Corporation and the Renaming of NYSE Chicago Holdings, Inc.).

⁷ See NYSE Texas Rule 11.3110(a).

⁸ See NYSE Texas Rule 11.3110(c)(1)(A).

⁹ See NYSE Texas Rule 11.3110(c)(1)(B).

¹⁰ See NYSE Texas Rules 11.3110(c)(1)(C) and 11.3110.13 (General Presumption of Three-Year Limit for Periodic Inspection Schedules).

¹¹ See NYSE Texas Rule 11.3110(c)(2).

¹² See NYSE Texas Rule 11.3110(c)(2)(A).

associated person assigned to the location or is not directly or indirectly supervised by, or otherwise reporting to, an associated person assigned to the location.¹³ The factors governing what constitutes a reasonable review are set out in NYSE Texas Rule 11.3110.12 (Standards for Reasonable Review).

In 2023, recognizing how operations and business models within the financial services industry have evolved with changes in technology that were accelerated by the COVID–19 pandemic, including in particular the implementation by a large number of firms of a hybrid work environment during the public health crisis, FINRA adopted two amendments to FINRA Rule 3110. First, FINRA established a voluntary, three-year remote inspections pilot program to allow eligible members to fulfill their FINRA Rule 3110(c)(1) inspection obligation of qualified branch offices, including OSJs and non-branch locations remotely, without an on-site visit to such offices or locations subject to certain conditions and criteria.¹⁴ The FINRA Pilot Program is set forth in Supplementary Material .18 of FINRA Rule 3110. Second, FINRA adopted new Supplementary Material .19 to FINRA Rule 3110 that treats an associated person’s private residence where specified supervisory activities are conducted, subject to certain safeguards and limitations, as a non-branch location (*i.e.*, unregistered office). As a non-branch location under FINRA Rule 3110(c), the RSL would be subject to inspections on a regular periodic schedule instead of the annual inspection currently required for every OSJ and supervisory branch offices.¹⁵

The Exchange proposes to incorporate each of these amendments into NYSE Texas Rule 11.3110, as follows.

¹³ See NYSE Texas Rule 11.3110(c)(3)(B). Rule 3110(c)(3)(C) provides a limited exception from this requirement if a firm determines compliance is not possible either because of the firm’s size or its business model. See Rule 11.3110.14 (Exception to Persons Prohibited from Conducting Inspections).

¹⁴ See Securities Exchange Act Release No. 98982 (November 17, 2023), 88 FR 82464 (November 24, 2023) (SR–FINRA–2023–007) (Order Approving a Proposed Rule Change To Adopt Supplementary Material .18 (Remote Inspections Pilot Program) Under FINRA Rule 3110 (Supervision)).

¹⁵ See Securities Exchange Act Release No. 98980 (November 17, 2023), 88 FR 82447 (November 24, 2023) (File No. SR–FINRA–2023–006) (Notice of Filing of Amendment No. 2 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment Nos. 1 and 2, To Adopt Supplementary Material .19 (Residential Supervisory Location) Under FINRA Rule 3110 (Supervision)).

NYSE Texas Rule 11.3110, Supplementary Material .18¹⁶

The Exchange proposes, consistent with current FINRA Rule 3110, Supplementary Material .18, to adopt new Supplementary Material .18 to NYSE Texas Rule 11.3110 in order to provide eligible Participant Firms that are also FINRA members¹⁷ with the flexibility to opt into the FINRA Pilot Program, consisting of a voluntary, three-year remote inspections pilot program to fulfill their office inspection obligations under NYSE Texas Rule 11.3110(c) by conducting inspections of eligible OSJs, branch offices, and non-branch locations remotely without an on-site visit to such locations, subject to certain conditions and criteria. The requirements in connection with the participation in the FINRA Pilot Program under proposed Supplementary Material .18 would mirror in all material respects the requirements with respect to a FINRA member's participation under FINRA rules in the FINRA Pilot Program. Participant Firms opting into the FINRA Pilot Program would do so pursuant to the provisions of proposed Supplementary Material .18 and through the mechanisms and processes established by FINRA in connection with the FINRA Pilot Program. The proposed rule change also re-orders and streamlines some of the provisions of FINRA Rule 3110.18, as described below.

Proposed NYSE Texas Rule 11.3110.18(a) (Scope)

Proposed Supplementary Material .18(a) of NYSE Texas Rule 11.3110 would establish the standards by which a Participant Firm that is also a FINRA member may participate in the FINRA Pilot Program.

Proposed subsection (a) would permit Participant Firms to avail themselves of the FINRA Pilot Program for the required inspection of OSJs, branch offices and non-branch locations pursuant to, as applicable, paragraphs (c)(1)(A), (B) and (C) of NYSE Texas Rule 11.3110, for a period starting on the effective date of the proposed rule filing and expiring on June 30, 2027. If FINRA extends the pilot program and the proposed Supplementary Material .18 is not amended to allow continued participation by Participant Firms in the FINRA Pilot Program, Participant Firms would not be able to participate in the

FINRA Pilot Program after the prescribed provisions under the proposed Supplementary Material sunset.

With the exception of conforming and technical changes,¹⁸ proposed NYSE Texas Rule 11.3110.18(a) is substantially the same as FINRA Rule 3110.18(a).

Proposed NYSE Texas Rule 11.3110.18(b) (Risk Assessment)

Proposed Supplementary Material .18(b) of NYSE Texas Rule 11.3110 governing risk assessment would outline the need for Participant Firms to undertake a risk assessment in order to participate in the FINRA Pilot Program.

Proposed Supplementary Material .18(b)(1) would set forth the applicable standard for review and would provide that a Participant Firm could elect to conduct the applicable inspection remotely, without an on-site visit for an office or location, when such Participant Firm reasonably determines that the purposes of the Supplementary Material can be accomplished by conducting such required inspection remotely. The Participant Firm would be required to develop a reasonable risk-based approach to using remote inspections and conduct and document a risk assessment for an office or location prior to conducting a remote inspection. The risk assessment must document the factors considered, including, among other things, the factors set forth in current NYSE Texas Rule 11.3110.12 such as a firm's size, organizational structure, scope of business activities, number and location of the firm's offices, the nature and complexity of the products and services offered by the firm, the volume of business done, the number of associated persons assigned to a location, the disciplinary history of registered representatives or associated persons, and any indicators of irregularities or misconduct (*i.e.*, "red flags"), and must take into account any higher-risk activities that take place at, or higher-risk associated persons that are assigned to, that office or location. Additionally, proposed Supplementary Material .18(b)(1) would require a Participant Firm to conduct an on-site inspection on the required cycle for such offices or locations that are ineligible for remote office inspections

¹⁸ Where the Exchange states herein that only conforming and technical changes have been made, the Exchange is referring to instances in which it changed FINRA's "member" to the Exchange's equivalent "Participant Firm;" changed cross-references to FINRA rules to cross-references to Exchange rules unless there was no equivalent NYSE Texas rule; and made other non-substantive technical or grammatical changes.

because of not having met the firm or location level requirements under proposed Supplementary Material .18(f) or (g), respectively. Notwithstanding proposed Supplementary Material .18, a Participant Firm would remain subject to the other requirements of NYSE Texas Rule 11.3110(c).

Proposed Supplementary Material .18(b)(2) would address other risk assessment factors and would provide that when conducting the risk assessment of each office or location in accordance with proposed paragraph (b)(1) of the Supplementary Material, a Participant Firm must consider, among other things, the following factors with respect to an office or location in making its risk assessment for remotely inspecting an office or location:

- the volume and nature of customer complaints;¹⁹
- the volume and nature of outside business activities, particularly investment-related;²⁰
- the volume and complexity of products offered;²¹
- the nature of the customer base, including vulnerable adult investors;²²
- whether associated persons are subject to heightened supervision;²³
- failures by associated persons to comply with the Participant Firm's written supervisory procedures;²⁴ and
- any recordkeeping violations.²⁵

Further, proposed Supplementary Material .18(b)(2) would prescribe that Participant Firms should conduct on-site inspections or make more frequent use of unannounced, on-site inspections for high-risk offices or locations or when there are red flags, and supervisory systems must take into consideration any red flags when determining whether to conduct a remote inspection of an office or location, consistent with NYSE Texas Rule 11.3110(a).

With the exception of conforming and technical changes, proposed NYSE Texas Rule 11.3110.18(b) is

¹⁹ See proposed NYSE Texas Rule 11.3110.18(b)(2)(A), mirroring FINRA Rule 3110.18(b)(2)(A).

²⁰ See proposed NYSE Texas Rule 11.3110.18(b)(2)(B), mirroring FINRA Rule 3110.18(b)(2)(B).

²¹ See proposed NYSE Texas Rule 11.3110.18(b)(2)(C), mirroring FINRA Rule 3110.18(b)(2)(C).

²² See proposed NYSE Texas Rule 11.3110.18(b)(2)(D), mirroring FINRA Rule 3110.18(b)(2)(D).

²³ See proposed NYSE Texas Rule 11.3110.18(b)(2)(E), mirroring FINRA Rule 3110.18(b)(2)(E).

²⁴ See proposed NYSE Texas Rule 11.3110.18(b)(2)(F), mirroring FINRA Rule 3110.18(b)(2)(F).

²⁵ See proposed NYSE Texas Rule 11.3110.18(b)(2)(G), mirroring FINRA Rule 3110.18(b)(2)(G).

¹⁶ The Exchange would add new Supplementary Material .17 marked "Reserved" in order to maintain consistency with FINRA.

¹⁷ Currently, all NYSE Texas Participant Firms with one exception are also FINRA members.

substantially the same as FINRA Rule 3110.18(b).

Proposed NYSE Texas Rule 11.3110.18(c) (Written Supervisory Procedures for Remote Inspections)

Proposed Supplementary Material .18(c) would provide that, consistent with a Participant Firm's obligation under NYSE Texas Rule 11.3110(b), a Participant Firm that elects to participate in the FINRA Pilot Program must establish, maintain, and enforce written supervisory procedures regarding remote inspections that are reasonably designed to detect and prevent violations of and achieve compliance with applicable securities laws and regulations, and with applicable FINRA and Exchange rules.

As proposed, reasonably designed procedures for conducting remote inspections of offices or locations must address, among other things:

- the methodology, including technology, that may be used to conduct remote inspections;²⁶

- the factors considered in the risk assessment made for each applicable office or location pursuant to proposed Supplementary Material .18(b);²⁷

- the procedures specified in paragraph (h)(1)(G) and (h)(4) of FINRA Rule 3110.18;²⁸ and

- the use of other risk-based systems employed generally by the Participant Firm to identify and prioritize for review those areas that pose the greatest risk of potential violations of applicable securities laws and regulations, and of applicable FINRA and Exchange rules.²⁹

With the exception of conforming and technical changes and the addition of a reference to Exchange rules in proposed NYSE Texas Rule 11.3110.18(c)(4), proposed NYSE Texas Rule 11.3110.18(c) is substantially the same as FINRA Rule 3110.18(c).

Proposed NYSE Texas Rule 11.3110.18(d) (Effective Supervisory System)

Proposed NYSE Texas Rule 11.3110.18(d) would provide that the requirement to conduct inspections of offices and locations is one part of the Participant Firm's overall obligation to have an effective supervisory system

and therefore the Participant Firm must maintain its ongoing review of the activities and functions occurring at all offices and locations, whether or not the Participant Firm conducts inspections remotely.

Further, a Participant Firm's use of a remote inspection of an office or location will be held to the same standards for review as set forth under NYSE Texas Rule 11.3110.12. Where a Participant Firm's remote inspection of an office or location identifies any "red flags," the Participant Firm may need to impose additional supervisory procedures for that office or location or may need to provide for more frequent monitoring of that office or location, including potentially a subsequent on-site visit on an announced or unannounced basis.

With the exception of conforming and technical changes, proposed NYSE Texas Rule 11.3110.18(d) is substantially the same as FINRA Rule 3110.18(d).

Proposed NYSE Texas Rule 11.3110.18(e) (Documentation Requirement)

Proposed NYSE Texas Rule 11.3110.18(e) would set forth documentation requirements for a Participant Firm's participating in the FINRA Pilot Program. In particular, proposed NYSE Texas Rule 11.3110.18(e) would require Participant Firms to maintain and preserve a centralized record for each of the Pilot Years specified in this FINRA Pilot Program that separately identifies all offices or locations that were inspected remotely.³⁰ In addition, proposed NYSE Texas Rule 11.3110.18(e) would require documentation of the results of a remote inspection for any offices or locations for which the Participant Firm determined to impose additional supervisory procedures or more frequent monitoring, as provided in proposed NYSE Texas Rule 11.3110.18(d). Further, a Participant Firm's documentation of the results of a remote inspection for an office or location must identify any additional supervisory procedures or more frequent monitoring for that office or location that were imposed as a result of the remote inspection, including whether an on-site inspection was conducted at such office or location.³¹

With the exception of conforming and technical changes, proposed NYSE

Texas Rule 11.3110.18(e) is substantially the same as FINRA Rule 3110.18(e).

Proposed NYSE Texas Rule 11.3110.18(f) (Firm Level Requirements)

Proposed NYSE Texas Rule 11.3110.18(f)(1) would set forth certain firm level ineligibility conditions for further participation in the FINRA Pilot Program. As proposed, a Participant Firm would be ineligible to conduct remote inspections of any of its offices or locations under the FINRA Pilot Program if at any time during the Pilot Period that Participant Firm:

- is or becomes designated as a Restricted Firm under FINRA Rule 4111;³²

- is or becomes designated as a Taping Firm under FINRA Rule 3170;³³

- receives a notice pursuant to NYSE Texas Rule 10.9557 regarding capital compliance related matters under NYSE Texas Article 7, Rule 3 (Net Capital and Aggregate Indebtedness) or NYSE Texas Article 7, Rule 8 (Operational Capability);³⁴

- is or becomes suspended from Exchange or FINRA membership;³⁵

- based on the date in the Central Registration Depository (CRD), had its FINRA membership become effective within the prior 12 months;³⁶ or

- is or has been found by the Commission, FINRA or the Exchange to be in violation of office inspection obligations under FINRA Rule 3110(c) (Internal Inspections) or NYSE Texas Rule 11.3110(c) (Internal Inspections) within the past three years.³⁷

Proposed NYSE Texas Rule 11.3110.18(f)(2) would set forth the firm-level conditions a Participant Firm must satisfy as part of the requirements in NYSE Texas Rule 11.3110.18(b) to develop a reasonably designed risk-

³² See proposed NYSE Texas Rule 11.3110.18(f)(1)(A), mirroring FINRA Rule 3110.18(f)(1)(A). The Exchange has not adopted FINRA Rule 4111.

³³ See proposed NYSE Texas Rule 11.3110.18(f)(1)(B), mirroring FINRA Rule 3110.18(f)(1)(B).

³⁴ See proposed NYSE Texas Rule 11.3110.18(f)(1)(C), mirroring FINRA Rule 3110.18(f)(1)(C). Proposed NYSE Texas Rule 11.3110.18(f)(1)(C) differs from FINRA Rule 3110.18(f)(1)(C) in that the proposed rule refers to NYSE Texas Article 7, Rule 3 and NYSE Texas Article 7, Rule 4 rather than to FINRA Rules 4110, 4120 and 4130, which rules have not been adopted by the Exchange.

³⁵ See proposed NYSE Texas Rule 11.3110.18(f)(1)(D), mirroring FINRA Rule 3110.18(f)(1)(D).

³⁶ See proposed NYSE Texas Rule 11.3110.18(f)(1)(E), mirroring FINRA Rule 3110.18(f)(1)(E).

³⁷ See proposed NYSE Texas Rule 11.3110.18(f)(1)(F), mirroring FINRA Rule 3110.18(f)(1)(F).

²⁶ See proposed NYSE Texas Rule 11.3110.18(c)(1), mirroring FINRA Rule 3110.18(c)(1).

²⁷ See proposed NYSE Texas Rule 11.3110.18(c)(2), mirroring FINRA Rule 3110.18(c)(2).

²⁸ See proposed NYSE Texas Rule 11.3110.18(c)(3), mirroring FINRA Rule 3110.18(c)(3).

²⁹ See proposed NYSE Texas Rule 11.3110.18(c)(4), mirroring FINRA Rule 3110.18(c)(4).

³⁰ See proposed NYSE Texas Rule 11.3110.18(e)(1), mirroring FINRA Rule 3110.18(e)(1).

³¹ See proposed NYSE Texas Rule 11.3110.18(e)(2), mirroring FINRA Rule 3110.18(e)(2).

based approach to using remote inspections and to conduct and document a risk assessment for each office or location. Specifically, Participant Firms must have a recordkeeping system:

- to make and keep current, and preserve records required to be made and kept current, and preserved under applicable securities laws and regulations, Exchange rules, and the Participant Firm's own written supervisory procedures under NYSE Texas Rule 3110;³⁸
- such records are not physically or electronically maintained and preserved at the office or location subject to the remote inspection;³⁹ and
- the Participant Firm has prompt access to such records.⁴⁰

In addition, Participant Firms must determine that its surveillance and technology tools are appropriate to supervise the types of risks presented by each such remotely supervised office or location. As proposed, these tools may include but are not limited to:

- firm-wide tools such as electronic recordkeeping systems; electronic surveillance of email and correspondence; electronic trade blotters; regular activity-based sampling reviews; and tools for visual inspections;⁴¹
- tools specifically applied to such office or location based on the activities of associated persons, products offered, restrictions on the activity of the office or location (including holding out to customers and handling of customer funds or securities);⁴² and
- system security tools such as secure network connections and effective cybersecurity protocols.⁴³

With the exception of conforming and technical changes and the addition of a reference to Exchange rules in proposed NYSE Texas Rule 11.3110.18(f)(2)(A)(i), proposed NYSE Texas Rule 11.3110.18(f)(1) and (2) are substantially the same as FINRA Rule 3110.18(f)(1) and (2).

³⁸ See proposed NYSE Texas Rule 11.3110.18(f)(2)(A)(i), mirroring FINRA Rule 3110.18(f)(2)(A)(i).

³⁹ See proposed NYSE Texas Rule 11.3110.18(f)(2)(A)(iii), mirroring FINRA Rule 3110.18(f)(2)(A)(iii).

⁴⁰ See proposed NYSE Texas Rule 11.3110.18(f)(2)(A)(iii), mirroring FINRA Rule 3110.18(f)(2)(A)(iii).

⁴¹ See proposed NYSE Texas Rule 11.3110.18(f)(2)(B)(i), mirroring FINRA Rule 3110.18(f)(2)(B)(i).

⁴² See proposed NYSE Texas Rule 11.3110.18(f)(2)(B)(ii), mirroring FINRA Rule 3110.18(f)(2)(B)(ii).

⁴³ See proposed NYSE Texas Rule 11.3110.18(f)(2)(B)(iii), mirroring FINRA Rule 3110.18(f)(2)(B)(iii).

Proposed NYSE Texas Rule 11.3110.18(g) (Location Level Requirements)

Proposed NYSE Texas Rule 11.3110.18(g) would set forth the criteria under the FINRA Pilot Program that would render a particular office or location ineligible for remote office inspection. As proposed, NYSE Texas Rule 11.3110.18(g)(1), offices or locations would be ineligible for a remote office inspection if at any time during the FINRA Pilot Period:

- one or more associated persons at such office or location is or becomes subject to a mandatory heightened supervisory plan under the rules of the SEC, FINRA, the Exchange or a state regulatory agency;⁴⁴
- one or more associated persons at such office or location is or becomes statutorily disqualified, unless such disqualified person has been approved (or is otherwise permitted pursuant to FINRA or Exchange rules and the federal securities laws) to associate with a Participant Firm and is not subject to a mandatory heightened supervisory plan under paragraph (g)(1)(A) of this Supplementary Material or otherwise as a condition to approval or permission for such association;⁴⁵
- the firm is or becomes subject to FINRA Rule 1017(a)(7) as a result of one or more associated persons at such office or location;⁴⁶
- one or more associated persons at such office or location has an event in the prior three years that required a "yes" response to any item in Questions 14A(1)(a) and 2(a), 14B(1)(a) and 2(a), 14C, 14D and 14E on Form U4;⁴⁷
- one or more associated persons at such office or location is or becomes subject to a disciplinary action taken by the Participant Firm that is or was reportable under NYSE Texas Rule 11.4530(a)(2);⁴⁸
- one or more associated persons at such office or location is engaged in proprietary trading, including the incidental crossing of customer orders,

⁴⁴ See proposed NYSE Texas Rule 11.3110.18(g)(1)(A), mirroring FINRA Rule 3110.18(g)(1)(A).

⁴⁵ See proposed NYSE Texas Rule 11.3110.18(g)(1)(B), mirroring FINRA Rule 3110.18(g)(1)(B).

⁴⁶ See proposed NYSE Texas Rule 11.3110.18(g)(1)(C), mirroring FINRA Rule 3110.18(g)(1)(C).

⁴⁷ See proposed NYSE Texas Rule 11.3110.18(g)(1)(D), mirroring FINRA Rule 3110.18(g)(1)(D).

⁴⁸ See proposed NYSE Texas Rule 11.3110.18(g)(1)(E), mirroring FINRA Rule 3110.18(g)(1)(E).

or the direct supervision of such activities;⁴⁹ or

- the office or location handles customer funds or securities.⁵⁰

In addition, as part of the requirement to develop a reasonably designed risk-based approach to using remote inspections, and the requirement to conduct and document a risk assessment, proposed NYSE Texas Rule 11.3110.18(g)(2) would require that a specific office or location satisfy the following conditions to be eligible for remote inspections under the Pilot Program:

- electronic communications (*e.g.*, email) are made through the Participant Firm's electronic system;⁵¹
- the associated person's correspondence and communications with the public are subject to the firm's supervision in accordance with NYSE Texas Rule 11.3110;⁵² and
- no books or records of the

Participant Firm required to be made and kept current, and preserved under applicable securities laws and regulations, FINRA and Exchange rules and the Participant Firm's own written supervisory procedures under NYSE Texas Rule 11.3110 are physically or electronically maintained and preserved at such office or location.⁵³

With the exception of conforming and technical changes and the inclusion of references to Exchange rules in proposed NYSE Texas Rule 11.3110.18(g)(1)(A) and (B), proposed NYSE Texas Rule 11.3110.18(g)(1) and (2) are substantially the same as FINRA Rule 3110.18(g)(1) and (2).

Proposed NYSE Texas Rule 11.3110.18(h) (Data and Information Collection Requirement)

FINRA Rule 3110.18(h) outlines requirements for FINRA members that elect to participate in the Pilot Program to collect specific data and information as part of the FINRA Pilot Program. Specifically, FINRA Rule 3110.18(h) requires firms to collect specific data points and to provide such data and information to FINRA on a quarterly basis, in the manner and format determined by FINRA, including:

⁴⁹ See proposed NYSE Texas Rule 11.3110.18(g)(1)(F), mirroring FINRA Rule 3110.18(g)(1)(F).

⁵⁰ See proposed NYSE Texas Rule 11.3110.18(g)(1)(G), mirroring FINRA Rule 3110.18(g)(1)(G).

⁵¹ See proposed NYSE Texas Rule 11.3110.18(g)(2)(A), mirroring FINRA Rule 3110.18(g)(2)(A).

⁵² See proposed NYSE Texas Rule 11.3110.18(g)(2)(B), mirroring FINRA Rule 3110.18(g)(2)(B).

⁵³ See proposed NYSE Texas Rule 11.3110.18(g)(2)(C), mirroring FINRA Rule 3110.18(g)(2)(C).

- the number of offices and locations with an inspection completed during each calendar quarter;⁵⁴

- the number of those offices or locations in each calendar quarter that were inspected remotely;⁵⁵

- the number of those offices or locations in each calendar quarter that were the subject of an on-site inspection, as well as the number of such inspections that were on-site because of a finding;⁵⁶

- the number of offices and locations for which a remote office inspection was conducted in the calendar quarter that identified a finding, the number of findings, a list of the significant findings;⁵⁷ and

- the number of locations for which an on-site inspection was conducted in the calendar quarter that identified a finding, the number of findings, and a list of the significant findings.⁵⁸

Moreover, FINRA members are required to provide FINRA with their written supervisory procedures for remote inspections that account for escalating significant findings; new hires; supervising brokers with a significant history of misconduct; and outside business activities and “doing business as” (or DBA) designations.⁵⁹ In addition, FINRA Rule 3110.18(h)(2) outlines requirements for FINRA member firms electing to participate in the Pilot Program to provide certain data and information for Pilot Year 1 if it is less than a full calendar year and FINRA Rule 3110.18(h)(3) lists additional data and information to be provided to FINRA for calendar year 2019 for member firms electing to participate in the FINRA Pilot Program.

Proposed NYSE Texas Rule 11.3110.18(h) on data and information collection requirement would require Participant Firms to comply with the FINRA requirements with respect to the collection and submission of specified data and information, and in the manner and format required under the Pilot Program. In addition, proposed NYSE Texas Rule 11.3110.18(h) which substantially mirrors FINRA Rule 3110.18(h)(4) would require Participant Firms that elect to participate in the Pilot Program to establish, maintain and enforce written policies and procedures that are reasonably designed to comply

with any specified data and information collection, and transmission requirements prescribed by FINRA.

Proposed NYSE Texas Rule 11.3110.18(i) (Election To Participate in Pilot Program)

FINRA Rule 3110.18(i) specifies how a firm elects to participate in, or subsequently withdraws from, the FINRA Pilot Program. Specifically, FINRA Rule 3110.18(i) states that a firm must, at least five calendar days before the beginning of a Pilot Year, provide FINRA an “opt-in notice” in the manner and format determined by FINRA.⁶⁰ Moreover, FINRA Rule 3110.18(i) specifies that a FINRA member that elects to withdraw from subsequent Pilot Years (*i.e.*, Pilot Year 2, Pilot Year 3, and Pilot Year 4, if applicable) shall, at least five calendar days before the end of the then current Pilot Year, provide FINRA with an “opt-out notice” in the manner and format determined by FINRA.

Proposed NYSE Texas Rule 11.3110.18(i) would govern elections to participate in the Pilot Program and would require Participant Firms electing to participate in the Pilot Program to make their election in the manner and format as prescribed, in accordance with FINRA Rule 3110.18(i). In addition, the proposed rule would require Participant Firms that elect to withdraw from the Pilot Program for subsequent years to provide such notice in the manner and format as prescribed in accordance with FINRA Rule 3110.18(i). These requirements will ensure that Participant Firms can properly elect to participate in, or subsequently withdraw from, the Pilot Program.

Proposed NYSE Texas Rule 11.3110.18(j) (Failure To Satisfy Conditions)

FINRA Rule 3110.18(j) governs failure to satisfy conditions and addresses situations in which a member fails to satisfy the requirements for participating in the FINRA Pilot Program. Specifically, FINRA Rule 3110.18(j) provides that FINRA members that fail to satisfy the conditions set forth to avail themselves of the FINRA Pilot Program, including the requirement to timely collect and submit the data and information to FINRA as set forth under FINRA Rule 3110.18(h), shall be ineligible to participate in the FINRA Pilot Program. Such FINRA members would be required to conduct on-site inspections of each office and location on the

required cycle in accordance with FINRA Rule 3110(c) on internal inspections.

Consistent with FINRA Rule 3110.18(j), proposed NYSE Texas Rule 11.3110.19(j) on failure to satisfy conditions would specify that any Participant Firm that fails to satisfy the conditions of proposed Supplementary Material .18 and of FINRA Rule 3110.18, including the specified requirement to timely collect and submit data, would no longer be eligible to participate in the FINRA Pilot Program. Such Participant Firms would need to conduct on-site inspections of each office and location on the required cycle in accordance with NYSE Texas Rule 11.3110(c).

Proposed NYSE Texas Rule 11.3110.18(k) (Determination of Ineligibility)

FINRA Rule 3110.18(k) governs determinations of ineligibility and provides that FINRA may make a determination in the public interest and for the protection of investors that a FINRA member is no longer eligible to participate in the FINRA Pilot Program if the FINRA member fails to comply with the requirements of FINRA Rule 3110.18. In such instances, FINRA will provide written notice to the FINRA member of such determination and the member would no longer be eligible to participate in the FINRA Pilot Program and must conduct on-site inspections of required offices and locations in accordance with FINRA Rule 3110(c).

Consistent with FINRA Rule 3110.18(k), proposed NYSE Texas Rule 11.3110.18(k) would govern ineligibility determinations and provide that FINRA or the Exchange may make a determination in the public interest and for the protection of investors that a Participant Firm is no longer eligible to participate in the FINRA Pilot Program if the Participant Firm fails to comply with the requirements of FINRA or NYSE Texas Rule 11.3110.18. The proposed rule would further provide that, in such instances, FINRA or the Exchange will provide written notice to the Participant Firm of such determination and the Participant Firm would no longer be eligible to participate in the FINRA Pilot Program and must conduct on-site inspections of required offices and locations in accordance with FINRA or NYSE Texas Rule 11.3110(c). With the exception of conforming and technical changes, proposed NYSE Texas Rule 11.3110.18(k) is substantially the same as FINRA Rule 3110.18(k).

⁵⁴ See FINRA Rule 3110.18(h)(1)(A).

⁵⁵ See FINRA Rule 3110.18(h)(1)(B).

⁵⁶ See FINRA Rule 3110.18(h)(1)(C) and (D). Pursuant to FINRA Rule 3110.18(h)(1), a finding means a discovery made during an inspection that led to a remedial action or was listed on the member's inspection report.

⁵⁷ See FINRA Rule 3110.18(h)(1)(E).

⁵⁸ See FINRA Rule 3110.18(h)(1)(F).

⁵⁹ See FINRA Rule 3110.18(h)(1)(G).

⁶⁰ FINRA Rule 3110.18(i) contains provisions for firms wishing to opt-in of the FINRA Pilot Program.

Proposed NYSE Texas Rule
11.3110.18(l) (Definitions)

The Exchange proposes to adopt FINRA Rule 3110.18(l) setting forth definitions applicable to Supplementary Material .18 verbatim. As proposed, NYSE Texas Rule 11.3110.18(l) would provide that for purposes of the Supplementary Material, the term “Pilot Year” shall mean the following:

- Pilot Year 1 is the period beginning on July 1, 2024 and ending on December 31 of the same year;
- Pilot Year 2 means the calendar year period following Pilot Year 1, beginning on January 1 and ending on December 31;
- Pilot Year 3 means the calendar year period following Pilot Year 2, beginning on January 1 and ending on December 31; and
- If applicable, where Pilot Year 1 covers a period that is less than a full calendar year, then Pilot Year 4 means the period following Pilot Year 3, beginning on January 1 and ending on June 30, 2027.

Finally, FINRA also adopted FINRA Rule 3110.18(m) describing the sunset of FINRA Rule 3110.17, which the Exchange has not adopted. The Exchange accordingly does not propose to incorporate a provision similar to FINRA Rule 3110.18(m).

NYSE Texas Rule 11.3110,
Supplementary Material .19

NYSE Texas Rule 11.3110.19(a)
(Conditions for Designation as a
Residential Supervisory Location (RSL))

FINRA Rule 3110.19(a) lists the conditions for FINRA members to designate an office or location as an RSL. Proposed NYSE Texas Rule 11.3110.19(a) would set forth the conditions for designation as an RSL that would mirror the conditions set forth in FINRA Rule 3110.19(a) for Participant Firms to designate a location that is the associated person’s private residence where specified supervisory activities are conducted as an RSL.

As proposed, NYSE Texas Rule 11.3110.19 would provide that, notwithstanding any other provisions of NYSE Texas Rule 11.3110(e) and subject to paragraphs (b) through (d) of the proposed Supplementary Material, a location that is the associated person’s private residence where supervisory activities are conducted, including those described in NYSE Texas Rule 11.3110(e)(1)(D) through (G) or in NYSE Texas Rule 11.3110(e)(2)(B), shall be considered for those activities a non-branch location, provided that:

- only one associated person, or multiple associated persons who reside

at that location and are members of the same immediate family, conduct business at the location;⁶¹

- the location is not held out to the public as an office;⁶²
- the associated person does not meet with customers or prospective customers at the location;⁶³
- any sales activity that takes place at the location complies with the conditions set forth under NYSE Texas Rule 11.3110(e)(2)(A)(ii) or (iii);⁶⁴
- neither customer funds nor securities are handled at that location;⁶⁵
- the associated person is assigned to a designated branch office, and such designated branch office is reflected on all business cards, stationery, retail communications and other communications to the public by such associated person;⁶⁶
- the associated persons correspondence and communications with the public are subject to the firm’s supervision in accordance with this Rule;⁶⁷
- the associated persons electronic communications (e.g., email) are made through the Participant Firm’s electronic system;⁶⁸
- (A) the Participant Firm must have a recordkeeping system to make and keep current, and preserve records required to be made and kept current, and preserved under applicable securities laws and regulations, Exchange rules, and the Participant Firm’s own written supervisory procedures under NYSE Texas Rule 11.3110; (B) such records are not physically or electronically maintained and preserved at the office or location; and (C) the Participant Firm has prompt access to such records;⁶⁹ and
- the Participant Firm must determine that its surveillance and

⁶¹ See proposed NYSE Texas Rule 11.3110.19(a)(1), mirroring FINRA Rule 3110.19(a)(1).

⁶² See proposed NYSE Texas Rule 11.3110.19(a)(2), mirroring FINRA Rule 3110.19(a)(2).

⁶³ See proposed NYSE Texas Rule 11.3110.19(a)(3), mirroring FINRA Rule 3110.19(a)(3).

⁶⁴ See proposed NYSE Texas Rule 11.3110.19(a)(4), mirroring FINRA Rule 3110.19(a)(4).

⁶⁵ See proposed NYSE Texas Rule 11.3110.19(a)(5), mirroring FINRA Rule 3110.19(a)(5).

⁶⁶ See proposed NYSE Texas Rule 11.3110.19(a)(6), mirroring FINRA Rule 3110.19(a)(6).

⁶⁷ See proposed NYSE Texas Rule 11.3110.19(a)(7), mirroring FINRA Rule 3110.19(a)(7).

⁶⁸ See proposed NYSE Texas Rule 11.3110.19(a)(8), mirroring FINRA Rule 3110.19(a)(8).

⁶⁹ See proposed NYSE Texas Rule 11.3110.19(a)(9), mirroring FINRA Rule 3110.19(a)(9).

technology tools are appropriate to supervise the types of risks presented by each Residential Supervisory Location, and these tools may include but are not limited to: (A) firm-wide tools such as, electronic recordkeeping system; electronic surveillance of email and correspondence; electronic trade blotters; regular activity-based sampling reviews; and tools for visual inspections; (B) tools specific to the RSL based on the activities of associated person assigned to the location, products offered, restrictions on the activity of the RSL; and (C) system tools such as secure network connections and effective cybersecurity protocols.⁷⁰

With the exception of conforming and technical changes, proposed NYSE Texas Rule 11.3110.19(a) is substantially the same as FINRA Rule 3110.19(a).

NYSE Texas Rule 11.3110.19(b)
(Participant Firm Ineligibility Criteria)

FINRA Rule 3110.19(b) outlines the conditions that would render its members ineligible from designating an office as an RSL. As proposed, NYSE Texas Rule 11.3110.19(b) would mirror these criteria and provide that a Participant Firm is ineligible from designating an office or location as an RSL if the Participant Firm:

- is currently designated as a restricted firm under FINRA Rule 4111;⁷¹
- is currently designated as a Taping Firm under FINRA Rule 3170;⁷²
- is currently undergoing, or is required to undergo, a review under FINRA Rule 1017(a)(7) as a result of one or more associated persons at such location;⁷³
- receives a notice pursuant to NYSE Texas Rule 10.9557, regarding compliance with NYSE Texas Article 7, Rule 3 or NYSE Texas Article 7, Rule 8, unless the Exchange has otherwise permitted such activities in writing pursuant to such rule;⁷⁴

⁷⁰ See proposed NYSE Texas Rule 11.3110.19(a)(10), mirroring FINRA Rule 3110.19(a)(10).

⁷¹ See proposed NYSE Texas Rule 11.3110.19(b)(1), mirroring FINRA Rule 3110.19(b)(1).

⁷² See proposed NYSE Texas Rule 11.3110.19(b)(2), mirroring FINRA Rule 3110.19(b)(2).

⁷³ See proposed NYSE Texas Rule 11.3110.19(b)(3), mirroring FINRA Rule 3110.19(b)(3).

⁷⁴ See proposed NYSE Texas Rule 11.3110.19(b)(4), mirroring FINRA Rule 3110.19(b)(4). Proposed NYSE Texas Rule 11.3110.19(b)(4) differs from FINRA Rule 3110.19(b)(4) in that the proposed rule refers to NYSE Texas Article 7, Rule 3 and NYSE Texas Article 7, Rule 8 rather than to FINRA Rules 4110, 4120 and 4130, which rules have not been adopted by the Exchange.

- is or becomes suspended by the Exchange or FINRA;⁷⁵
- based on the date in the Central Registration Depository (CRD), had its FINRA membership become effective within the prior 12 months;⁷⁶ or
- is or has been found to be in violation of office inspection obligations under NYSE Texas Rule 11.3110(c) or FINRA Rule 3110(c) within the past three years.⁷⁷

With the exception of conforming and technical changes, proposed NYSE Texas Rule 11.3110.19(b) is substantially the same as FINRA Rule 3110.19(b).

NYSE Texas Rule 11.3110.19(c)
(Location Ineligibility Criteria)

FINRA Rule 3110.19(c) sets forth the criteria that would render a particular office or location that is an associated person's private residence where specified supervisory activities are conducted ineligible for an RSL designation. Proposed NYSE Texas Rule 11.3110.19(c) would mirror these criteria. As proposed, NYSE Texas Rule 11.3110.19(c) would make an office ineligible for the RSL designation if one or more associated persons at such office or location:

- is a designated supervisor who has less than one year of direct supervisory experience with the Participant Firm, or an affiliate or subsidiary of the Participant Firm that is registered as a broker-dealer or investment adviser;⁷⁸
- is functioning as a principal for a limited period in accordance with NYSE Texas Rule 11.1210.03;⁷⁹
- is subject to a mandatory heightened supervisory plan under the rules of the SEC, FINRA, the Exchange or state regulatory agency;⁸⁰
- is statutorily disqualified, unless such disqualified person has been approved (or is otherwise permitted pursuant to FINRA or Exchange rules and the federal securities laws) to associate with a Participant Firm and is not subject to a mandatory heightened supervisory plan under paragraph (c)(3)

of this Supplementary Material or otherwise as a condition to approval or permission for such association;⁸¹

- has an event in the prior three years that required a "yes" response to any item in Questions 14A(1)(a) and 2(a), 14B(1)(a) and 2(a), 14C, 14D and 14E on Form U4;⁸² or

- has been notified in writing that such associated person is now subject to, any Investigation or Proceeding, as such terms are defined in the Explanation of Terms for the Form U4 (Uniform Application for Securities Industry Registration or Transfer), by the SEC, a self-regulatory organization, including the Exchange, or state securities commission (or agency or office performing like functions) (each, a "Regulator") expressly alleging they have failed reasonably to supervise another person subject to their supervision, with a view to preventing the violation of any provision of the Securities Act, the Act, the Investment Advisers Act, the Investment Company Act, the Commodity Exchange Act, any state law pertaining to the regulation of securities or any rule or regulation under any of such Acts or laws, or any of the rules of the Exchange or other self-regulatory organization, including the Exchange; provided, however, such office or location may be designated or redesignated as an RSL subject to the requirements of this Supplementary Material upon the earlier of: (i) the Participant Firm's receipt of written notification from the applicable Regulator that such Investigation has concluded without further action; or (ii) one year from the date of the last communication from such Regulator relating to such Investigation.⁸³

With the exception of conforming and technical changes, proposed NYSE Texas Rule 11.3110.19(c) is substantially the same as FINRA Rule 3110.19(c).

NYSE Texas Rule 11.3110.19(d)
(Obligation To Provide Information
Identifying RSLs)

Proposed NYSE Texas Rule 11.3110.19(d) setting forth the obligations to provide information identifying RSLs would fully mirror the provisions of FINRA Rule 3110.19(d) and would require Participant Firms electing to designate any office or

location of that Participant Firm as an RSL to provide current information identifying all locations designated as RSLs in the frequency, manner and format (e.g., through an electronic process or such other process) as FINRA may prescribe.⁸⁴

With the exception of conforming and technical changes, proposed NYSE Texas Rule 11.3110.19(d) is substantially the same as FINRA Rule 3110.19(d).

NYSE Texas Rule 11.3110.19(e) (Risk
Assessment)

FINRA Rule 3110.19(e) requires its members, prior to designating an office or location as an RSL, to develop a reasonable risk-based approach to designating such office or location as an RSL, and conduct and document a risk assessment for the associated person assigned to that office or location. Proposed NYSE Texas Rule 11.3110.19(e) would mirror the provisions of FINRA Rule 3110.19(e). Specifically, a Participant Firm would be required, prior to designating an office or location as an RSL, to develop a reasonable risk-based approach to designating such office or location as an RSL and conduct and document a risk assessment for the associated person(s) assigned to that office or location. In line with FINRA Rule 3110.19(e), the proposed rule would list certain factors, among others, that Participant Firms must consider in the risk assessment that include whether each associated person at such office or location is subject to:

- customer complaints, taking into account the volume and nature of the complaints;⁸⁵
- heightened supervision other than where such office or location is ineligible for RSL designation under paragraph (c)(3) of this Supplementary Material;⁸⁶
- any failure to comply with the Participant Firm's written supervisory procedures;⁸⁷
- any recordkeeping violation;⁸⁸ and

⁸⁴ Pursuant to Rule 0, reference to Exchange staff or Exchange departments in the NYSE Texas rules should be understood as also referring to FINRA staff and FINRA departments acting on behalf of the Exchange.

⁸⁵ See proposed NYSE Texas Rule 11.3110.19(e)(1), mirroring FINRA Rule 3110.19(e)(1).

⁸⁶ See proposed NYSE Texas Rule 11.3110.19(e)(2), mirroring FINRA Rule 3110.19(e)(2).

⁸⁷ See proposed NYSE Texas Rule 11.3110.19(e)(3), mirroring FINRA Rule 3110.19(e)(3).

⁸⁸ See proposed NYSE Texas Rule 11.3110.19(e)(4), mirroring FINRA Rule 3110.19(e)(4).

⁷⁵ See proposed NYSE Texas Rule 11.3110.19(b)(5), mirroring FINRA Rule 3110.19(b)(5).

⁷⁶ See proposed NYSE Texas Rule 11.3110.19(b)(6), mirroring FINRA Rule 3110.19(b)(6).

⁷⁷ See proposed NYSE Texas Rule 11.3110.19(b)(7), mirroring FINRA Rule 3110.19(b)(7).

⁷⁸ See proposed NYSE Texas Rule 11.3110.19(c)(1), mirroring FINRA Rule 3110.19(c)(1).

⁷⁹ See proposed NYSE Texas Rule 11.3110.19(c)(2), mirroring FINRA Rule 3110.19(c)(2).

⁸⁰ See proposed NYSE Texas Rule 11.3110.19(c)(3), mirroring FINRA Rule 3110.19(c)(3).

⁸¹ See proposed NYSE Texas Rule 11.3110.19(c)(4), mirroring FINRA Rule 3110.19(c)(4).

⁸² See proposed NYSE Texas Rule 11.3110.19(c)(5), mirroring FINRA Rule 3110.19(c)(5).

⁸³ See proposed NYSE Texas Rule 11.3110.19(c)(6), mirroring FINRA Rule 3110.19(c)(6).

• any regulatory communications from a Regulator, indicating that the associated person at such office or location failed reasonably to supervise another person subject to their supervision, including but not limited to, subpoenas, preliminary or routine regulatory inquiries or requests for information, deficiency letters, “blue sheet” requests or other trading questionnaires, or examinations. The Participant Firm must take into account any higher risk activities that take place or a higher risk associated person that is assigned to that office or location. Consistent with its obligation under NYSE Texas Rule 11.3110(a), the Participant Firm’s supervisory system must take into consideration any indicators of irregularities or misconduct (*i.e.*, “red flags”) when designating an office or location as an RSL. Red flags should also be reviewed in determining whether it is reasonable to maintain the RSL designation of such office or location in accordance with the requirements of this Supplementary Material and the Participant Firm should consider evidencing steps taken to address those red flags where appropriate.⁸⁹

With the exception of conforming and technical changes, proposed NYSE Texas Rule 11.3110.19(e) is substantially the same as FINRA Rule 3110.19(e).

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,⁹⁰ in general, and furthers the objectives of Section 6(b)(5),⁹¹ in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to, and perfect the mechanism of, a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change furthers the objectives of the Act by permitting Participant Firms that are FINRA members to participate in the FINRA Pilot Program and for all Participant Firms to utilize the RSL designation in order to continue to meet the core regulatory obligation to establish and

maintain a supervisory system reasonably designed to achieve compliance with applicable securities laws and regulations and applicable Exchange rules that directly serve investor protection. The Exchange believes that the proposed changes, taken together, reasonably account for evolving work models while maintaining effective supervision. The Exchange believes that the proposed safeguards and controls built into both the remote inspection program and the RSL designation will, as FINRA noted,⁹² provide Participant Firms with greater flexibility to adapt to changing work conditions without compromising investor protection. The robust nature of the criteria that must be satisfied and circumstances that would make a location ineligible for remote office inspections, as well as requirements for supplemental written supervisory procedures related to remote inspections, documentation requirements, and obligations to share data with FINRA to allow for assessment of the pilot program, serve an important role in reducing the potential for fraud and manipulative acts. Similarly, important safeguards such as requiring risk assessments in connection with the RSL designation in addition to delineating specific criteria for locations that would be ineligible for designation as an RSL furthers the prevention of manipulative acts and practices and the protection of investors and the public interest.

As discussed in the Purpose section, because proposed Supplementary Material .18 to NYSE Texas Rule 11.3110 and proposed Supplementary Material .19 to NYSE Texas Rule 11.3110 are substantially similar to FINRA Rule 3110.18 and FINRA Rule 3110.19, respectively, this rule change enables NYSE Texas Rule 11.3110 to continue to be incorporated into the 17d–2 Agreement, resulting in less burdensome and more efficient regulatory compliance. Specifically, the proposed change will conform the Exchange’s rules to changes made to corresponding FINRA rules insofar as a Participant Firm’s compliance with FINRA Rules 3110.18 and 3110.19 shall mean the Participant Firm is also in

compliance with proposed Supplementary Material.18 to NYSE Texas Rule 11.3110 and proposed Supplementary Material .19 to NYSE Texas Rule 11.3110, thus promoting the application of consistent regulatory standards with respect to rules that FINRA enforces pursuant to the 17d–2 Agreement. As previously noted, except for conforming and technical changes, the proposed text of proposed Supplementary Material .18 and .19 to NYSE Texas Rule 11.3110 is substantially the same as the text of FINRA Supplementary Material .18 and .19, respectively, to FINRA Rule 3110. As such, the proposed rule change would facilitate rule harmonization among self-regulatory organizations with respect to inspection of Participant Firms and a consistent and uniform regulatory framework for which Participant Firms can avail themselves of the RSL designation, thereby fostering cooperation and coordination with persons engaged in facilitating transactions in securities and will remove impediments to and perfect the mechanism of a free and open market and a national market system.

B. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not intended to address competitive issues but rather is intended solely to reduce potential compliance burdens on Participant Firms by aligning NYSE Texas Rule 11.3110 with FINRA Rule 3110, resulting in less burdensome and more efficient regulatory compliance for common members and facilitating FINRA’s performance under the 17d–2 Agreement.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act⁹³ and Rule 19b–4(f)(6) thereunder.⁹⁴ Because the proposed rule change does not: (i)

⁸⁹ See proposed NYSE Texas Rule 11.3110.19(e)(5), mirroring FINRA Rule 3110.19(e)(5).

⁹⁰ 15 U.S.C. 78f(b).

⁹¹ 15 U.S.C. 78f(b)(5).

⁹² See Securities Exchange Act Release No. 97398 (November 17, 2023), 88 FR 28620, 28635 (May 4, 2023) (SR–FINRA–2023–007) (Notice of Filing of a Proposed Rule Change To Adopt Supplementary Material .18 (Remote Inspections Pilot Program) Under FINRA Rule 3110 (Supervision)); Securities Exchange Act Release No. 97237 (March 31, 2023), 88 FR 20568 (April 6, 2023) (SR–FINRA–2023–006) (Notice of Filing of a Proposed Rule Change To Adopt Supplementary Material .19 (Residential Supervisory Location) Under FINRA Rule 3110 (Supervision)).

⁹³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁹⁴ 17 CFR 240.19b–4(f)(6).

significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)⁹⁵ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),⁹⁶ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest.

At any time within 60 days of the filing of such 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 under Section 19(b)(2)(B)⁹⁷ of the Act 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-NYSETEX-2025-21 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-NYSETEX-2025-21. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use

only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NYSETEX-2025-21 and should be submitted on or before August 22, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹⁸

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025-14567 Filed 7-31-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[OMB Control No. 3235-0692]

Agency Information Collection Activities; Submission for OMB Review; Comment Request; Extension: Regulation S-ID

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (the "Commission") has submitted to the Office of Management and Budget a request for extension of the previously approved collection of information discussed below.

Regulation S-ID (17 CFR 248), including the information collection requirements thereunder, is designed to better protect investors from the risks of identity theft. Under Regulation S-ID, SEC-regulated entities are required to develop and implement reasonable policies and procedures to identify, detect, and respond to relevant red flags (the "Identity Theft Red Flags Rules") and, in the case of entities that issue credit or debit cards, to assess the validity of, and communicate with cardholders regarding, address changes. Section 248.201 of Regulation S-ID includes the following information collection requirements for each SEC-

regulated entity that qualifies as a "financial institution" or "creditor" under Regulation S-ID and that offers or maintains covered accounts: (i) creation and periodic updating of an identity theft prevention program ("Program") that is approved by the board of directors, an appropriate committee thereof, or a designated senior management employee; (ii) periodic staff reporting to the board of directors on compliance with the Identity Theft Red Flags Rules and related guidelines; and (iii) training of staff to implement the Program. Section 248.202 of Regulation S-ID includes the following information collection requirements for each SEC-regulated entity that is a credit or debit card issuer: (i) establishment of policies and procedures that assess the validity of a change of address notification if a request for an additional or replacement card on the account follows soon after the address change; and (ii) notification of a cardholder, before issuance of an additional or replacement card, at the previous address or through some other previously agreed-upon form of communication, or alternatively, assessment of the validity of the address change request through the entity's established policies and procedures.

SEC staff estimates of the hour burdens associated with section 248.201 under Regulation S-ID include the one-time burden of complying with this section for newly-formed SEC-regulated entities, as well as the ongoing costs of compliance for all SEC-regulated entities. All newly-formed financial institutions and creditors would be required to conduct an initial assessment of covered accounts, which SEC staff estimates would entail a one-time burden of 2 hours. Staff estimates that this burden would result in a cost of \$1,022 to each newly-formed financial institution or creditor.¹ To the extent a financial institution or creditor offers or maintains covered accounts, SEC staff estimates that the financial institution or creditor would also incur a one-time burden of 25 hours to develop and obtain board approval of a Program, and a one-time burden of 4 hours to train the financial institution's or creditor's staff, for a total of 29 additional burden hours. Staff estimates that these burdens would result in additional costs of \$16,980 for each

¹ This estimate is based on the following calculation: 2 hours × \$511 (hourly rate for internal counsel) = \$1,022; *see infra* note 2 (discussing the methodology for estimating the hourly rate for internal counsel).

⁹⁵ 17 CFR 240.19b-4(f)(6).

⁹⁶ 17 CFR 240.19b-4(f)(6)(iii).

⁹⁷ 15 U.S.C. 78s(b)(2)(B).

⁹⁸ 17 CFR 200.30-3(a)(12).

financial institution or creditor that offers or maintains covered accounts.²

SEC staff estimates that approximately 539 SEC-regulated financial institutions and creditors are newly formed each year.³ Each of these 539 entities will need to conduct an initial assessment of covered accounts, for a total of 1,078 hours at a total cost of \$550,858.⁴ Of these 539 entities, staff estimates that approximately 90% (or 485) maintain covered accounts.⁵ Accordingly, staff estimates that the additional initial burden for SEC-regulated entities that are likely to qualify as financial institutions or creditors and maintain covered accounts is 14,065 hours at an additional cost of \$8,235,300.⁶ Thus, the

total initial estimated burden for all newly-formed SEC-regulated entities is 15,143 hours at a total estimated cost of \$8,786,158.⁷

Each financial institution and creditor would be required to conduct periodic assessments to determine if the entity offers or maintains covered accounts, which SEC staff estimates would entail an annual burden of 1 hour per entity. Staff estimates that this burden would result in an annual cost of \$511 to each financial institution or creditor.⁸ To the extent a financial institution or creditor offers or maintains covered accounts, staff estimates that the financial institution or creditor also would incur an annual burden of 2.5 hours to prepare and present an annual report to the board, and an annual burden of 7 hours to periodically review and update the Program (including review and preservation of contracts with service providers, as well as review and preservation of any documentation received from service providers). Staff estimates that these burdens would result in additional annual costs of \$9,429 for each financial institution or creditor that offers or maintains covered accounts.⁹

SEC staff estimates that there are 10,055 SEC-regulated entities that are either financial institutions or creditors, and that all of these will be required to periodically review their accounts to determine if they offer or maintain covered accounts, for a total of 10,055 hours for these entities at a total cost of \$5,138,105.¹⁰ Of these 10,055 entities,

hours; 485 financial institutions and creditors that maintain covered accounts $\times$ \$16,980 = \$8,235,300.

⁷ These estimates are based on the following calculations: 1,078 hours $\times$ 14,065 hours = 15,143 hours; \$550,858 $\times$ \$8,235,300 = \$8,786,158.

⁸ This estimate is based on the following calculation: 1 hour $\times$ \$511 (hourly rate for internal counsel) = \$511; see *supra* note 2 (discussing the methodology for estimating the hourly rate for internal counsel).

⁹ Staff estimates that, of the 9.5 hours incurred to prepare and present the annual report to the board and periodically review and update the Program, 8.5 hours will be spent by internal counsel at an hourly rate of \$511, and 1 hour will be spent by the board of directors as a whole at an hourly rate of \$5,085; thus, the estimated \$9,429 in additional annual costs is based on the following calculation: (8.5 hours $\times$ \$511 = \$4,344) $\times$ (1 hour $\times$ \$5,085 = \$5,085) = \$9,429; see *supra* note 2 (discussing the methodology for estimating the hourly rate for internal counsel and the board of directors).

¹⁰ Based on a review of entities that the SEC regulates, SEC staff estimates that, as of September 30, 2024, there are approximately 15,968 investment advisers, 3,380 broker-dealers, 1,359 active open-end investment companies, and 47 ESCs; of these, staff estimates that all of the broker-dealers, open-end investment companies and ESCs are likely to qualify as financial institutions or creditors; we also estimate that approximately 33% of investment advisers, or 5,269 investment advisers, are likely to qualify; see Adopting Release,

staff estimates that approximately 90 percent, or 9,050, maintain covered accounts, and thus will need the additional burdens related to complying with the rules.¹¹ Accordingly, staff estimates that the additional annual burden for SEC-regulated entities that qualify as financial institutions or creditors and maintain covered accounts is 85,975 hours at an additional cost of \$85,332,450.¹² Thus, the total estimated ongoing annual burden for all SEC-regulated entities is 96,030 hours at a total estimated annual cost of \$90,470,555.¹³

The collections of information required by section 248.202 will apply only to SEC-regulated entities that issue credit or debit cards.¹⁴ SEC staff understands that SEC-regulated entities generally do not issue credit or debit cards, but instead partner with other entities, such as banks, that issue cards on their behalf. These other entities, which are not regulated by the SEC, are already subject to substantially similar change of address obligations pursuant to the Agencies' identity theft red flags rules. Therefore, staff does not expect that any SEC-regulated entities will be subject to the information collection requirements of section 248.202, and accordingly, staff estimates that there is no hour or cost burden for SEC-regulated entities related to section 248.202.

In total, SEC staff estimates that the aggregate annual information collection burden of Regulation S-ID is 111,173 hours (15,143 hours + 96,030 hours). This estimate of burden hours is made solely for the purposes of the Paperwork Reduction Act and is not derived from

supra note 1, at n.190 (discussing the staff's analysis supporting its estimate that 33% of investment advisers are likely to qualify as financial institutions or creditors); we therefore estimate that a total of 10,055 financial institutions or creditors will bear the ongoing burden of assessing covered accounts under Regulation S-ID (the SEC staff estimates that the other types of entities that are covered by the scope of the SEC's rules will not be financial institutions or creditors and therefore will not be subject to the rules' requirements.) The estimates of 10,055 hours and \$5,138,105 are based on the following calculations: 10,055 financial institutions and creditors $\times$ 1 hour = 10,055 hours; 10,055 financial institutions and creditors $\times$ \$511 = \$5,138,105.

¹¹ See *supra* note 5 and accompanying text; if a financial institution or creditor does not maintain covered accounts, there would be no ongoing annual burden for purposes of the PRA.

¹² These estimates are based on the following calculations: 9,050 financial institutions and creditors that maintain covered accounts $\times$ 9.5 hours = 85,975 hours; 9,050 financial institutions and creditors that maintain covered accounts $\times$ \$9,429 = \$85,332,450.

¹³ These estimates are based on the following calculations: 10,055 hours + 85,975 hours = 96,030 hours; \$5,138,105 + \$85,332,450 = \$90,470,555.

¹⁴ § 248.202(a).

² SEC staff estimates that, of the 29 hours incurred to develop and obtain board approval of a Program and train the financial institution's or creditor's staff, 10 hours will be spent by internal counsel at an hourly rate of \$511, 17 hours will be spent by administrative assistants at an hourly rate of \$100, and 2 hours will be spent by the board of directors as a whole at an hourly rate of \$5,085; thus, the estimated \$16,980 in additional costs is based on the following calculation: (10 hours $\times$ \$511 = \$5,110) $\times$ (17 hours $\times$ \$100 = \$1,700) $\times$ (2 hours $\times$ \$5,085 = \$10,170) = \$16,980; the cost estimate for internal counsel is derived from SIFMA's Management & Professional Earnings in the Securities Industry 2013, modified to account for an 1800-hour work-year and multiplied by 5.35 to account for bonuses, entity size, employee benefits, and overhead, and adjusted for inflation; the cost estimate for administrative assistants is derived from SIFMA's Office Salaries in the Securities Industry 2013, modified to account for an 1800-hour work-year and multiplied by 2.93 to account for bonuses, entity size, employee benefits, and overhead, and adjusted for inflation; the cost estimate for the board of directors is derived from estimates made by SEC staff regarding typical board size and compensation that is based on information received from fund representatives and publicly-available sources, and adjusted for inflation.

³ Based on a review of new registrations typically filed with the SEC each year, SEC staff estimates that approximately 1,228 investment advisers, 108 broker dealers, 24 investment companies, and 2 ESCs typically apply for registration with the SEC or otherwise are newly formed each year, for a total of 1,362 entities that could be financial institutions or creditors; of these, staff estimates that all of the investment companies, ESCs, and broker-dealers are likely to qualify as financial institutions or creditors, and 33% of investment advisers (or 405) are likely to qualify; see Identity Theft Red Flags, Investment Company Act Release No. 30456 (Apr. 10, 2013) ("Adopting Release") at n.190 (discussing the staff's analysis supporting its estimate that 33% of investment advisers are likely to qualify as financial institutions or creditors); we therefore estimate that a total of 539 total financial institutions or creditors will bear the initial one-time burden of assessing covered accounts under Regulation S-ID.

⁴ These estimates are based on the following calculations: 539 entities $\times$ 2 hours = 1,078 hours; 539 entities $\times$ \$1,022 = \$550,858.

⁵ In the Proposing Release, the SEC requested comment on the estimate that approximately 90% of all financial institutions and creditors maintain covered accounts; the SEC received no comments on this estimate.

⁶ These estimates are based on the following calculations: 485 financial institutions and creditors that maintain covered accounts $\times$ 29 hours = 14,065

a quantitative, comprehensive, or even representative survey or study of the burdens associated with Commission rules and forms. Compliance with Regulation S-ID, including compliance with the information collection requirements thereunder, is mandatory for each SEC-regulated entity that qualifies as a “financial institution” or “creditor” under Regulation S-ID (as discussed above, certain collections of information under Regulation S-ID are mandatory only for financial institutions or creditors that offer or maintain covered accounts). Responses will not be kept confidential.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number.

Written comments are invited on: (a) whether this proposed collection of information is necessary for the proper performance of the functions of the SEC, including whether the information will have practical utility; (b) the accuracy of the SEC’s estimate of the burden imposed by the proposed collection of information, including the validity of the methodology and the assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated, electronic collection techniques or other forms of information technology.

The public may view and comment on this information collection request at: https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202503-3235-008 or email comment to MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov within 30 days of the day after publication of this notice, by September 2, 2025.

Dated: July 29, 2025.

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2025-14551 Filed 7-31-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103564; File No. SR-ISE-2024-62]

Self-Regulatory Organizations; Nasdaq ISE, LLC; Order Approving a Proposed Rule Change, as Modified by Amendment Nos. 2 and 3, Regarding Position and Exercise Limits for Options on the iShares Bitcoin Trust ETF

July 29, 2025.

I. Introduction

On December 20, 2024, Nasdaq ISE, LLC (“ISE” 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 amend the position and exercise limits for options on the iShares Bitcoin Trust ETF (“IBIT”) and to provide for the trading of flexible exchange (“FLEX”) options on IBIT.³ The proposed rule change was published for comment in the **Federal Register** on January 6, 2025.⁴

On February 20, 2025, pursuant to Section 19(b)(2) of the Act,⁵ the Commission designated a longer period within which to approve the proposal, disapprove the proposal, or institute proceedings to determine whether to disapprove the proposal.⁶ The Commission received comments on the proposal.⁷ On March 6, 2025, the Exchange filed Amendment No. 1 to the proposal, which supersedes the original filing in its entirety.⁸ On March 14,

2025, the Commission published notice of Amendment No. 1 and instituted proceedings under Section 19(b)(2)(B) of the Act⁹ to determine whether to approve or disapprove the proposal, as modified by Amendment No. 1.¹⁰ On March 26, 2025, the Exchange withdrew Amendment No. 1 and filed Amendment No. 2, which supersedes Amendment No. 1 in its entirety.¹¹ On May 27, 2025, the Exchange filed Amendment No. 3 to the proposal.¹² This order approves the proposal, as modified by Amendment Nos. 2 and 3.

II. Description of the Proposed Rule Change, as Modified by Amendment Nos. 2 and 3

As described more fully in Amendment Nos. 2 and 3, the Exchange proposes to amend its rules to eliminate the 25,000-contract position and exercise limits and apply the position and exercise limits in ISE Options 9, Sections 13 and 15 to IBIT options.¹³

FLEX options. Amendment No. 1 is available at: <https://www.sec.gov/comments/sr-ise-2024-62/srise202462-578436-1659562.pdf>.

⁹ 15 U.S.C. 78s(b)(2)(B).

¹⁰ See Securities Exchange Act Release No. 102682, 90 FR 13233 (Mar. 20, 2025) (“Notice and Order Instituting Proceedings”).

¹¹ Amendment No. 2 revises the proposal to correct inconsistencies in the description of the proposal. Because Amendment No. 2 does not materially alter the substance of the proposal, Amendment No. 2 is not subject to notice and comment. Amendment No. 2 is available at: <https://www.sec.gov/comments/sr-ise-2024-62/srise202462-593575-1721782.pdf>.

¹² Amendment No. 3 corrects a numerical error in the proposal. Because Amendment No. 3 does not materially alter the substance of the proposal, Amendment No. 3 is not subject to notice and comment. Amendment No. 3 is available at: <https://www.sec.gov/comments/sr-ise-2024-62/srise202462-606647-1771694.pdf>.

¹³ ISE Options 9, Section 13(d) establishes a position limit of 250,000 contracts on the same side of the market for options on an underlying security that had trading volume of at least 100,000,000 shares during the most recent six-month trading period or that had trading volume of at least 75,000,000 shares during the most recent six-month trading period and has at least 300,000,000 shares currently outstanding; 200,000 contracts on the same side of the market for options on an underlying security that had trading volume of at least 80,000,000 shares during the most recent six-month trading period or that had trading volume of at least 60,000,000 shares during the most recent six-month trading period and has at least 240,000,000 shares currently outstanding; 75,000 contracts on the same side of the market for options on an underlying security that had trading volume of at least 40,000,000 shares during the most recent six-month trading period or that had trading volume of at least 30,000,000 shares during the most recent six-month trading period and has at least 120,000,000 shares currently outstanding; 50,000 contracts on the same side of the market for options on an underlying security that had trading volume of at least 20,000,000 shares during the most recent six-month trading period or trading volume of at least 15,000,000 shares during the most recent six-month trading period and at least 40,000,000 shares currently outstanding; and 25,000

Continued

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The Exchange’s rules use the term “exchange-traded fund” to refer to several types of investment products, including IBIT. See ISE Options 4, Section 3(h). In its proposal to list and trade shares of IBIT, The Nasdaq Stock Market LLC states that IBIT is not an investment company registered under the Investment Company Act of 1940, and that shares of IBIT will be registered with the Commission on Form S-1. See Securities Exchange Act Release No. 99295 (Jan. 8, 2024), 89 FR 2321, 2322 (Jan. 12, 2024) (File No. SR-Nasdaq-2023-016) (notice of Filing of Amendment No. 1 to a Proposed Rule Change to List and Trade Shares of the iShares Bitcoin Trust Under Nasdaq Rule 5711(d)).

⁴ See Securities Exchange Act Release No. 102065 (Dec. 31, 2024), 90 FR 704 (Jan. 6, 2025).

⁵ 15 U.S.C. 78s(b)(2).

⁶ See Securities Exchange Act Release No. 102463, 90 FR 10736 (Feb. 26, 2025).

⁷ Comments on the proposal are available at: <https://www.sec.gov/comments/sr-ise-2024-62/srise202462.htm>.

⁸ Amendment No. 1 revised the proposal to apply the position limits in ISE Options 9, Sections 13(d) and the corresponding exercise limits in ISE Options 9, Section 15 to IBIT options and to remove the proposed changes to permit the trading of IBIT

ISE Options 9, Section 15(c) provides that the exercise limits for options on an underlying security are the same as the position limits for options on that security. The Exchange states that IBIT options qualify for the 250,000-contract limit in ISE Options 9, Section 13(d), which requires that trading volume for the underlying security be at least 100,000,000 shares in the most recent six months.¹⁴ The Exchange states that under ISE Options 9, Section 13(e), position limits for options on IBIT would be subject to subsequent six-month reviews to determine future position and exercise limits.¹⁵

The Exchange states that the reporting requirement for IBIT options will remain unchanged and that the Exchange will continue to require each member organization that maintains positions in IBIT options, on the same side of the market, for its own account or for the account of a customer, to report certain information to the Exchange, including the options positions, whether such positions are hedged and, if so, a description of the hedge(s).¹⁶ In addition, the Exchange states that its requirement that members file reports with the Exchange for any customer who held aggregate large long or short positions on the same side of the market of 200 or more option contracts of any single class for the previous day will continue to serve as an important part of the Exchange's surveillance efforts.¹⁷

III. Summary of Comments Received

The Commission received comments regarding the proposed rule change, which express support for the proposal.¹⁸ One commenter states that higher position and exercise limits for IBIT options would "allow market participants to more effectively hedge their positions, improve market depth, and facilitate tighter bid-ask spreads, all of which are critical to a well-

functioning market."¹⁹ The commenter further states that the high level of trading activity in IBIT options demonstrates significant demand from both retail and institutional participants, and that the proposed increase to the position and exercise limits for IBIT options "reflects the evolving dynamics of the crypto options market and ensures that regulatory frameworks are aligned with market realities."²⁰ Another commenter expresses agreement with the Exchange's statements that that increasing the position and exercise limits for IBIT options would lead to a more liquid and competitive market environment for IBIT options, and that increased position and exercise limits could allow market makers to maintain liquidity commensurate with the continued high consumer demand for IBIT options.²¹ Another commenter states that the 25,000-contract position and exercise limits constrain the commenter's ability to provide investors with exchange-traded funds ("ETFs") that provide hedged exposure to IBIT, and that increased position and exercise limits would permit the creation of a larger fund that more closely aligns with the demand for hedged exposure to IBIT.²²

IV. Discussion and Commission Findings

After careful consideration, the Commission finds that the proposed rule change, as modified by Amendment Nos. 2 and 3, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange,²³ and, in particular, the requirements of Section 6 of the Act.²⁴ Specifically, the Commission finds that the proposed rule change, as modified by Amendment Nos. 2 and 3, is consistent with Section 6(b)(5) of the Act,²⁵ which requires, among other things, that an exchange have rules designed to prevent fraudulent and manipulative acts and practices and to protect investors and the public interest.

Position and exercise limits serve as a regulatory tool designed to deter manipulative schemes and adverse market impact surrounding the use of options. Since the inception of

standardized options trading, the options exchanges have had rules limiting the aggregate number of options contracts that a member or customer may hold or exercise. Options position and exercise limits are intended to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market to benefit the options position.²⁶ In addition, such limits serve to reduce the possibility of disruption in the options market itself, especially in illiquid classes.²⁷ As the Commission has previously recognized, markets with active and deep trading interest, as well as with broad public ownership, are more difficult to manipulate or disrupt than less active and deep markets with smaller public floats.²⁸ The Commission also has recognized that position and exercise limits must be sufficient to prevent investors from disrupting the market for the underlying security by acquiring and exercising a number of options contracts disproportionate to the deliverable supply and average trading volume of the underlying security.²⁹ At the same time, the Commission has recognized that limits must not be established at levels that are so low as to discourage participation in the options market by institutions and other investors with substantial hedging needs or to prevent specialists and market-makers from adequately meeting their obligations to maintain a fair and orderly market.³⁰

The Exchange proposes to eliminate the current 25,000-contract position and exercise limit for IBIT options and to apply the position limits as determined by ISE Options 9, Section 13(d) to options on IBIT.³¹ Pursuant to ISE Options 9, Section 13(d), position limits are based on the trading volume of the underlying security over the previous six months, or on the trading volume of the underlying security over the previous six months and the outstanding shares of the underlying

contracts on the same side of the market for options on an underlying security that does not satisfy the criteria for a higher limit.

¹⁴ See Amendment No. 2 at 6 and *supra* footnote 13.

¹⁵ See Amendment No. 2 at 7. ISE Options 9, Section 13(e) states that every six months, the Exchange will review the status of underlying securities to determine which limit should apply.

¹⁶ See Amendment No. 2 at 15 and 38–39.

¹⁷ See Amendment No. 2 at 15. See also ISE Options 9, Section 16.

¹⁸ See letter from Joanna Mallers, Secretary, FIA Principal Traders Group ("FIA PTG"), dated Jan. 27, 2025 ("FIA PTG Letter"); Matt McFarland, Senior Vice President, Capital Markets, Vest Financial, dated Jan. 27, 2025 ("Vest Letter"); and Steve Crutchfield, Head of Business Development, Chicago Trading Company ("CTC"), dated Jan. 9, 2025 ("CTC Letter").

¹⁹ CTC Letter at 2.

²⁰ CTC Letter at 1.

²¹ See FIA PTG Letter at 1–2.

²² See Vest Letter at 1, 3.

²³ In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

²⁴ 15 U.S.C. 78f.

²⁵ 15 U.S.C. 78f(b)(5).

²⁶ See Securities Exchange Act Release No. 39489 (Dec. 24, 1997), 63 FR 276, 279 (Jan. 5, 1998) (order approving File No. SR–Choe–97–11) ("Position Limit Order").

²⁷ *Id.*

²⁸ *Id.*

²⁹ See, e.g., Securities Exchange Act Release Nos. 21907 (Mar. 29, 1985), 50 FR 13440, 13441 (Apr. 4, 1985) (order approving File Nos. SR–CBOE–84–21, SR–Amex–84–30, SR–Phlx–84–25, and SR–PSE–85–1); and 40875 (Dec. 31, 1998), 64 FR 1842, 1843 (Jan. 12, 1999) (order approving File Nos. SR–CBOE–98–25; Amex–98–22; PCX–98–33; and Phlx–98–36).

³⁰ See *id.*

³¹ As noted above, exercise limits for options on an underlying security are the same as the position limits for options on that underlying security. See ISE Options 9, Section 15(c).

security.³² Position limits for options on IBIT would be subject to subsequent six-month reviews to determine future position and exercise limits.³³ The Exchange states that options on IBIT qualify for the 250,000-contract limit in ISE Options 9, Section 13(d), which requires that the most recent six-month trading volume for the underlying security be at least 100,000,000 shares.³⁴ The Exchange states that, as of November 25, 2024, average daily volume (“ADV”) for IBIT for the preceding three months prior to November 25, 2024, was 39,421,877 shares.³⁵

The Exchange provided data and analysis supporting the proposed position and exercise limits. The Exchange states that, as of November 25, 2024, IBIT had 866,040,000 shares outstanding and market capitalization of \$46,783,480,800.³⁶ The Exchange states that a position limit of 250,000 contracts would represent 2.89% of the outstanding shares of IBIT.³⁷ The Exchange further states that any concerns that the proposed limits might raise with respect to market manipulation and investor protection “are mollified by the significant liquidity provision in IBIT.”³⁸

The Exchange also compared the size of the position and exercise limits to the market capitalization of the bitcoin market, which, according to the Exchange, was greater than \$1.876 trillion as of November 25, 2024.³⁹ The Exchange calculates that with a position limit of 250,000 contracts (which represents 25,000,000 shares of IBIT), the exercisable risk for options on IBIT would represent less than .072% of all bitcoin outstanding.⁴⁰ The Exchange states that, assuming a scenario where all options on IBIT shares were exercised given a 250,000-contract position and exercise limit, it “would have a virtually unnoticed impact on the entire bitcoin market,” and, further, that the Exchange’s analysis “demonstrates that the proposed 250,000 per same side position and

exercise limit is appropriate for options on IBIT given its liquidity.”⁴¹

The Commission finds that the proposed position and exercise limits are consistent with the Act, and in particular, with the requirements in Section 6(b)(5) 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. As discussed above, the Commission has recognized that position and exercise limits must be sufficient to prevent investors from disrupting the market for the underlying security by acquiring and exercising a number of option contracts disproportionate to the deliverable supply and average trading volume of the underlying security.⁴² In addition, the Commission has stated previously that rules regarding position and exercise limits are intended to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options position.⁴³ Based on its review of the data and analysis provided by the Exchange, the Commission concludes that the proposed position and exercise limits satisfy these objectives. Specifically, the Commission has considered and reviewed the Exchange’s analysis that, based on data from November 25, 2024, a position limit of 250,000 contracts would represent 2.89% of the outstanding shares of IBIT.⁴⁴ The Commission also has considered and reviewed the Exchange’s statements that, as of November 25, 2024, IBIT had 866,040,000 shares outstanding, market capitalization of \$46,783,480,800, and ADV for the preceding three months of 39,421,877 shares.⁴⁵

Based on the Commission’s review of this information and analysis, the Commission concludes that the proposed position and exercise limits are designed to prevent market participants from disrupting the market for the underlying securities by acquiring and exercising a number of options contracts disproportionate to the deliverable supply and average trading volume of the underlying security, and to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying

market so as to benefit the options position.

V. Conclusion

For the reasons set forth above, the Commission finds that the proposed rule change, as modified by Amendments Nos. 2 and 3, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange and, in particular, the requirements of Section 6(b)(5) of the Act.⁴⁶

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁴⁷ that the proposed rule change (SR–ISE–2024–62), as modified by Amendment Nos. 2 and 3, is approved.

By the Commission.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025–14541 Filed 7–31–25; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–103562; File No. SR–NYSEARCA–2024–87]

Self-Regulatory Organizations; NYSE Arca, Inc.; Order Scheduling Filing of Statements on Review of an Order Approving a Proposed Rule Change, as Modified by Amendment No. 1 Thereto, To Amend NYSE Arca Rule 8.500–E (Trust Units) and To List and Trade Shares of the Grayscale Digital Large Cap Fund LLC Under Amended NYSE Arca Rule 8.500–E (Trust Units)

July 29, 2025.

On October 15, 2024, NYSE Arca, Inc. (“NYSE Arca” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act”) ¹ and Rule 19b–4 thereunder,² a proposed rule change to adopt certain listing rules and to list and trade shares of the Grayscale Digital Large Cap Fund LLC. The proposed rule change was published for comment in the **Federal Register** on November 4, 2024.³

On December 17, 2024, pursuant to Section 19(b)(2) of the Exchange Act,⁴

⁴⁶ 15 U.S.C. 78f(b)(5).

⁴⁷ 15 U.S.C. 78s(b)(2).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ See Securities Exchange Act Release No. 101470 (Oct. 29, 2024), 89 FR 87681 (Nov. 4, 2024). Comments on the proposed rule change are available at: <https://www.sec.gov/comments/sr-nysearca-2024-87/srnysearca202487.htm>.

⁴ 15 U.S.C. 78s(b)(2).

³² See *supra* footnote 12.

³³ See Amendment No. 2 at 7 and ISE Options 9, Section 13(e) (providing that, every six months, the Exchange will review the status of underlying securities to determine which limit should apply). See also ISE Options 9, Section 15(c) (providing that exercise limits for options on an underlying will be determined in the same manner as position limits for such underlying).

³⁴ See Amendment No. 2 at 6.

³⁵ See *id.*

³⁶ See Amendment No. 2 at 6 and footnote 13.

³⁷ See Amendment No. 2 at 6–7.

³⁸ Amendment No. 2 at 14.

³⁹ See Amendment No. 2 at 6.

⁴⁰ See Amendment No. 2 at 10 and footnote 26.

⁴¹ Amendment No. 2 at 10–11.

⁴² See *supra* note 28 and accompanying text.

⁴³ See Securities Exchange Act Release No. 57352 (Feb. 19, 2008), 73 FR 10076, 10080 (Feb. 25, 2008) (order approving File No. SR–Cboe–2008–07).

⁴⁴ See Amendment No. 2 at 6–7.

⁴⁵ See Amendment No. 2 at 6 and footnote 13.

the Division of Trading and Markets (“Division”), pursuant to delegated authority, extended the time period for Commission action on the proposed rule change.⁵ On January 31, 2025, the Division, pursuant to delegated authority, instituted proceedings pursuant to Section 19(b)(2)(B) of the Exchange Act⁶ to determine whether to approve or disapprove the proposed rule change.⁷ On April 29, 2025, the Division, pursuant to delegated authority, designated a longer period for Commission action on proceedings to determine whether to approve or disapprove the proposed rule change.⁸

On June 26, 2025, the Exchange filed Amendment No. 1 to the proposed rule change, which replaced and superseded the proposed rule change in its entirety. The proposed rule change, as modified by Amendment No. 1, was published for comment in the *Federal Register* on July 2, 2025.⁹

On July 1, 2025, the Division, acting on behalf of the Commission by delegated authority,¹⁰ approved the proposed rule change, as modified by Amendment No. 1, on an accelerated basis.¹¹ On July 1, 2025, the Deputy Secretary of the Commission notified NYSE Arca that, pursuant to Commission Rule of Practice 431,¹² the Commission would review the Division’s action pursuant to delegated authority and that the Division’s action pursuant to delegated authority was stayed until the Commission orders otherwise.¹³

Accordingly, *it is ordered*, pursuant to Commission Rule of Practice 431, that by August 22, 2025, any party or other person may file a statement in support of, or in opposition to, the action made pursuant to delegated authority.

⁵ See Securities Exchange Act Release No. 101939 (Dec. 17, 2024), 89 FR 104581 (Dec. 23, 2024) (designating February 2, 2025, as the date by which the Commission shall either approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change).

⁶ 15 U.S.C. 78s(b)(2)(B).
⁷ See Securities Exchange Act Release No. 102313 (Jan. 31, 2025), 90 FR 9092 (Feb. 6, 2025).

⁸ See Securities Exchange Act Release No. 102941 (Apr. 29, 2025), 90 FR 19037 (May 5, 2025) (designating July 2, 2025, as the date by which the Commission shall either approve or disapprove the proposed rule change).

⁹ See Securities Exchange Act Release No. 103345 (June 27, 2025), 90 FR 29057 (July 2, 2025).

¹⁰ 17 CFR 200.30–3(a)(12).

¹¹ See Securities Exchange Act Release No. 103364 (July 1, 2025), 90 FR 29923 (July 7, 2025).

¹² 17 CFR 201.431.

¹³ See Letter from J. Matthew DeLesDernier, Deputy Secretary, Commission, to Le-Anh Bui, Senior Counsel, NYSE Group, Inc., dated July 1, 2025, available at <https://www.sec.gov/files/rules/sro/nysearca/2025/sr-nysearca-2024-87-rule-431-letter-2025-07-01.pdf>.

It is further *ordered* that the order approving proposed rule change SR–NYSEARCA–2024–87 shall remain stayed pending further order of the Commission.

By the Commission.
Sherry R. Haywood,
Assistant Secretary.
[FR Doc. 2025–14540 Filed 7–31–25; 8:45 am]
BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[OMB Control No. 3235–0527]

Agency Information Collection Activities; Submission for OMB Review; Comment Request; Extension: Rule 7d–2

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549–2736

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (“Commission”) is soliciting comments on the collection of information.

In Canada, as in the United States, individuals can invest a portion of their earnings in tax-deferred retirement savings accounts (“Canadian retirement accounts”). These accounts, which operate in a manner similar to individual retirement accounts in the United States, encourage retirement savings by permitting savings on a tax-deferred basis. Individuals who establish Canadian retirement accounts while living and working in Canada and who later move to the United States (“Canadian-U.S. Participants” or “participants”) often continue to hold their retirement assets in their Canadian retirement accounts rather than prematurely withdrawing (or “cashing out”) those assets, which would result in immediate taxation in Canada.

Once in the United States, however, these participants historically have been unable to manage their Canadian retirement account investments. Most investment companies (“funds”) that are “qualified companies” for Canadian retirement accounts are not registered under the U.S. securities laws. Securities of those unregistered funds, therefore, generally cannot be publicly offered and sold in the United States without violating the registration requirement of the Investment Company Act of 1940 (“Investment Company

Act”).¹ As a result of this registration requirement, Canadian-U.S. Participants previously were not able to purchase or exchange securities for their Canadian retirement accounts as needed to meet their changing investment goals or income needs.

The Commission issued a rulemaking in 2000 that enabled Canadian-U.S. Participants to manage the assets in their Canadian retirement accounts by providing relief from the U.S. registration requirements for offers of securities of foreign issuers to Canadian-U.S. Participants and sales to Canadian retirement accounts.² Rule 7d–2 under the Investment Company Act³ permits foreign funds to offer securities to Canadian-U.S. Participants and sell securities to Canadian retirement accounts without registering as investment companies under the Investment Company Act.

Rule 7d–2 contains a “collection of information” requirement within the meaning of the Paperwork Reduction Act of 1995.⁴ Rule 7d–2 requires written offering materials for securities offered or sold in reliance on that rule to disclose prominently that those securities and the fund issuing those securities are not registered with the Commission, and that those securities and the fund issuing those securities are exempt from registration under U.S. securities laws. Rule 7d–2 does not require any documents to be filed with the Commission.

Rule 7d–2 requires written offering documents for securities offered or sold in reliance on the rule to disclose prominently that the securities are not registered with the Commission and may not be offered or sold in the United States unless registered or exempt from registration under the U.S. securities laws, and also to disclose prominently that the fund that issued the securities is not registered with the Commission. The burden under the rule associated with adding this disclosure to written offering documents is minimal and is non-recurring. The foreign issuer, underwriter, or broker-dealer can redraft

¹ 15 U.S.C. 80a. In addition, the offering and selling of securities that are not registered pursuant to the Securities Act of 1933 (“Securities Act”) is generally prohibited by U.S. securities laws. 15 U.S.C. 77.

² See Offer and Sale of Securities to Canadian Tax-Deferred Retirement Savings Accounts, Release Nos. 33–7860, 34–42905, IC–24491 (June 7, 2000) [65 FR 37672 (June 15, 2000)]; this rulemaking also included new rule 237 under the Securities Act, permitting securities of foreign issuers to be offered to Canadian-U.S. Participants and sold to Canadian retirement accounts without being registered under the Securities Act. 17 CFR 230.237.

³ 17 CFR 270.7d–2.

⁴ 44 U.S.C. 3501–3502.

an existing prospectus or other written offering material to add this disclosure statement, or may draft a sticker or supplement containing this disclosure to be added to existing offering materials. In either case, based on discussions with representatives of the Canadian fund industry, the staff estimates that it would take an average of 10 minutes per document to draft the requisite disclosure statement.

The staff estimates that there are 3,887 publicly offered Canadian funds that potentially would rely on the rule to offer securities to participants and sell securities to their Canadian retirement accounts without registering under the Investment Company Act.⁵ The staff estimates that all of these funds have previously relied upon the rule and have already made the one-time change to their offering documents required to rely on the rule. The staff estimates that 194 (5 percent) additional Canadian funds would newly rely on the rule each year to offer securities to Canadian-U.S. Participants and sell securities to their Canadian retirement accounts, thus incurring the paperwork burden required under the rule. The staff estimates that each of those funds, on average, distributes 3 different written offering documents concerning those securities, for a total of 582 offering documents. The staff therefore estimates that 194 respondents would make 582 responses by adding the new disclosure statement to 582 written offering documents. The staff therefore estimates that the annual burden associated with the rule 7d-2 disclosure requirement would be 97 hours (582 offering documents × 10 minutes per document). The total annual cost of these burden hours is estimated to be \$49,567 (97 hours × \$511 per hour of attorney time).⁶

These burden hour estimates are based upon the Commission staff's experience and discussions with the fund industry. The estimates of average burden hours are made solely for the purposes of the Paperwork Reduction Act. These estimates are not derived

from a comprehensive or even a representative survey or study of the costs of Commission rules.

Compliance with the collection of information requirements of the rule is mandatory and is necessary to comply with the requirements of the rule in general. Responses will not be kept confidential. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number.

Written comments are invited on: (a) whether this collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden imposed by the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

The public may view and comment on this information collection request at: https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202505-3235-009 or send an email comment to MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov within 30 days of the day after publication of this notice by September 2, 2025.

Dated: July 29, 2025.

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2025-14552 Filed 7-31-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103565; File No. SR-PHLX-2024-72]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Order Approving a Proposed Rule Change To Permit the Trading of FLEX Options on Shares of the iShares Bitcoin Trust ETF

July 29, 2025.

I. Introduction

On December 26, 2024, Nasdaq PHLX LLC ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act" or "Exchange Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to

amend Options 8, Section 34, FLEX Trading, to permit options on shares of the iShares Bitcoin Trust ETF ("IBIT") to trade as cash-settled and physically settled FLEX equity options.³ The proposed rule change was published for comment in the **Federal Register** on January 14, 2025.⁴ On February 27, 2025, pursuant to Section 19(b)(2) of the Act,⁵ the Commission designated a longer period within which to approve the proposal, disapprove the proposal, or institute proceedings to determine whether to disapprove the proposal.⁶ On March 14, 2025, the Commission instituted proceedings under Section 19(b)(2)(B) of the Act⁷ to determine whether to approve or disapprove the proposal.⁸ The Commission received a comment letter regarding the proposed rule change.⁹ This order approves the proposed rule change.

II. Description of the Proposed Rule Change

As described in detail in the Notice, the Exchange proposes to amend its rules to permit the trading of FLEX equity options on IBIT.¹⁰ The Commission approved Nasdaq ISE LLC's ("ISE") proposal to list and trade options on IBIT.¹¹ Because the Exchange's listing rules incorporate ISE's listing rules by reference, the Exchange may list IBIT options.¹² The

³ The Exchange's rules use the term "exchange-traded fund" to refer to several types of investment products, including IBIT. See ISE Options 4, Section 3(h). In its proposal to list and trade shares of IBIT, The Nasdaq Stock Market LLC states that IBIT is not an investment company registered under the Investment Company Act of 1940, and that shares of IBIT will be registered with the Commission on Form S-1. See Securities Exchange Act Release No. 99295 (Jan. 8, 2024), 89 FR 2321, 2322 (Jan. 12, 2024) (File No. SR-Nasdaq-2023-016) (Notice of Filing of Amendment No. 1 to a Proposed Rule Change to List and Trade Shares of the iShares Bitcoin Trust Under Nasdaq Rule 5711(d)).

⁴ See Securities Exchange Act Release No. 102132 (Jan. 7, 2025), 90 FR 3266 ("Notice").

⁵ 15 U.S.C. 78s(b)(2).

⁶ See Securities Exchange Act Release No. 102497 (Feb. 27, 2025), 90 FR 11334 (Mar. 5, 2025). The Commission designated April 14, 2025, as the date by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change.

⁷ 15 U.S.C. 78s(b)(2)(B).

⁸ See Securities Exchange Act Release No. 102669 (Mar. 14, 2025), 90 FR 13226 (Mar. 20, 2025).

⁹ Comments received on the proposal are available at <https://www.sec.gov/comments/sr-phlx-2024-72/srphlx202472.htm>.

¹⁰ See *supra* note 4.

¹¹ See Securities Exchange Act Release No. 101128 (Sept. 20, 2024), 89 FR 78942 (Sept. 26, 2024) (order approving File No. SR-ISE-2024-03) ("IBIT Order").

¹² See Options 4 and Securities Exchange Act Release No. 101613 (Nov. 13, 2024), 89 FR 91470 (Nov. 19, 2024) (notice of filing and immediate effectiveness of File No. SR-Phlx-2024-53).

⁵ International Investment Funds Association, Worldwide Public Tables for the Second Quarter of 2024, at Table 4, available at https://iifa.ca/resource/collection/658ACD2D-DB32-4C34-B2F7-129D184E7EAC/WorldwidePublicReportUS_2024-Q2.xlsx.

⁶ The Commission's estimate concerning the wage rate for attorney time is based on salary information for the securities industry compiled by the Securities Industry and Financial Markets Association ("SIFMA"); the \$511 per hour figure for an Attorney is based on SIFMA's Management & Professional Earnings in the Securities Industry 2013, updated for 2024, modified by Commission staff to account for an 1800-hour work-year and inflation, and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Exchange's rules currently establish position and exercise limits of 25,000 contracts on the same side of the market for IBIT options.¹³ The Exchange proposes to amend Options 8, Section 34(e) to apply these position and exercise limits to the proposed FLEX IBIT options and to provide that positions in FLEX IBIT options will be aggregated with positions in non-FLEX IBIT options for purposes of calculating position and exercise limits.¹⁴ Accordingly, the proposal limits the position and exercise limits for all IBIT options—FLEX and non-FLEX—to 25,000 contracts.¹⁵

The Exchange states that the Commission has stated that “rules regarding position and exercise limits are intended to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options positions.”¹⁶ The Exchange states that, for this reason the Commission requires that “position and exercise limits must be sufficient to prevent investors from disrupting the market for the underlying security by acquiring and exercising a number of options contracts disproportionate to the deliverable supply and average trading volume of the underlying security.”¹⁷ The Exchange further states that based on its review of the data and analysis provided by the Exchange, the Commission concluded that the 25,000-contract position limit for non-FLEX IBIT options satisfied these objectives.¹⁸

The Exchange states that the proposed aggregated limit effectively restricts a market participant from holding positions that could result in the receipt of more than 2,500,000 shares, aggregated for FLEX IBIT and non-FLEX IBIT options (if that market participant exercised all its IBIT options).¹⁹ The Exchange states that capping the aggregated position limit at 25,000 contracts will be sufficient to address concerns related to manipulation and the protection of investors, and further, that the proposed position and exercise limits are conservative for IBIT and therefore appropriate given its liquidity.²⁰ As described more fully in the Notice, the Exchange states that although it proposes an aggregated

position limit of 25,000 contracts for all IBIT options, there is evidence to support a higher position limit.²¹

The Exchange states that FLEX options on ETFs are currently traded in the over-the-counter (“OTC”) market by a variety of market participants, including hedge funds, proprietary trading firms, and pension funds.²² The Exchange states that the proposed FLEX options may provide a useful risk management and trading vehicle for market participants and their customers.²³ The Exchange states that FLEX IBIT options traded on the Exchange would have several advantages over contracts traded in the OTC market, including reduced counterparty credit risk because exchange-traded contracts are issued and guaranteed by The Options Clearing Corporation (“OCC”) and the price discovery and dissemination provided by exchange trading, which would lead to more transparent markets.²⁴

The Exchange states that it and The Options Price Reporting Authority have the necessary systems capacity to handle the additional traffic associated with the listing of FLEX IBIT options.²⁵ The Exchange states that the same surveillance procedures applicable to other options products listed and traded on the Exchange, including non-FLEX IBIT options, will apply to the proposed FLEX IBIT options, and that the Exchange has the necessary systems capacity to support the proposed options.²⁶ The Exchange further states that FLEX options products (and their respective symbols) are integrated into the Exchange's existing surveillance system architecture and are thus subject to the relevant surveillance processes.²⁷ The Exchange states that its market surveillance staff (including staff of the Financial Industry Regulatory Authority (“FINRA”) who perform surveillance and investigative work on behalf of the

Exchange pursuant to a regulatory services agreement) conduct surveillances with respect to IBIT (the underlying exchange-traded product) and, as appropriate, would review activity in IBIT when conducting surveillances for market abuse or manipulation in IBIT options.²⁸ In addition, the Exchange states that it is a member of the Intermarket Surveillance Group (“ISG”) under the Intermarket Surveillance Group Agreement, and that ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets.²⁹ For surveillance purposes, the Exchange states that it would therefore have access to information regarding trading activity in the pertinent underlying securities.³⁰ The Exchange states that it does not believe that allowing FLEX IBIT options would render the marketplace for equity options more susceptible to manipulative practices.³¹ The Exchange represents that its existing trading surveillances are adequate to monitor the trading in IBIT (as well as FLEX IBIT options) on the Exchange.³² In addition, the Exchange states that it has a regulatory services agreement with FINRA, pursuant to which FINRA conducts certain surveillances on behalf of the Exchange.³³ The Exchange further states that, pursuant to a multi-party 17d–2 joint plan, all options exchanges allocate regulatory responsibilities to FINRA to conduct certain options-related market surveillances.³⁴ The Exchange states that it will implement any additional surveillance procedures it deems necessary to effectively monitor the trading of IBIT options.³⁵

²⁸ See Notice, 90 FR at 3268.

²⁹ See *id.*

³⁰ See *id.*

³¹ See *id.* at 3270.

³² See *id.* at 3269.

³³ See *id.* at 3268.

³⁴ See *id.* The Exchange states that Section 19(g)(1) of the Act, among other things, requires every self-regulatory organization (“SRO”) registered as a national securities exchange or national securities association to comply with the Act, the rules and regulations thereunder, and the SRO's own rules, and, absent reasonable justification or excuse, enforce compliance by its members and persons associated with its members. See 15 U.S.C. 78q(d)(1) and 17 CFR 240.17d–2. Section 17(d)(1) of the Act allows the Commission to relieve an SRO of certain responsibilities with respect to members of the SRO who are also members of another SRO. Specifically, Section 17(d)(1) allows the Commission to relieve an SRO of its responsibilities to: receive regulatory reports from such members; examine such members for compliance with the Act and the rules and regulations thereunder, and the rules of the SRO; or carry out other specified regulatory responsibilities with respect to such members. See Notice, at 3269 at n.26.

³⁵ See *id.* at 3269.

¹³ See Options 9, Section 13(a) and Option 9, Section 15(a).

¹⁴ See proposed Options 8, Section 34(e).

¹⁵ See Notice, 90 FR at 3267.

¹⁶ See Notice, 90 FR at 3267 (citing the IBIT Order, 89 FR 78946).

¹⁷ See *id.*

¹⁸ See *id.*

¹⁹ See Notice, 90 FR at 3267.

²⁰ See *id.*

²¹ See Notice, 90 FR at 3267. In the IBIT Order, the Commission stated that it considered and reviewed the ISE's analysis that the exercisable risk associated with a position limit of 25,000 contracts represented only 0.4% of the outstanding shares of IBIT. The Commission stated that it also considered and reviewed the ISE's statement that with a position limit of 25,000 contracts on the same side of the market and 611,040,00 shares of IBIT outstanding, 244 market participants would have to simultaneously exercise their positions to place IBIT under stress. See IBIT Order, 89 FR at 78946.

²² See *id.*

²³ See *id.*

²⁴ See *id.*

²⁵ See *id.*

²⁶ See *id.*

²⁷ See *id.* The Exchange states that FLEX trading occurs on the Exchange's trading floor in an open outcry environment. The Exchange states that surveillance staff monitors FLEX trading in open outcry. See *id.* at footnote 24.

III. Discussion and Commission Findings

After careful consideration, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange,³⁶ and, in particular, the requirements of Section 6 of the Act.³⁷ Specifically, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,³⁸ which requires, among other things, that an exchange have rules designed to prevent fraudulent and manipulative acts and practices and to protect investors and the public interest.

The proposed FLEX IBIT options would permit the creation of customized options on IBIT, which could help market participants implement their hedging, risk management, and investment strategies. A commenter expressed support for the proposal and highlighted the benefits of the proposed customized options on IBIT.³⁹ The commenter states that the customizable features of FLEX options allow asset managers to create precise buffer levels and outcome periods that cannot be achieved using standardized listed options.⁴⁰ In addition, the proposal will extend to FLEX IBIT options the benefits of trading on the Exchange's options market, including a centralized market center, an auction market with posted transparent market quotations and transaction reporting, parameters and procedures for clearance and settlement, and the guarantee of OCC for all contracts traded on the Exchange.⁴¹

The Exchange's rules currently provide position and exercise limits of 25,000 contracts on the same side of the market for IBIT options.⁴² Although the

proposal provides for the trading of FLEX IBIT options, the proposal maintains the existing position and exercise limits for IBIT options of 25,000 contracts on the same side of the market and thus does not raise new regulatory issues with respect to position and exercise limits.⁴³ The Commission finds that the proposed aggregation of position in FLEX and non-FLEX options when calculating position and exercise limits is consistent with the Act, and in particular, with the requirements in Section 6(b)(5) 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. Position and exercise limits serve as a regulatory tool designed to deter manipulative schemes and adverse market impact surrounding the use of options. Since the inception of standardized options trading, the options exchanges have had rules limiting the aggregate number of options contracts that a member or customer may hold or exercise. Options position and exercise limits are intended to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market to benefit the options position.⁴⁴ In addition, such limits serve to reduce the possibility of disruption in the options market itself, especially in illiquid classes.⁴⁵

When the Commission approved the listing of options on IBIT, the Commission concluded that the proposed position and exercise limits were designed to prevent investors from disrupting the market for the underlying security by acquiring and exercising a number of options contracts disproportionate to the deliverable supply and average trading volume of the underlying security, and to prevent the establishment of options positions that could be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options position.⁴⁶ At the same time, the Commission has recognized that limits must not be established at levels that are so low as to discourage participation in the options market by institutions and other investors with substantial hedging

needs or to prevent specialists and market-makers from adequately meeting their obligations to maintain a fair and orderly market.⁴⁷ This analysis applies to the proposed position and exercise limits for IBIT FLEX options as well. By applying the existing IBIT option position and exercise limits to IBIT FLEX options, and by requiring the aggregation of positions in FLEX and non-FLEX options for position and exercise limit purposes, the proposed position and exercise limits for IBIT FLEX options are designed to prevent investors from disrupting the market for the underlying security by acquiring and exercising a number of options contracts disproportionate to the deliverable supply and average trading volume of the underlying security, and to prevent the establishment of options positions that could be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options position.

As described above, the same surveillance procedures applicable to other options products listed and traded on the Exchange, including non-FLEX IBIT options, will apply to the proposed FLEX IBIT options.⁴⁸ The Exchange states that FLEX options products (and their respective symbols) are integrated into the Exchange's existing surveillance system architecture and thus are subject to the relevant surveillance processes.⁴⁹ The Exchange further states that it will implement any additional surveillance procedures it deems necessary to effectively monitor the trading of IBIT options.⁵⁰ In addition, the Exchange states that its market surveillance staff, including FINRA staff who perform surveillance and investigative work on behalf of the Exchange pursuant a regulatory services agreement, conduct surveillances with respect to IBIT and would review activity in IBIT when conducting surveillances for market abuse or manipulation in IBIT options.⁵¹ The Exchange also states that it is a member of ISG, that ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets, and therefore the Exchange would have access to information regarding trading activity in the pertinent underlying

³⁶ In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

³⁷ 15 U.S.C. 78f.

³⁸ 15 U.S.C. 78f(b)(5).

³⁹ See letter from Matt McFarland, Senior Vice President, Capital Markets, Vest Financial, dated Jan. 27, 2025. The commenter further states that FLEX options on IBIT would permit the creation of products with precise payoff terms, which would provide investors with hedged exposure to IBIT. See *id.* at 1.

⁴⁰ See *id.*

⁴¹ See Securities Exchange Act Release No. 36841 (Feb. 14, 1996), 61 FR 6666, 6668 (Feb. 21, 1996) (File Nos. SR-Cboe-95-43 and PSE-95-24) (order approving listing of FLEX options on specified equity securities). In addition, the Exchange states that exchange-traded FLEX options can be closed with a liquidating transaction, while OTC FLEX contracts must be held until expiration. See Notice, 90 FR at 3268.

⁴² See Options 9, Section 13(a), and Options 9, Section 15(a).

⁴³ See IBIT Order, 89 FR at 78946 (discussing the Commission's approval of the 25,000-contract position and exercise limits for IBIT options).

⁴⁴ See Securities Exchange Act Release No. 39489 (Dec. 24, 1997), 63 FR 276, 279 (Jan. 5, 1998) (order approving File No. SR-Cboe-97-11).

⁴⁵ See *id.*

⁴⁶ See IBIT Order, 89 FR at 78946. See also Securities Exchange Act Release Nos. 21907 (Mar. 29, 1985), 50 FR 13440, 13441 (Apr. 4, 1985).

⁴⁷ See *id.*

⁴⁸ See Notice, 90 FR at 3268.

⁴⁹ See *id.* The Exchange states that FLEX trading occurs on the Exchange's trading floor in an open outcry environment. The Exchange states that surveillance staff monitors FLEX trading in open outcry. See *id.* at footnote 24.

⁵⁰ See Notice, 90 FR at 3269.

⁵¹ See *id.* at 3268.

securities.⁵² Further, in approving proposals to list bitcoin-based exchange-traded products (“ETPs”), including IBIT, the Commission found that there were sufficient means to prevent fraud and manipulation of bitcoin-based ETPs.⁵³

Together, these surveillance procedures should allow the Exchange to investigate suspected manipulations or other trading abuses in IBIT FLEX options. Accordingly, the Commission finds that the Exchange’s surveillance procedures for FLEX IBIT options are designed to prevent fraudulent and manipulative acts and practices and to protect investors and the public interest.

IV. Conclusion

For the reasons set forth above, the Commission finds that the proposed rule change is consistent with the requirements of the Exchange Act and the rules and regulations thereunder applicable to a national securities exchange and, in particular, the requirements of Section 6(b)(5) of the Act.⁵⁴

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁵⁵ that the proposed rule change (SR-Phlx-2024-72) is approved.

By the Commission.

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2025-14544 Filed 7-31-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103582; File No. SR-MRX-2025-16]

Self-Regulatory Organizations; Nasdaq MRX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to SQF Ports

July 29, 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 22, 2025, Nasdaq MRX, LLC (“MRX” 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 amend the Exchange’s Pricing Schedule at Options 7, Section 6, Ports and Other Services, to propose a limit to the number of Specialized Quote Feed (“SQF”) ³ Ports a Market Maker ⁴ may subscribe to in a month.

The text of the proposed rule change is available on the Exchange’s website at <https://listingcenter.nasdaq.com/rulebook/mrx/rulefilings> and at the principal office of the Exchange.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend its Pricing Schedule at Options 7, Section 6, Ports and Other Services, to propose

³ “Specialized Quote Feed” or “SQF” is an interface that allows Market Makers to connect, send, and receive messages related to quotes, Immediate-or-Cancel Orders, and auction responses to the Exchange. Features include the following: (1) options symbol directory messages (e.g., underlying instruments); (2) System event messages (e.g., start of trading hours messages and start of opening); (3) trading action messages (e.g., halts and resumes); (4) execution messages; (5) quote messages; (6) Immediate-or-Cancel Order messages; (7) risk protection triggers and purge notifications; (8) opening imbalance messages; (9) auction notifications; and (10) auction responses. The SQF Purge Interface only receives and notifies of purge requests from the Market Maker. Market Makers may only enter interest into SQF in their assigned options series. Immediate-or-Cancel Orders entered into SQF are not subject to the Order Price Protection, Market Order Spread Protection, and Size Limitation Protection in Options 3, Section 15(a)(1)(A), (1)(B), and (2)(B) respectively. See MRX Supplementary Material .03 (c) to Options 3, Section 7.

⁴ The term “Market Makers” refers to “Competitive Market Makers” and “Primary Market Makers” collectively. See MRX Options 1, Section 1(a)(21).

a limit on the number of SQF Ports a Market Maker may subscribe to in a month.

Currently, a MRX Market Maker is assessed an SQF Port Fee of \$1,275 per port, per month.⁵ Currently, the Exchange has no limits in place on the number of SQF Ports a Market Maker may acquire in a month.

At this time, the Exchange proposes to limit a Market Maker to no more than 250 SQF Ports per month.⁶ A Market Maker requires only one SQF Port to submit quotes in its assigned options series into MRX. While a Market Maker may elect to obtain multiple SQF Ports to organize its business,⁷ only one SQF Port is necessary for a Market Maker to fulfill its regulatory quoting obligations.⁸ The Exchange utilizes ports as a secure method for Members to submit quotes into the Exchange’s match engine and for the Exchange to send messages related to those quotes to Members. In order to properly regulate its Members and secure the trading environment, the Exchange has taken measures to ensure access is monitored and maintained with various controls. The Exchange believes that the proposed limit of 250 SQF Ports per month will permit the Exchange to obtain greater efficiencies by placing this overall limit on SQF Ports. The Exchange believes a limit of 250 SQF Ports provides it with the appropriate bandwidth to support future growth and new Market Makers entrants.⁹

The Exchange proposes to implement the 250 SQF Ports per month limit on August 15, 2025.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹⁰ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹¹ in particular, in that it is designed to promote just and equitable principles of

⁵ The SQF Port and the SQF Purge Port are subject to a monthly cap of \$17,850, which cap is applicable to Market Makers.

⁶ The Exchange issued Options Technical Alert #2025-12 to announce the limitation.

⁷ For example, a Market Maker may desire to utilize multiple SQF Ports for accounting purposes, to measure performance, for regulatory reasons or other determinations that are specific to that Member.

⁸ MRX Market Makers have various regulatory requirements as provided for in Options 2, Section 4. Additionally, MRX Market Makers have certain quoting requirements with respect to their assigned options series as provided in Options 2, Section 5. SQF Ports are the only quoting protocol available on MRX and only Market Makers may utilize SQF Ports.

⁹ The Exchange will periodically review the SQF Port limit. If the Exchange elects to amend the limit it will file a rule proposal with the Commission.

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

⁵² See *id.* at 3269.

⁵³ See Securities Exchange Act Release Nos. 99306 (Jan. 10, 2024), 89 FR 3008 (Jan. 17, 2024).

⁵⁴ 15 U.S.C. 78f(b)(5).

⁵⁵ 15 U.S.C. 78s(b)(2).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

The Exchange's proposal to limit a Market Maker to no more than 250 SQF Ports per month is consistent with the Act because it will allow the Exchange to obtain greater efficiencies in its overall connectivity management. The Exchange utilizes ports as a secure method for Members to submit quotes into the Exchange's match engine and for the Exchange to send messages related to those quotes to Members. Only MRX Members who are approved as Market Makers may utilize an SQF Port. Once approved, MRX Market Makers may subscribe to SQF Ports to submit quotes into the Exchange. While a Market Maker may elect to obtain multiple SQF Ports to organize its business,¹² only one SQF Port is necessary for a Market Maker to fulfill its regulatory quoting obligations.¹³ Today, most Market Makers are in possession of several SQF Ports, and amend the number of SQF Ports from time to time. Of note, MRX allows Members to obtain SQF Ports at no additional cost once they exceed a monthly fee cap,¹⁴ therefore Market Makers on MRX may be inclined to increase their total number of SQF Ports as a result of having no incremental cost from the Exchange because of the monthly fee cap. In fact, not all SQF Ports are actively used by Market Makers. In order to properly regulate its Members and secure the trading environment, the Exchange has taken measures to ensure access is monitored and maintained with various controls that will protect investors and the public interest. Specifically, the Exchange ensures that information security safeguards, upgrades, and general port management are in effect for all SQF Ports regardless of whether the SQF Port is actively in use. As a result of these efforts, the Exchange incurs costs to manage and maintain its SQF Ports and the secure environment surrounding its platform.

The Exchange's proposal is intended to permit it to govern its connectivity management in a reasonable manner while protecting investors and the general public by obtaining greater efficiencies with the limit on SQF Ports. The Exchange believes that its proposal is consistent with the Act in that it will

provide the Exchange the ability to maintain the appropriate bandwidth to support future growth and new Market Makers entrants thereby removing impediments to and perfect the mechanism of a free and open market.

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.

In terms of intra-market competition, the Exchange does not believe that its proposal will place any category of market participant at a competitive disadvantage. While some Market Makers currently have more than 250 SQF Ports, the Exchange notes that the proposed limit would be applied uniformly ensuring that no Market Maker has more than 250 SQF Ports per month as a result of the proposed limit.

The Exchange does not believe that its proposal will place an undue burden on intra-market competition because any exchange may elect to adopt a similar limit.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act¹⁵ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁶

A proposed rule change filed under Rule 19b-4(f)(6)¹⁷ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),¹⁸ the Commission may designate a shorter

time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposed rule change may become operative immediately upon filing. The Exchange requests that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) so that the Exchange may implement the proposal on August 15, 2025. The Exchange notes that MRX does not prorate SQF Port Fees and, therefore, the Exchange requests that the Commission waive the operative delay so that the 250 SQF Port Fee limit may be in place prior to the beginning of September so that the Exchange can manage billing for its Members.

The Commission believes that waiver of the operative delay is consistent with the protection of investors and the public interest. The Exchange issued an Options Technical Alert to announce the limitation. The Exchange states that the proposed rule change is intended to permit it to govern its connectivity management in a reasonable manner while protecting investors and the general public by obtaining greater efficiencies with the limit on SQF Ports and will provide the Exchange the ability to maintain the appropriate bandwidth to support future growth and new Market Makers entrants. In addition, the Exchange notes that it does not prorate SQF Port Fees and a waiver of the operative delay will allow the 250 SQF Port Fee limit to be in place at the beginning of the month so that the Exchange can manage billing for its Participants. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposed rule change operative upon filing.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. 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

¹⁹ For purposes only of waiver the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹² See *supra* note 7.

¹³ See *supra* note 8.

¹⁴ The SQF Port and the SQF Purge Port are subject to a monthly cap of \$17,850 pursuant to Options 7, Section 6.

¹⁵ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁶ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

¹⁷ 17 CFR 240.19b-4(f)(6).

¹⁸ 17 CFR 240.19b-4(f)(6)(iii).

arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-MRX-2025-16 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-MRX-2025-16. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to file number SR-MRX-2025-16 and should be submitted on or before August 22, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁰

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025-14565 Filed 7-31-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103568; File No. SR-NYSEARCA-2025-10]

Self-Regulatory Organizations; NYSE Arca, Inc.; Order Approving a Proposed Rule Change, as Modified by Amendment No. 2, To Amend Rules Regarding Position and Exercise Limits for Options on the Grayscale Bitcoin Mini Trust ("BTC") and the Bitwise Bitcoin ETF ("BITB") and To Permit Flexible Exchange Options on BTC and BITB

July 29, 2025.

I. Introduction

On February 3, 2025, NYSE Arca, Inc. ("NYSE Arca" or the "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to amend the position and exercise limits for options on the Grayscale Bitcoin Mini Trust ETF ("BTC") and the Bitwise Bitcoin ETF ("BITB") (each a "Fund" and, together, the "Funds") and to permit options on the Funds to trade as Flexible Exchange ("FLEX") Equity Options ("FLEX Fund options").³ On February 14, 2025, the Exchange filed Amendment No. 1 to the proposed rule change.⁴ The proposed rule change, as modified by Amendment No. 1, was published for comment in the *Federal Register* on February 24, 2025.⁵ On March 12, 2025, pursuant to Section 19(b)(2) of the Act,⁶ the Commission designated a longer period within which to approve the proposal, disapprove the proposal, or institute proceedings to determine whether to

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The Exchange's initial proposal refers to the "Grayscale Bitcoin Mini Trust BTC ('BTC') and the "Bitwise Bitcoin ETF ('BITB')." Amendment No. 2 to the proposal, which supersedes and replaces the original filing in its entirety, refers to the "Grayscale Bitcoin Mini Trust ETF ('BTC') and the "Bitwise Bitcoin ETF ('BITB')." The Exchange's rules use the term "exchange-traded fund" to refer to several types of investment products. See Exchange Rule 5.3-O(g). BTC and BITB are not registered nor subject to regulation under the Investment Company Act of 1940. See Amendment No. 4 to Form S-1 for BTC, dated July 26, 2024, available at <https://www.sec.gov/Archives/edgar/data/2015034/000119312524186494/d785023ds1a.htm>; Pre-Effective Amendment No. 1 to Form S-3 for BITB, dated June 23, 2025, available at https://www.sec.gov/Archives/edgar/data/1763415/000121390025056635/ea0246384-s3a1_bitwise.htm.

⁴ Amendment No. 1 revised the proposal to correct rule marking errors in Exhibit 5 of the proposal.

⁵ See Securities Exchange Act Release No. 102441 (Feb. 18, 2025), 90 FR 10518 (Feb. 24, 2025).

⁶ 15 U.S.C. 78s(b)(2).

disapprove the proposal.⁷ On April 28, 2025, the Exchange filed Amendment No. 2 to the proposal, which supersedes and replaces the original filing in its entirety.⁸ On May 23, 2025, the Commission published notice of Amendment No. 2 and instituted proceedings under Section 19(b)(2)(B) of the Act⁹ to determine whether to approve or disapprove the proposal, as modified by Amendment No. 2.¹⁰ The Commission received no comments regarding the proposal. This order approves the proposal, as modified by Amendment No. 2.

II. Description of the Proposed Rule Change, as Modified by Amendment No. 2

As described more fully in the Notice and Order Instituting Proceedings, the Exchange proposes to amend its rules to provide for the trading of FLEX Fund options and to apply the position limits in Exchange Rule 6.8-O, Commentary .06(a)-(e) to options on the Funds.¹¹

⁷ See Securities Exchange Act Release No. 102630 (Mar. 12, 2025), 90 FR 12614 (Mar. 18, 2025). The Commission designated May 25, 2025, as the date by which the Commission shall approve or disapprove, or institute proceedings to determine whether to approve or disapprove, the proposed rule change.

⁸ Amendment No. 2 revises the proposal to: make clear that by removing the current 25,000 contract position limits for BTC and BITB in Exchange Rule 6.8-O, Commentary .06(f), BTC and BITB will be subject to the position limits in Exchange Rule 6.8-O, Commentary .06(a)-(e) that apply to other equity options; make clear any FLEX and non-FLEX positions in the same underlying Fund must be aggregated for purposes of calculating the position and exercise limits; indicate that, under Exchange Rule 6.9-O, exercise limits for options on an underlying security are the same as the position limits for options on that underlying; state that the Exchange would be able to obtain information regarding trading in shares of BTC and BITB (rather than "trading activity in the pertinent underlying securities") on other exchanges through the Intermarket Surveillance Group; revise the analysis supporting the proposed position and exercise limits; and make a technical change to replace rule text references to "the Grayscale Bitcoin Mini Trust BTC" and "the Bitwise Bitcoin ETF" with their respective ticker symbols (*i.e.*, BTC and BITB).

⁹ 15 U.S.C. 78s(b)(2)(B).

¹⁰ See Securities Exchange Act Release No. 103068 (May 19, 2025), 90 FR 22132 (May 23, 2025) ("Notice and Order Instituting Proceedings").

¹¹ Exchange Rule 6.8-O establishes a position limit of 250,000 contracts on the same side of the market for options on an underlying stock or ETF that had trading volume of at least 100,000,000 shares during the most recent six-month trading period or that had trading volume of at least 75,000,000 shares during the most recent six-month trading period and has at least 300,000,000 shares currently outstanding; 200,000 contracts on the same side of the market for options on an underlying stock or ETF that had trading volume of at least 80,000,000 shares during the most recent six-month trading period or that had trading volume of at least 60,000,000 shares during the most recent six-month trading period and has at least 240,000,000 shares currently outstanding; 75,000 contracts on the same side of the market for

²⁰ 17 CFR 200.30-3(a)(12).

Under Exchange Rule 6.9–O, Commentary .01, the exercise limits for options on an underlying security are the same as the position limits for options on that security.¹²

Position and Exercise Limits

The Exchange proposes to eliminate the current 25,000-contract position limit in Exchange Rule 6.8–O, Commentary .06(f) for options on the Funds and to apply to options on the Funds the position and exercise limits that apply to other equity options, *i.e.*, the position and exercise limits in Exchange Rules 6.8–O, Commentary .06(a)–(e) and 6.9–O.¹³ Under Exchange Rule 6.8–O, Commentary .06(e), position limits for options on the Funds would be subject to six-month reviews to determine future position and exercise limits.¹⁴ The Exchange states that options on the Funds qualify for the 250,000-contract limit in Exchange Rule 6.8–O Commentary .06(e)(i), which requires that trading volume for the underlying security in the most recent six months be at least 100,000,000 shares.¹⁵

The Exchange states that the reporting requirement for options on the Funds will remain unchanged and that the Exchange will continue to require each member that maintains positions in options on the Funds, on the same side of the market, for its own account or for the account of a customer, to report certain information to the Exchange, including the options positions, whether such positions are hedged and, if so, a description of the hedge(s).¹⁶ In

options on an underlying stock or ETF that had trading volume of at least 40,000,000 shares during the most recent six-month trading period or that had trading volume of at least 30,000,000 shares during the most recent six-month trading period and has at least 120,000,000 shares currently outstanding; 50,000 contracts on the same side of the market for options on an underlying stock or ETF that had trading volume of at least 20,000,000 shares during the most recent six-month trading period or trading volume of at least 15,000,000 shares during the most recent six-month trading period and at least 40,000,000 shares currently outstanding; and 25,000 contracts on the same side of the market for options on an underlying stock or ETF that does not satisfy the criteria for a higher limit.

¹² See Exchange Rule 6.9–O, Commentary .01 and Notice and Order Instituting Proceedings, 90 FR at 22133, footnote 15.

¹³ See Notice and Order Instituting Proceedings, 90 FR at 22132, footnote 9.

¹⁴ See *id.*, 90 FR at 22134, footnote 35. Exchange Rule 6.8–O, Commentary .06(e) states that the Exchange will review the volume and outstanding share information on all underlying stocks and ETF shares on which options are traded on the Exchange every six months to determine which limit will apply.

¹⁵ See Notice and Order Instituting Proceedings, 90 FR at 22133. See also footnote 11 *supra*.

¹⁶ See Notice and Order Instituting Proceedings at 22135.

addition, the Exchange states that its requirement that members file reports with the Exchange for any customer who held aggregate large long or short positions on the same side of the market of 200 or more option contracts of any single class for the previous day will remain at this level.¹⁷

FLEX Fund Options

The Exchange proposes to permit the trading of FLEX Fund options. The Exchange states that FLEX options on ETFs are currently traded in the over-the-counter (“OTC”) market by a variety of market participants, including hedge funds, proprietary trading firms, and pension funds.¹⁸ The Exchange states that its market for FLEX Fund options would be more transparent than the OTC market for such options, and that FLEX Fund options traded on the Exchange present less counter-party credit risk because they would be issued and guaranteed by the Options Clearing Corporation (“OCC”).¹⁹

Under the proposal, positions in FLEX options on each Fund will be aggregated with positions in non-FLEX options in the same underlying Fund for the purpose of calculating position and exercise limits for options on each Fund.²⁰ For example, the Exchange states that, assuming a 250,000-contract position limit for options on BTC, the Exchange “would restrict a market participant from holding positions that could result in the receipt of more than 250,000,000 [sic] shares of BTC (if that market participant exercised all its BTC options).”²¹

The Exchange states that it has analyzed its capacity and represents that it and the Options Price Reporting Authority have the necessary systems capacity to handle the additional traffic associated with the listing of FLEX Fund options.²² In addition, the Exchange states that it believes that OTP Holders will not have a capacity issue as a result of the proposal.²³ The Exchange further states that it will monitor the trading volume associated with the additional options series listed as a result of this proposal and the effect (if any) of these additional series on

¹⁷ See *id.*

¹⁸ See *id.*

¹⁹ See *id.*

²⁰ See proposed Exchange Rule 5.35–O(b)(iii). Under Exchange Rule 6.9–O, exercise limits for options on the Funds will be the same as the position limits on the Funds. See Exchange Rule 6.9–O and Notice and Order Instituting Proceedings, 90 FR at 22133, footnote 15.

²¹ See Notice and Order Instituting Proceedings, 90 FR at 22135. A position of 250,000 BTC options would represent 25,000,000 shares of BTC.

²² See *id.* at 22136.

²³ See *id.*

market fragmentation and on the capacity of the Exchange’s automated systems.²⁴ The Exchange states that the same surveillance procedures applicable to other options products listed and traded on the Exchange, including non-FLEX Fund options, will apply to FLEX Fund options, and that FLEX options products (and their respective symbols) are integrated into the Exchange’s existing surveillance system architecture and are thus subject to the relevant surveillance processes.²⁵ The Exchange further states that its market surveillance staff (including staff of the Financial Industry Regulatory Authority, Inc. (“FINRA”), who perform surveillance and investigative work on behalf of the Exchange pursuant to a regulatory services agreement), conducts surveillances with respect to BTC and BITB (the underlying ETFs) and, as appropriate, would review activity in BTC and BITB when conducting surveillances for market abuse or manipulation in the FLEX Fund options.²⁶ In addition, the Exchange states that it is a member of the Intermarket Surveillance Group (“ISG”).²⁷ The Exchange states that ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets.²⁸ The Exchange states that, in addition to the surveillance that is conducted by the Exchange’s market surveillance staff, the Exchange would also be able to obtain information regarding trading in shares of BTC and BITB on other exchanges through ISG.²⁹ The Exchange does not believe that allowing FLEX Fund options would render the marketplace for non-FLEX Fund options, or equity options in general, more susceptible to manipulative practices.³⁰ The Exchange represents that its existing trading surveillances are adequate to monitor the trading in BITC and BITB as well as any subsequent trading of FLEX Fund options on the Exchange.³¹ The Exchange states that it has a regulatory services agreement with FINRA, pursuant to which FINRA conducts certain surveillances on behalf of the Exchange.³² The Exchange further states that, pursuant to a multi-party 17d–2 joint plan, all options exchanges allocate regulatory responsibilities to

²⁴ See *id.*

²⁵ See *id.*

²⁶ See *id.*

²⁷ See *id.*

²⁸ See *id.*

²⁹ See *id.*

³⁰ See *id.*

³¹ See *id.*

³² See *id.*

FINRA to conduct certain options-related market surveillances.³³ In addition, the Exchange states that it will implement any additional surveillance procedures it deems necessary to effectively monitor the trading of BTC and BITB options.³⁴

III. Discussion and Commission Findings

After careful consideration, the Commission finds that the proposed rule change, as modified by Amendment No. 2, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange,³⁵ and, in particular, the requirements of Section 6 of the Act.³⁶ Specifically, the Commission finds that the proposed rule change, as modified by Amendment No. 2, is consistent with Section 6(b)(5) of the Act,³⁷ which requires, among other things, that an exchange have rules designed to prevent fraudulent and manipulative acts and practices and to protect investors and the public interest.

A. Position and Exercise Limits

Position and exercise limits serve as a regulatory tool designed to deter manipulative schemes and adverse market impact surrounding the use of options. Since the inception of standardized options trading, the options exchanges have had rules limiting the aggregate number of options contracts that a member or customer may hold or exercise. Options position and exercise limits are intended to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market to benefit the options position.³⁸ In addition, such limits serve to reduce the possibility of disruption in the options market itself, especially in illiquid classes.³⁹ As the Commission has previously recognized, markets with active and deep trading interest, as well as with broad public ownership, are more difficult to manipulate or disrupt than less active and deep markets with smaller public floats.⁴⁰ The Commission also has

recognized that position and exercise limits must be sufficient to prevent investors from disrupting the market for the underlying security by acquiring and exercising a number of options contracts disproportionate to the deliverable supply and average trading volume of the underlying security.⁴¹ At the same time, the Commission has recognized that limits must not be established at levels that are so low as to discourage participation in the options market by institutions and other investors with substantial hedging needs or to prevent specialists and market-makers from adequately meeting their obligations to maintain a fair and orderly market.⁴²

The Exchange proposes to eliminate the current 25,000-contract position and exercise limit for options on the Funds and to apply the position limits in Exchange Rule 6.8–O, Commentary .06(a)–(e) to options on the Funds.⁴³ Under Exchange Rule 6.8–O, Commentary .06(a)–(e) position limits are based either on the trading volume of the underlying stock or ETF over the previous six months, or on the trading volume of the underlying stock or ETF over the previous six months and the outstanding shares of the underlying stock or ETF.⁴⁴ Position limits for options on the Funds would be subject to subsequent six-month reviews to determine future position and exercise limits.⁴⁵ The Exchange states that options on each of the Funds qualify for the 250,000-contract limit in Exchange Rule 6.8–O, Commentary .06(e)(i), which requires that the most recent six-month trading volume for the underlying security be at least 100,000,000 shares.⁴⁶ The Exchange states that, as of November 25, 2024, the most recent six-month trading volume

for BTC and BITB was 163,712,700 shares and 288,800,860 shares, respectively.⁴⁷

The Exchange provided data and analysis supporting the proposed position and exercise limits. The Exchange states that, as of November 25, 2024, BTC had 82,939,964 shares outstanding, market capitalization of \$3,496,748,882, and average daily volume (“ADV”) for the preceding three months of 2,036,369 shares.⁴⁸ During this same period, BITB had 79,950,100 shares outstanding, market capitalization of \$4,095,157,000, and ADV for the preceding three months of 2,480,478 shares.⁴⁹ The Exchange states that options on the Funds should be subject to the 250,000-contract limit because “the significant liquidity present in each Fund mitigates against the potential for manipulation.”⁵⁰

The Exchange also compared the size of the position and exercise limits to the market capitalization of the bitcoin market, which, according to the Exchange, had a market capitalization greater than \$1.876 trillion as of November 25, 2024.⁵¹ The Exchange calculated that, as of November 25, 2024, a position of 250,000 contracts (which represents 25,000,000 shares of the underlying Fund) in options on BTC or BITB would represent 0.06% or 0.07%, respectively, of all bitcoin outstanding.⁵² The Exchange states that if a 250,000-contract option position in either Fund were exercised, it “would have a virtually unnoticed impact on the entire bitcoin market,” and, further, that “[t]his analysis demonstrates that a 250,000-contract position (and exercise) limit for options on each Fund would be appropriate given the liquidity of BTC and BITB.”⁵³ The Exchange also states that, as of November 25, 2024, a position limit of 250,000 contracts would represent 30.14% of the outstanding shares of BTC and 31.27% of the outstanding shares of BITB.⁵⁴

The Commission finds that the proposed position and exercise limits are consistent with the Act, and in particular, with the requirements in Section 6(b)(5) 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. As discussed above, the Commission

³³ See *id.*

³⁴ See *id.*

³⁵ In approving this proposed rule change, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

³⁶ 15 U.S.C. 78f.

³⁷ 15 U.S.C. 78f(b)(5).

³⁸ See Securities Exchange Act Release No. 39489 (Dec. 24, 1997), 63 FR 276, 279 (Jan. 5, 1998) (order approving File No. SR–Cboe–97–11) (“Position Limit Order”).

³⁹ *Id.*

⁴⁰ *Id.*

⁴¹ See, e.g., Securities Exchange Act Release Nos. 21907 (Mar. 29, 1985), 50 FR 13440, 13441 (Apr. 4, 1985) (order approving File Nos. SR–CBOE–84–21, SR–Amex–84–30, SR–Phlx–84–25, and SR–PSE–85–1); and 40875 (Dec. 31, 1998), 64 FR 1842, 1843 (Jan. 12, 1999) (order approving File Nos. SR–CBOE–98–25; Amex–98–22; PCX–98–33; and Phlx–98–36).

⁴² See *id.*

⁴³ As noted above, exercise limits for options on an underlying security are the same as the position limits for options on that underlying security. See Exchange Rule 6.9–O, Commentary .01.

⁴⁴ See *supra* footnote 11.

⁴⁵ See Notice and Order Instituting Proceedings, 90 FR at 22134 and Exchange Rule 6.8–O, Commentary .06(e) (providing that, every six months, the Exchange will review the volume and outstanding share information on all underlying ETFs on which options are traded to determine applicable position limits). See also Rule 6.9–O (providing that exercise limits for options on an underlying will be the same as the position limits for such underlying).

⁴⁶ See Notice and Order Instituting Proceedings, 90 FR at 22133.

⁴⁷ See *id.*

⁴⁸ See *id.*

⁴⁹ See *id.*

⁵⁰ *Id.* at 22135.

⁵¹ See *id.* at 22133.

⁵² See *id.* at 22134.

⁵³ *Id.* at 22134.

⁵⁴ See *id.* at 22133.

has recognized that position and exercise limits must be sufficient to prevent investors from disrupting the market for the underlying security by acquiring and exercising a number of option contracts disproportionate to the deliverable supply and average trading volume of the underlying security.⁵⁵ In addition, the Commission has stated previously that rules regarding position and exercise limits are intended to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options position.⁵⁶ Based on its review of the data and analysis provided by the Exchange, the Commission concludes that the proposed position and exercise limits satisfy these objectives. Specifically, the Commission has considered and reviewed the Exchange's analysis that, as of November 25, 2024, a position limit of 250,000 contracts would represent 30.14% of the outstanding shares of BTC and 31.27% of the outstanding shares of BITB.⁵⁷ The Commission also has considered and reviewed the Exchange's statements that, as of November 25, 2024, BTC had 82,939,964 shares outstanding, market capitalization of \$3,496,748,882, and ADV for the preceding three months of 2,036,369 shares.⁵⁸ As of November 25, 2024, BITB had 79,950,100 shares outstanding, market capitalization of \$4,095,157,000, and ADV for the preceding three months of 2,480,478 shares.⁵⁹ The Commission further considered and reviewed the Exchange's statement that for the six-month period ending on November 25, 2024, the trading volume for BTC and BITB was 163,712,700 shares and 288,800,860, respectively.⁶⁰

Based on the Commission's review of this information and analysis, the Commission concludes that the proposed position and exercise limits are designed to prevent market participants from disrupting the market for the underlying securities by acquiring and exercising a number of options contracts disproportionate to the deliverable supply and average trading volume of the underlying security, and to prevent the

establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options position.

B. FLEX Fund Options

The proposed FLEX Fund options would permit the creation of customized options on the FLEX Funds, which could help market participants implement their hedging, risk management, and investment strategies. In addition, the proposal will extend to the FLEX Fund options the benefits of trading on the Exchange's options market, including a centralized market center, an auction market with posted transparent market quotations and transaction reporting, parameters and procedures for clearance and settlement, and the guarantee of OCC for all contracts traded on the Exchange.⁶¹

The position and exercise limits described above will apply to the FLEX Fund options and positions in FLEX and non-FLEX Fund Options will be aggregated with positions in the same underlying Fund for purposes of calculating position and exercise limits.⁶² The Commission finds that the proposed position and exercise limits for FLEX Fund options are consistent with the Act, and in particular, with the requirements in Section 6(b)(5) 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. By applying the position and exercise limits for options on the Funds to the FLEX Fund options, and by requiring the aggregation of positions in FLEX and non-FLEX options in the respective Funds for position and exercise limit purposes, the proposed position and exercise limits for FLEX Fund options are designed to prevent investors from disrupting the market for the underlying securities by acquiring and exercising a number of options contracts disproportionate to the deliverable supply and average trading volume of the underlying securities, and to prevent the establishment of options positions that could be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options position.

The Commission previously considered the surveillance procedures that would apply to the FLEX Fund

options when it approved the Exchange's proposal to list and trade options on the FLEX Funds.⁶³ The same surveillance procedures that apply to other options products listed and traded on the Exchange, including non-FLEX Fund options, will apply to FLEX Fund options, and the Exchange states that FLEX options products (and their respective symbols) are integrated into the Exchange's existing surveillance system architecture and thus are subject to the relevant surveillance processes.⁶⁴ The Exchange states that it will implement any additional surveillance procedures it deems necessary to effectively monitor the trading of the FLEX Fund options.⁶⁵ The Exchange further states that it is a member of ISG, that ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets. In addition to the surveillance conducted by the Exchange's market surveillance staff, the Exchange would be able to obtain information regarding trading in shares of the FLEX Funds on other exchanges through ISG.⁶⁶ Further, in approving proposals to list bitcoin-based exchange-traded products ("ETPs"), including the Funds, the Commission found that there were sufficient means to prevent fraud and manipulation of bitcoin-based ETPs.⁶⁷ Together, these surveillance procedures should allow the Exchange to investigate suspected manipulations or other trading abuses in FLEX Fund options.

Accordingly, the Commission finds that the Exchange's surveillance procedures for the FLEX Fund options are designed to prevent fraudulent and manipulative acts and practices and to protect investors and the public interest.

IV. Conclusion

For the reasons set forth above, the Commission finds that the proposed rule change, as modified by Amendment No. 2, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange and, in particular, the requirements of Section 6(b)(5) of the Act.⁶⁸

⁶³ See Securities Exchange Act Release No. 101386 (Oct. 18, 2024), 89 FR 84960, 84971 (Oct. 24, 2024).

⁶⁴ See Notice and Order Instituting Proceedings, 90 FR at 22136.

⁶⁵ See *id.*

⁶⁶ See *id.*

⁶⁷ See Securities Exchange Act Release Nos. 99306 (Jan. 10, 2024), 89 FR 3008 (Jan. 17, 2024); and 100610 (Jul. 26, 2024), 89 FR 62821 (Aug. 1, 2024).

⁶⁸ 15 U.S.C. 78f(b)(5).

⁵⁵ See *supra* note 41 and accompanying text.

⁵⁶ See Securities Exchange Act Release No. 57352 (Feb. 19, 2008), 73 FR 10076, 10080 (Feb. 25, 2008) (order approving File No. SR-Choe-2008-07).

⁵⁷ See Notice and Order Instituting Proceedings, 90 FR at 22134.

⁵⁸ See *id.* at 22133, footnote 28 and accompanying text.

⁵⁹ See *id.* at 22133, footnote 29 and accompanying text.

⁶⁰ See *id.* at 22133.

⁶¹ See Securities Exchange Act Release No. 36841 (Feb. 14, 1996), 61 FR 6666, 6668 (Feb. 21, 1996) (File Nos. Choe-95-43 and PCX-95-24) (order approving proposals to provide for the listing and trading of FLEX options on specified equity securities).

⁶² See proposed Exchange Rule 5.35-O(b)(iii).

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁶⁹ that the proposed rule change (SR–NYSEARCA–2025–10), as modified by Amendment No. 2, is approved.

By the Commission.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025–14545 Filed 7–31–25; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–103563; File No. SR–ISE–2025–12]

Self-Regulatory Organizations; Nasdaq ISE LLC; Order Approving a Proposed Rule Change, as Modified by Amendment No. 1, To Permit the Trading of FLEX Options on Shares of the iShares Bitcoin Trust ETF

July 29, 2025.

I. Introduction

On April 22, 2025, Nasdaq ISE, LLC (“ISE” 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 amend its rules to permit the trading of FLEX equity options on shares of the iShares Bitcoin Trust ETF (“IBIT”) to trade as cash-settled and physically settled FLEX equity options.³ On May 2, 2025, the Exchange filed Amendment No. 1 to the proposal, 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 May 9, 2025.⁴ The Commission received comments on the proposed rule change.⁵ This order

approves the proposed rule change, as modified by Amendment No. 1.

II. Description of the Proposed Rule Change, as Modified by Amendment No. 1

As described in detail in the Notice, the Exchange proposes to amend its rules to permit the trading of FLEX equity options on IBIT.⁶ The Commission approved ISE’s proposal to list and trade options on IBIT.⁷ The Exchange proposes to amend Options 3A, Section 3(a) to apply its position and exercise limits to the proposed FLEX IBIT options and to provide that positions in FLEX IBIT options will be aggregated with positions in non-FLEX IBIT options for purposes of calculating position and exercise limits.⁸ Accordingly, the proposal limits the position and exercise limits for all IBIT options—FLEX and non-FLEX—to 25,000 contracts.⁹ The Exchange also proposes to amend Options 3A, Section 18(b)(1) to add new subparagraph (C) which states,

Notwithstanding the foregoing, the position limit for FLEX equity options on the iShares Bitcoin Trust ETF shall be subject to the position limits set forth in Options 9, Section 13, and subject to the exercise limits set forth in Options 9, Section 15 and shall be aggregated with positions on the same non-FLEX underlying ETF for the purpose of calculating the position limits set forth in Options 9, Section 13, and the exercise limits set forth in Options 9, Section 15.

The Exchange would also amend Options 3A, Section 18(b)(1)(A) to provide, “There shall be no position limits for FLEX Equity Options, other than as set forth in subparagraphs (B) and (C) and paragraph (c) below.” Additionally, the Exchange would amend Options 3A, Section 18(c) to state, “For purposes of the position limits and reporting requirements set forth in this Section 18, FLEX Option positions shall not be aggregated with positions in non-FLEX Options other than as provided below and in subparagraphs (b)(1)(B) and (C) above, and positions in FLEX Index Options on a given index shall not be aggregated with options on any stocks included in the index or with FLEX Index Option positions on another index.”

The Exchange states that the Commission has stated that “rules regarding position and exercise limits

are intended to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options positions.”¹⁰ The Exchange states that, for this reason the Commission requires that “position and exercise limits must be sufficient to prevent investors from disrupting the market for the underlying security by acquiring and exercising a number of options contracts disproportionate to the deliverable supply and average trading volume of the underlying security.”¹¹ The Exchange further states that based on its review of the data and analysis provided by the Exchange, the Commission concluded that the 25,000-contract position limit for non-FLEX IBIT options satisfied these objectives.¹²

The Exchange states that the proposed aggregated limit effectively restricts a market participant from holding positions that could result in the receipt of more than 2,500,000 shares, aggregated for FLEX IBIT and non-FLEX IBIT options (if that market participant exercised all its IBIT options).¹³ The Exchange states that capping the aggregated position limit at 25,000 contracts will be sufficient to address concerns related to manipulation and the protection of investors, and further, that the proposed position and exercise limits are conservative for IBIT and therefore appropriate given its liquidity.¹⁴ As described more fully in the Notice, the Exchange states that although it proposes an aggregated position limit of 25,000 contracts for all IBIT options, there is evidence to support a higher position limit.¹⁵

The Exchange states that FLEX options on ETFs are currently traded in the over-the-counter (“OTC”) market by a variety of market participants, including hedge funds, proprietary trading firms, and pension funds.¹⁶ The Exchange states that the proposed FLEX options may provide a useful risk management and trading vehicle for market participants and their

¹⁰ See *id.* (citing the IBIT Order, 89 FR 78946).

¹¹ See *id.*

¹² See *id.*

¹³ See *id.*

¹⁴ See *id.*

¹⁵ See *id.* In the IBIT Order, the Commission stated that it considered and reviewed the ISE’s analysis that the exercisable risk associated with a position limit of 25,000 contracts represented only 0.4% of the outstanding shares of IBIT. The Commission stated that it also considered and reviewed the ISE’s statement that with a position limit of 25,000 contracts on the same side of the market and 611,040,00 shares of IBIT outstanding, 244 market participants would have to simultaneously exercise their positions to place IBIT under stress. See IBIT Order, 89 FR at 78946.

¹⁶ See *id.*

⁶⁹ 15 U.S.C. 78s(b)(2).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ The Exchange’s rules use the term “exchange-traded fund” to refer to several types of investment products, including IBIT. See ISE Options 4, Section 3(h). In its proposal to list and trade shares of IBIT, The Nasdaq Stock Market LLC states that IBIT is not an investment company registered under the Investment Company Act of 1940, and that shares of IBIT will be registered with the Commission on Form S–1. See Securities Exchange Act Release No. 99295 (Jan. 8, 2024), 89 FR 2321, 2322 (Jan. 12, 2024) (File No. SR–Nasdaq–2023–016) (notice of Filing of Amendment No. 1 to a Proposed Rule Change to List and Trade Shares of the iShares Bitcoin Trust Under Nasdaq Rule 5711(d)).

⁴ See Securities Exchange Act Release No. 102992 (May 5, 2025), 90 FR 19750 (“Notice”).

⁵ Comments received are available at <https://www.sec.gov/comments/sr-ise-2025-12/srise202512.htm>.

⁶ See *supra* note 4.

⁷ See Securities Exchange Act Release No. 101128 (Sept. 20, 2024), 89 FR 78942 (Sept. 26, 2024) (order approving File No. SR–ISE–2024–03) (“IBIT Order”).

⁸ The Exchange also proposes a technical amendment to change a semicolon to a comma.

⁹ See Notice, 90 FR at 19751.

customers.¹⁷ The Exchange states that FLEX IBIT options traded on the Exchange would have several advantages over contracts traded in the OTC market, including the reduced counterparty credit risk because exchange-traded contracts are issued and guaranteed by The Options Clearing Corporation (“OCC”) and the price discovery and dissemination provided by exchange trading, which would lead to more transparent markets.¹⁸

The Exchange states that it and The Options Price Reporting Authority have the necessary systems capacity to handle the additional traffic associated with the listing of FLEX IBIT options.¹⁹ The Exchange states that the same surveillance procedures applicable to other options products listed and traded on the Exchange, including non-FLEX IBIT options, will apply to the proposed FLEX IBIT options, and that the Exchange has the necessary systems capacity to support the proposed options.²⁰ The Exchange further states that FLEX options products (and their respective symbols) are integrated into the Exchange’s existing surveillance system architecture and are thus subject to the relevant surveillance processes.²¹ The Exchange states that its market surveillance staff (including staff of the Financial Industry Regulatory Authority (“FINRA”) who perform surveillance and investigative work on behalf of the Exchange pursuant to a regulatory services agreement) conduct surveillances with respect to IBIT (the underlying Exchange-traded product) and, as appropriate, would review activity in IBIT when conducting surveillances for market abuse or manipulation in IBIT options.²² In addition, the Exchange states that it is a member of the Intermarket Surveillance Group (“ISG”) under the Intermarket Surveillance Group Agreement, and that ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets.²³ For surveillance purposes, the Exchange states that it would therefore have access to information regarding trading activity in the pertinent underlying securities.²⁴ The Exchange states that it does not believe that allowing FLEX IBIT options would render the marketplace for equity options more

susceptible to manipulative practices.²⁵ The Exchange represents that its existing trading surveillances are adequate to monitor the trading in IBIT (as well as FLEX IBIT options) on the Exchange.²⁶ In addition, the Exchange states that it has a regulatory services agreement with FINRA, pursuant to which FINRA conducts certain surveillances on behalf of the Exchange.²⁷ The Exchange further states that, pursuant to a multi-party 17d–2 joint plan, all options exchanges allocate regulatory responsibilities to FINRA to conduct certain options-related market surveillances.²⁸ The Exchange states that it will implement any additional surveillance procedures it deems necessary to effectively monitor the trading of IBIT options.²⁹

III. Discussion and Commission Findings

After careful consideration, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange,³⁰ and, in particular, the requirements of Section 6 of the Act.³¹ Specifically, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with Section 6(b)(5) of the Act,³² which requires, among other things, that an exchange have rules designed to prevent fraudulent and manipulative acts and practices and

to protect investors and the public interest.

The proposed FLEX IBIT options would permit the creation of customized options on IBIT, which could help market participants implement their hedging, risk management, and investment strategies. In addition, the proposal will extend to FLEX IBIT options the benefits of trading on the Exchange’s options market, including a centralized market center, an auction market with posted transparent market quotations and transaction reporting, parameters and procedures for clearance and settlement, and the guarantee of OCC for all contracts traded on the Exchange.³³

The proposal provides for the trading of FLEX IBIT options without changing the position and exercise limits for IBIT options and thus does not raise new regulatory issues with respect to position and exercise limits.³⁴ The Commission finds that the proposed aggregation of positions in FLEX and non-FLEX IBIT options when calculating position and exercise limits is consistent with the Act, and in particular, with the requirements in Section 6(b)(5) 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. Position and exercise limits serve as a regulatory tool designed to deter manipulative schemes and adverse market impact surrounding the use of options. Since the inception of standardized options trading, the options exchanges have had rules limiting the aggregate number of options contracts that a member or customer may hold or exercise. Options position and exercise limits are intended to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market to benefit the options position.³⁵ In addition, such limits serve to reduce the possibility of disruption in the options market itself, especially in illiquid classes.³⁶

²⁵ See *id.*

²⁶ See *id.*

²⁷ See *id.*

²⁸ See *id.* The Exchange states that Section 19(g)(1) of the Act, among other things, requires every self-regulatory organization (“SRO”) registered as a national securities exchange or national securities association to comply with the Act, the rules and regulations thereunder, and the SRO’s own rules, and, absent reasonable justification or excuse, enforce compliance by its members and persons associated with its members. See 15 U.S.C. 78q(d)(1) and 17 CFR 240.17d–2. Section 17(d)(1) of the Act allows the Commission to relieve an SRO of certain responsibilities with respect to members of the SRO who are also members of another SRO. Specifically, Section 17(d)(1) allows the Commission to relieve an SRO of its responsibilities to: receive regulatory reports from such members; examine such members for compliance with the Act and the rules and regulations thereunder, and the rules of the SRO; or carry out other specified regulatory responsibilities with respect to such members. See Notice, at 19753 at n.26.

²⁹ See Notice, 90 FR at 19753.

³⁰ In approving this proposed rule change, as modified by Amendment No. 1, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

³¹ 15 U.S.C. 78f.

³² 15 U.S.C. 78f(b)(5).

³³ See Securities Exchange Act Release No. 36841 (Feb. 14, 1996), 61 FR 6666, 6668 (Feb. 21, 1996) (File Nos. SR–Cboe–95–43 and PSE–95–24) (order approving listing of FLEX options on specified equity securities). In addition, the Exchange states that exchange-traded FLEX options can be closed with a liquidating transaction, while OTC FLEX contracts must be held until expiration. See Notice, 90 FR at 17952.

³⁴ See IBIT Order, 89 FR at 78946 (discussing the Commission’s approval of the 25,000-contract position and exercise limits for IBIT options).

³⁵ See Securities Exchange Act Release No. 39489 (Dec. 24, 1997), 63 FR 276, 279 (Jan 5. 1998) (order approving File No. SR–Cboe–97–11).

³⁶ See *id.*

¹⁷ See *id.* at 19752–3.

¹⁸ See *id.* at 19752.

¹⁹ See *id.* at 19753.

²⁰ See *id.*

²¹ See *id.*

²² See *id.*

²³ See *id.*

²⁴ See *id.*

When the Commission approved the Exchange's proposal to list options on IBIT, the Commission concluded that the proposed position and exercise limits were designed to prevent investors from disrupting the market for the underlying security by acquiring and exercising a number of options contracts disproportionate to the deliverable supply and average trading volume of the underlying security, and to prevent the establishment of options positions that could be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options position.³⁷ At the same time, the Commission has recognized that limits must not be established at levels that are so low as to discourage participation in the options market by institutions and other investors with substantial hedging needs or to prevent specialists and market-makers from adequately meeting their obligations to maintain a fair and orderly market.³⁸ This analysis applies to the proposed position and exercise limits for FLEX IBIT options as well. By applying the existing IBIT option position and exercise limits to FLEX IBIT options, and by requiring the aggregation of positions in FLEX and non-FLEX options for position and exercise limit purposes, the proposed position and exercise limits for IBIT FLEX options are designed to prevent investors from disrupting the market for the underlying security by acquiring and exercising a number of options contracts disproportionate to the deliverable supply and average trading volume of the underlying security, and to prevent the establishment of options positions that could be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options position.

The Commission previously considered the surveillance procedures that would apply to IBIT options when it approved the Exchange's proposal to list and trade IBIT options.³⁹ As described above, the same surveillance procedures applicable to other options products listed and traded on the Exchange, including non-FLEX IBIT options, will apply to the proposed FLEX IBIT options.⁴⁰ The Exchange states that FLEX options products (and their respective symbols) are integrated into the Exchange's existing

surveillance system architecture and thus are subject to the relevant surveillance processes.⁴¹ The Exchange further states that it will implement any additional surveillance procedures it deems necessary to effectively monitor the trading of IBIT options.⁴² In addition, the Exchange states that its market surveillance staff, including FINRA staff who perform surveillance and investigative work on behalf of the Exchange pursuant to a regulatory services agreement, conduct surveillances with respect to IBIT and would review activity in IBIT when conducting surveillances for market abuse or manipulation in IBIT options.⁴³ The Exchange also states that it is a member of ISG, that ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets, and therefore the Exchange would have access to information regarding trading activity in the pertinent underlying securities.⁴⁴ Further, in approving proposals to list bitcoin-based exchange-traded products ("ETPs"), including IBIT, the Commission found that there were sufficient means to prevent fraud and manipulation of bitcoin-based ETPs.⁴⁵

The Commission received a comment regarding the proposal.⁴⁶ The commenter states that IBIT options are the "primary source of Paper Bitcoin in the system" and that they are being used to manipulate pricing.⁴⁷ The commenter states that, as of June 19, 2025, there were 4,037,838 IBIT options outstanding, representing 403,783,800 IBIT shares or 228,108.5 bitcoin.⁴⁸ The commenter further states that "228,108 Bitcoins would need to be delivered if all contracts were exercised" and that "market makers simply cannot deliver the BTC."⁴⁹

Options on IBIT shares are settled by delivery of IBIT shares, not by the delivery of bitcoin. As of June 20, 2025, there were 1,197,720,000 shares of IBIT outstanding, which represents more than twice the number of IBIT shares that would need to be delivered if 4,037,838 IBIT options were exercised.⁵⁰ The Exchange has implemented surveillance procedures to

monitor trading in non-FLEX IBIT options.⁵¹ In addition, as discussed above, the Exchange states that FLEX IBIT options are integrated into the Exchange's existing surveillance system architecture and that the Exchange will review, as appropriate, activity in IBIT when conducting surveillances for market abuse or manipulation in FLEX IBIT options.⁵² The Exchange's surveillance procedures should allow the Exchange to investigate suspected manipulations or other trading abuses involving FLEX and non-FLEX IBIT options.

Together, the surveillance procedures described above should allow the Exchange to investigate suspected manipulations or other trading abuses in FLEX IBIT options. Accordingly, the Commission finds that the Exchange's surveillance procedures for FLEX IBIT options are designed to prevent fraudulent and manipulative acts and practices and to protect investors and the public interest.

IV. Conclusion

For the reasons set forth above, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange and, in particular, the requirements of Section 6(b)(5) of the Act.⁵³

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁵⁴ that the proposed rule change, as modified by Amendment No. 1, (SR-ISE-2025-12) is approved.

By the Commission.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025-14542 Filed 7-31-25; 8:45 am]

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³⁷ See IBIT Order, 89 FR at 78946. See also Securities Exchange Act Release Nos. 21907 (Mar. 29, 1985), 50 FR 13440, 13441 (Apr. 4, 1985).

³⁸ See *id.*

³⁹ See IBIT Order, 89 FR at 78947 (discussing the surveillance procedures that will apply to IBIT options.).

⁴⁰ See Notice, 90 FR at 19753.

⁴¹ See *id.*

⁴² See *id.*

⁴³ See *id.*

⁴⁴ See *id.*

⁴⁵ See Securities Exchange Act Release No. 99306 (Jan. 10, 2024), 89 FR 3008 (Jan. 17, 2024).

⁴⁶ See letter from Randy T., dated June 19, 2025.

⁴⁷ *Id.* at 1.

⁴⁸ See *id.*

⁴⁹ *Id.*

⁵⁰ See <https://www.ishares.com/us/products/333011/ishares-bitcoin-trust-etf>.

⁵¹ See IBIT Order, *supra* note 6 and Notice, 90 FR at 19753.

⁵² See *id.* In addition, the Exchange has stated that it will apply its existing surveillance procedures to options on IBIT and that it will review activity in IBIT when conducting surveillances for market abuse or manipulation in options on IBIT. See IBIT Order, 89 FR at 78946-7.

⁵³ 15 U.S.C. 78f(b)(5).

⁵⁴ 15 U.S.C. 78s(b)(2).

SECURITIES AND EXCHANGE COMMISSION

[OMB Control No. 3235–0413]

Agency Information Collection Activities; Submission for OMB Review; Comment Request; Extension: Rule 17Ad–16

Upon Written Request, Copies Available

From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549–2736

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (“PRA”) (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (“Commission”) has submitted to the Office of Management and Budget (“OMB”) a request for approval of extension of the previously approved collection of information provided for in Rule 17Ad–16 (17 CFR 240.17Ad–16) under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*).

Rule 17Ad–16 requires a registered transfer agent to provide written notice to the appropriate qualified registered securities depository when assuming or terminating transfer agent services on behalf of an issuer or when changing its name or address. The appropriate qualified registered securities depository must deliver such notices to qualified registered securities depositories, and they must then deliver such notices to their own participants. In addition, transfer agents that provide such notices, and qualified registered securities depositories that receive such notices, shall maintain such notices for a period of at least two years, with the first six months in an easily accessible place. This rule addresses the problem of certificate transfer delays caused by transfer requests that are directed to the wrong transfer agent or the wrong address.

The Commission published a 60-day notice in the **Federal Register** soliciting comments on the existing collection of information provided for in Rule 17Ad–16.¹ The Commission received comments regarding the existing collection of information.²

In the 60-Day Notice, the Commission estimated that transfer agents submit approximately 16,412 Rule 17Ad–16 notices to appropriate qualified

registered securities depositories; that the average amount of time necessary to create and submit each notice is approximately 15 minutes per notice; and that, accordingly, the estimated total industry burden is 4,103 hours per year (.25 hours multiplied by 16,412 notices filed annually).³

The Commission further estimated that the internal compliance cost⁴ to prepare and send a notice is approximately \$96 (.25 hours at \$385 per hour), based on hourly compliance cost estimates for an internal compliance manager’s time. These internal cost estimates were derived from the Securities Industry and Financial Markets Association’s Management & Professional Earnings in the Securities Industry 2013, as adjusted by Commission staff for inflation and other factors.⁵ This yielded an industry-wide internal compliance cost estimate of \$1,575,552 (16,412 notices multiplied by \$96 per notice).

One commenter stated that transfer agents submit approximately 20% more notices than the amount estimated by the Commission because transfer agents also send notices to securities depositories other than The Depository Trust Company (“DTC”) (approximately 19,700 instead of 16,412).⁶ However, while transfer agents may send notices to securities depositories other than DTC, such notices are not within the scope of the current collection of information. As noted above, Rule 17Ad–16 requires a registered transfer agent to provide written notice to the appropriate qualified registered securities depository. The appropriate qualified registered securities depository means the qualified registered securities depository that the Commission so designates by order.⁷ To date, DTC is the only appropriate qualified registered securities depository the Commission has designated.⁸ Thus, Rule 17Ad–16

requires a registered transfer agent to provide written notice to DTC but does not include in its scope written notices to other securities depositories. Accordingly, we are not including these notices in the estimate for Rule 17Ad–16.

This commenter also stated that, due to “internal counsel salaries, compliance infrastructure investments, and routine post-filing expenses,” the estimated internal cost of sending notice is “closer to” \$500 per notice. The commenter stated that the average internal counsel base salary for transfer agents is approximately \$200,000, resulting in estimated compliance costs “closer to” \$149 per notice. Moreover, the commenter stated that transfer agents routinely incur post-notice expenses.⁹ While we recognize that transfer agents may incur such expenses, we believe such expenses are outside of the scope of the information collection in Rule 17Ad–16. The rule concerns the notice creation, delivery, and record requirements and does not require or otherwise provide for a registered transfer agent to engage in the post-notice activities or other actions identified by the commenter. However, we appreciate the information provided by the commenter regarding the costs of compliance generally. The Commission originally estimated that the relevant functions would be completed by an internal compliance manager, at \$385 per hour. However, we now recognize the estimated annualized cost of the hour burden for Rule 17Ad–16 may be higher than the Commission’s initial estimate and we estimate that notices would be prepared by an attorney, at \$517 per hour.¹⁰ Accordingly, the Commission is increasing its estimate of the cost per notice, from \$96 per notice to \$129.25 per notice (.25 hours at \$517 per hour). This yields an industry-wide internal compliance cost estimate of \$2,121,251 (16,412 notices multiplied by \$129.25 per notice).

Commenters further requested that the Commission issue guidance: (i) that Rule 17Ad–16 does not apply at a security’s issuance; (ii) that examination sampling and testing should only be

³ 318 Respondents × 51.61 Responses/Year × .25 Hours/Response = 4,103 Hours/Year.

⁴ The “internal compliance cost” is the annualized cost to respondents for the hour burdens. The annualized cost to respondents for the hour burden is included for informational purposes and is not submitted to OMB for approval.

⁵ Hourly compliance cost estimates were derived from the Securities Industry and Financial Markets Association’s Management & Professional Earnings in the Securities Industry 2013, modified by Commission staff to account for inflation and an 1,800-hour work-year, and multiplied by 5.35 to account for bonuses, firm size, employee benefits, and overhead.

⁶ See ABA at 4.

⁷ 17 CFR 240.17Ad–16(f).

⁸ See Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change Concerning Procedures Relating to

Rule 17Ad–16 and Order Designating the Depository Trust Company as the Approved Qualified Registered Securities Depository, Exchange Act Release No. 35378 (Feb. 15, 1995), 60 FR 9875 (Feb. 22, 1995).

⁹ See ABA at 3.

¹⁰ Hourly compliance cost estimates were derived from the Securities Industry and Financial Markets Association’s Management & Professional Earnings in the Securities Industry 2013, modified by SEC staff to account for inflation and an 1,800-hour work-year, and multiplied by 5.35 to account for bonuses, firm size, employee benefits, and overhead.

¹ Proposed Collection; Comment Request; Extension: Rule 17Ad–16, 90 FR 11198 (Mar. 4, 2025) (60–Day Notice”).

² See letters from Dale Baker, Vice President, American Bankers Association (May 5, 2025) (“ABA”); Douglas Hare, Senior Vice President, UMB Bank, N.A. (May 5, 2025) (“UMB”); and Twyla Lehto, Executive Vice President, Zions Bancorporation, N.A., (May 5, 2025) (Zions Bank”).

performed for a post-issuance change of a transfer agent and 90% compliance should be considered a “passing” score; and (iii) that Rule 17Ad-16 applies only to securities which are made eligible at issuance with a recognized depository or, alternatively, does not apply to privately placed securities unless they are made eligible at issuance with a recognized depository.¹¹ We appreciate the request for guidance; however, we are not addressing it in this PRA submission as it relates to an interpretation of the rule and not to the existing collection of information requirements.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

The public may view and comment on this information collection request at: https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202502-3235-009 or email comment to MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov within 30 days of the day after publication of this notice, by September 2, 2025.

Dated: July 29, 2025.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025-14554 Filed 7-31-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103578; File No. SR-ISE-2025-21]

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to SQF Ports

July 29, 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 22, 2025, Nasdaq ISE, LLC (“ISE” 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.

¹¹ See ABA at 2 and 4; see also UMB at 1-2 and Zions Bank at 1-2.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend the Exchange's Pricing Schedule at Options 7, Section 7, C, Ports and Other Services, to propose a limit to the number of Specialized Quote Feed (“SQF”) ³ Ports a Market Maker ⁴ may subscribe to in a month.

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/ise/rulefilings> and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend its Pricing Schedule at Options 7, Section 7, C, Ports and Other Services, to propose a limit on the number of SQF

³ “Specialized Quote Feed” or “SQF” is an interface that allows Market Makers to connect, send, and receive messages related to quotes, Immediate-or-Cancel Orders, and auction responses to the Exchange. Features include the following: (1) options symbol directory messages (e.g., underlying and complex instruments); (2) System event messages (e.g., start of trading hours messages and start of opening); (3) trading action messages (e.g., halts and resumes); (4) execution messages; (5) quote messages; (6) Immediate-or-Cancel Order messages; (7) risk protection triggers and purge notifications; (8) opening imbalance messages; (9) auction notifications; and (10) auction responses. The SQF Purge Interface only receives and notifies of purge requests from the Market Maker. Market Makers may only enter interest into SQF in their assigned options series. Immediate-or-Cancel Orders entered into SQF are not subject to the (i) Order Price Protection, Market Order Spread Protection, and Size Limitation Protection in Options 3, Section 15(a)(1)(A), (1)(B), and (2)(B) respectively, for single leg orders, or (ii) Complex Order Price Protection as defined in Options 3, Section 16(c)(1) for Complex Orders. See ISE Supplementary Material .03 (c) to Options 3, Section 7.

⁴ The term “Market Makers” refers to “Competitive Market Makers” and “Primary Market Makers” collectively. See ISE Options 1, Section 1(a)(21).

Ports a Market Maker may subscribe to in a month.

Currently, an ISE Market Maker is assessed an SQF Port Fee of \$1,185 per port, per month. Currently, the Exchange has no limits in place on the number of SQF Ports a Market Maker may acquire in a month.

At this time, the Exchange proposes to limit a Market Maker to no more than 250 SQF Ports per month.⁵ A Market Maker requires only one SQF Port to submit quotes in its assigned options series into ISE. While a Market Maker may elect to obtain multiple SQF Ports to organize its business,⁶ only one SQF Port is necessary for a Market Maker to fulfill its regulatory quoting obligations.⁷ The Exchange utilizes ports as a secure method for Members to submit quotes into the Exchange's match engine and for the Exchange to send messages related to those quotes to Members. In order to properly regulate its Members and secure the trading environment, the Exchange has taken measures to ensure access is monitored and maintained with various controls. The Exchange believes that the proposed limit of 250 SQF Ports per month will permit the Exchange to obtain greater efficiencies by placing this overall limit on SQF Ports. The Exchange believes a limit of 250 SQF Ports provides it with the appropriate bandwidth to support future growth and new Market Makers entrants.⁸

The Exchange proposes to implement the 250 SQF Ports per month limit on August 1, 2025.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁹ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹⁰ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market

⁵ The Exchange issued Options Technical Alert #2025-12 to announce the limitation.

⁶ For example, a Market Maker may desire to utilize multiple SQF Ports for accounting purposes, to measure performance, for regulatory reasons or other determinations that are specific to that Member.

⁷ ISE Market Makers have various regulatory requirements as provided for in Options 2, Section 4. Additionally, ISE Market Makers have certain quoting requirements with respect to their assigned options series as provided in Options 2, Section 5. SQF Ports are the only quoting protocol available on ISE and only Market Makers may utilize SQF Ports.

⁸ The Exchange will periodically review the SQF Port limit. If the Exchange elects to amend the limit it will file a rule proposal with the Commission.

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

system, and, in general to protect investors and the public interest.

The Exchange's proposal to limit a Market Maker to no more than 250 SQF Ports per month is consistent with the Act because it will allow the Exchange to obtain greater efficiencies in its overall connectivity management. The Exchange utilizes ports as a secure method for Members to submit quotes into the Exchange's match engine and for the Exchange to send messages related to those quotes to Members. Only ISE Members who are approved as Market Makers may utilize an SQF Port. Once approved, ISE Market Makers may subscribe to SQF Ports to submit quotes into the Exchange. While a Market Maker may elect to obtain multiple SQF Ports to organize its business,¹¹ only one SQF Port is necessary for a Market Maker to fulfill its regulatory quoting obligations.¹² Today, most Market Makers are in possession of several SQF Ports, and amend the number of SQF Ports from time to time. In fact, not all SQF Ports are actively used by Market Makers. In order to properly regulate its Members and secure the trading environment, the Exchange has taken measures to ensure access is monitored and maintained with various controls that will protect investors and the public interest. Specifically, the Exchange ensures that information security safeguards, upgrades, and general port management are in effect for all SQF Ports regardless of whether the SQF Port is actively in use. As a result of these efforts, the Exchange incurs costs to manage and maintain its SQF Ports and the secure environment surrounding its platform.

The Exchange's proposal is intended to permit it to govern its connectivity management in a reasonable manner while protecting investors and the general public by obtaining greater efficiencies with the limit on SQF Ports. The Exchange believes that its proposal is consistent with the Act in that it will provide the Exchange the ability to maintain the appropriate bandwidth to support future growth and new Market Makers entrants thereby removing impediments to and perfect the mechanism of a free and open market.

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.

In terms of intra-market competition, the Exchange does not believe that its proposal will place any category of market participant at a competitive disadvantage because all Market Makers will uniformly be permitted to subscribe to no more than 250 SQF Ports per month. Today, no Market Maker has exceeded 250 SQF Ports.

The Exchange does not believe that its proposal will place an undue burden on intra-market competition because any exchange may elect to adopt a similar limit.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act¹³ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁴

A proposed rule change filed under Rule 19b-4(f)(6)¹⁵ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),¹⁶ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposed rule change may become operative immediately upon filing. The Exchange requests that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) so that the Exchange may implement the proposal on August 1, 2025. The Exchange notes that ISE does not prorate SQF Port Fees and, therefore, the Exchange requests that the Commission waive the operative delay so that the 250 SQF Port

Fee limit may be in place at the beginning of the month so that the Exchange can manage billing for its Participants.

The Commission believes that waiver of the operative delay is consistent with the protection of investors and the public interest. The Exchange issued an Options Technical Alert to announce the limitation. The Exchange states that the proposed rule change is intended to permit it to govern its connectivity management in a reasonable manner while protecting investors and the general public by obtaining greater efficiencies with the limit on SQF Ports and will provide the Exchange the ability to maintain the appropriate bandwidth to support future growth and new Market Makers entrants. In addition, the Exchange notes that it does not prorate SQF Port Fees and a waiver of the operative delay will allow the 250 SQF Port Fee limit to be in place at the beginning of the month so that the Exchange can manage billing for its Participants. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposed rule change operative upon filing.¹⁷

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-ISE-2025-21 on the subject line.

¹⁷ For purposes only of waiver the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹¹ See *supra* note 6.

¹² See *supra* note 7.

¹³ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁴ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

¹⁵ 17 CFR 240.19b-4(f)(6).

¹⁶ 17 CFR 240.19b-4(f)(6)(iii).

Paper Comments

• Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090. All submissions should refer to file number SR–ISE–2025–21. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–ISE–2025–21 and should be submitted on or before August 22, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁸

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2025–14568 Filed 7–31–25; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–103571; File Nos. SR–NASDAQ–2025–008; SR–NASDAQ–2025–038; SR–CboeBZX–2025–010; SR–CboeBZX–2025–023; SR–CboeBZX–2025–031; SR–CboeBZX–2025–033; SR–CboeBZX–2025–035; SR–CboeBZX–2025–050; SR–NYSEARCA–2025–38]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Cboe BZX Exchange, Inc.; NYSE Arca, Inc.; Order Granting Accelerated Approval of Proposed Rule Changes, as Modified by Amendments Thereto, To Amend Certain Bitcoin and Ether-Based Commodity-Based Trust Shares To Permit In-Kind Creations and Redemptions

July 29, 2025.

I. Introduction

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act”) ¹ and Rule 19b–4 thereunder (“Rule 19b–4”),² The

Nasdaq Stock Market LLC (“Nasdaq”), Cboe BZX Exchange, Inc. (“BZX”), and NYSE Arca, Inc. (“NYSE Arca,” and together with Nasdaq and BZX, the “Exchanges”), each of which lists and trades bitcoin- and ether-based Commodity Based Trust Shares,³ filed with the Securities and Exchange Commission (“Commission”) the respective proposed rule changes to permit the following trusts (each a “Trust,” and collectively, “Trusts”) to engage in creations and redemptions of their shares with authorized participants on an in-kind basis: (i) iShares Bitcoin Trust ⁴ and iShares Ethereum Trust,⁵ listed under Nasdaq

³ Commodity-Based Trust Shares are securities that are issued by a trust that holds a specified commodity deposited with the trust, or a specified commodity and, in addition to such specified commodity, cash; that are issued by such trust in a specified aggregate minimum number in return for a deposit of a quantity of the underlying commodity and/or cash; and that, when aggregated in the same specified minimum number, may be redeemed at a holder's request by such trust which will deliver to the redeeming holder the quantity of the underlying commodity and/or cash. See Nasdaq Rule 5711(d)(iv)(a), BZX Rule 14.11(e)(4)(C)(i), and NYSE Arca Rule 8.201–E(c)(1). The Commission previously approved the listing and trading of Commodity-Based Trust Shares issued by the Trusts. See 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, Securities Exchange Act Release No. 99306 (Jan. 10, 2024), 89 FR 3008 (Jan. 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 Shares of Ether-Based Exchange-Traded Products, 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 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, Securities Exchange Act Release No. 101998 (Dec. 19, 2024), 89 FR 106707 (Dec. 30, 2024) (SR–NASDAQ–2024–028; SR–CboeBZX–2024–091).

⁴ See Notice of Filing of a Proposed Rule Change, as Modified by Amendment No. 2, to Amend the Rules Governing the Listing and Trading of the Shares of the iShares Bitcoin Trust to Permit In-Kind Creations and Redemptions (SR–NASDAQ–2025–008), Securities Exchange Act Release No. 103406 (July 9, 2025), 90 FR 31386 (July 14, 2025) (“iShares BTC Amendment”).

⁵ See Notice of Filing of Amendment No. 1 and Designation of a Longer Period for Commission Action on a Proposed Rule Change, as Modified by Amendment No. 1, to Amend the Rules Governing the Listing and Trading of Shares of the iShares Ethereum Trust to Permit In-Kind Creations and Redemptions (SR–NASDAQ–2025–038), Securities

Rule 5711(d) (Commodity-Based Trust Shares); (ii) ARK 21Shares Bitcoin ETF and 21Shares Core Ethereum ETF,⁶ Fidelity Wise Origin Bitcoin Fund and Fidelity Ethereum Fund,⁷ VanEck Bitcoin ETF and VanEck Ethereum ETF,⁸ WisdomTree Bitcoin Fund,⁹ Invesco Galaxy Bitcoin ETF and Invesco Galaxy Ethereum ETF,¹⁰ and Franklin Bitcoin ETF, Franklin Ethereum ETF, and Franklin Crypto Index ETF,¹¹ each listed under BZX Rule 14.11(e)(4) (Commodity-Based Trust Shares); and (iii) Bitwise Bitcoin ETF Trust and Bitwise Ethereum ETF,¹² listed under NYSE Arca Rule 8.201–E (Commodity-Based Trust Shares). Each of the

Exchange Act Release No. 103416 (July 9, 2025), 90 FR 31507 (July 14, 2025) (“iShares ETH Amendment”).

⁶ See Notice of Filing of a Proposed Rule Change, as Modified by Amendment No. 3, to Amend the Rule Governing the Listing and Trading of the ARK 21Shares Bitcoin ETF and the 21Shares Core Ethereum ETF to Permit In-Kind Creations and Redemptions (SR–CboeBZX–2025–010), Securities Exchange Act Release No. 103524 (July 22, 2025), 90 FR 35331 (July 25, 2025) (“21Shares Amendment”).

⁷ See Notice of Filing of a Proposed Rule Change, as Modified by Amendment No. 1, to Amend the Rule Governing the Listing and Trading of the Fidelity Wise Origin Bitcoin Fund and the Fidelity Ethereum Fund to Permit In-Kind Creations and Redemptions (SR–CboeBZX–2025–023), Securities Exchange Act Release No. 103525 (July 22, 2025), 90 FR 35355 (July 25, 2025) (“Fidelity Amendment”).

⁸ See Notice of Filing of a Proposed Rule Change, as Modified by Amendment No. 1, to Amend the Rule Governing the Listing and Trading of the VanEck Bitcoin ETF and the VanEck Ethereum ETF to Permit In-Kind Creations and Redemptions (SR–CboeBZX–2025–031), Securities Exchange Act Release No. 103526 (July 22, 2025), 90 FR 35348 (July 25, 2025) (“VanEck Amendment”).

⁹ See Notice of Filing of a Proposed Rule Change, as Modified by Amendment No. 1, to Amend the Rule Governing the Listing and Trading of the WisdomTree Bitcoin Fund to Permit In-Kind Creations and Redemptions (SR–CboeBZX–2025–033), Securities Exchange Act Release No. 103527 (July 22, 2025), 90 FR 35351 (July 25, 2025) (“WisdomTree Amendment”).

¹⁰ See Notice of Filing of a Proposed Rule Change, as Modified by Amendment No. 1, to Amend the Rule Governing the Listing and Trading of the Invesco Galaxy Bitcoin ETF and the Invesco Galaxy Ethereum ETF to Permit In-Kind Creations and Redemptions (SR–CboeBZX–2025–035), Securities Exchange Act Release No. 103529 (July 22, 2025), 90 FR 35335 (July 25, 2025) (“Invesco Amendment”).

¹¹ See Notice of Filing of a Proposed Rule Change, as Modified by Amendment No. 1, to Amend the Rule Governing the Listing and Trading of the Franklin Bitcoin ETF, the Franklin Ethereum ETF, and the Franklin Crypto Index ETF, to Permit In-Kind Creations and Redemptions (SR–CboeBZX–2025–050), Securities Exchange Act Release No. 103530 (July 22, 2025), 90 FR 35343 (July 25, 2025) (“Franklin Amendment”).

¹² See Notice of Filing of Amendment No. 2 to Proposed Rule Change to Amend the Bitwise Bitcoin ETF Trust and the Bitwise Ethereum ETF in Order to Permit In-Kind Creations and Redemptions (SR–NYSEARCA–2025–38), Securities Exchange Act Release No. 103407 (July 9, 2025), 90 FR 31390 (July 14, 2025) (“Bitwise Amendment”).

¹⁸ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

foregoing proposed rule changes, as modified by their respective amendments, is referred to herein as a “Proposal” and collectively as the “Proposals.”¹³ The Proposals were published for comment in the **Federal Register**.¹⁴ This order approves the Proposals on an accelerated basis.¹⁵

II. Discussion and Commission Findings

After careful review, the Commission finds that the Proposals are consistent with the Exchange Act and rules and regulations thereunder applicable to a national securities exchange.¹⁶ In particular, the Commission finds that the Proposals are consistent with Section 6(b)(5) of the Exchange Act,¹⁷ which requires, among other things, that the Exchanges’ rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

Currently, the Trusts only create or redeem their shares with authorized participants in cash.¹⁸ The Proposals would allow the Trusts, in addition to their ability to transact with authorized participants in cash, to engage in creations or redemptions of their shares in an in-kind transaction of spot bitcoin or spot ether, as applicable.¹⁹ All Commodity-Based Trust Shares approved by the Commission before the approval of bitcoin and ether exchange-traded products could create and redeem shares on an in-kind basis.²⁰

Permitting in-kind creations and redemptions offer the Trusts an additional method of transacting with authorized participants and may enhance tax efficiencies and minimize transaction costs. Providing market participants with flexibility and creating potential efficiencies in the market is consistent with the requirements of Section 6(b)(5) of the Exchange Act²¹ and, in particular, the requirement that the Exchanges’ rules be designed to remove impediments to and perfect the mechanism of a free and open market and a national market system. Moreover, the Exchanges represent that all other representations relating to the Trusts will remain unchanged and continue to constitute continuing listing standards²² and that the Trusts will continue to comply with all other provisions of the applicable Exchange listing standards relating to Commodity-Based Trust Shares.²³ As such, based on the record before the Commission,²⁴ the

(Nov. 5, 2004) (SR–NYSE–2004–22); iShares COMEX Gold Trust, Securities Exchange Act Release No. 51058 (Jan. 19, 2005), 70 FR 3749 (Jan. 26, 2005) (SR–Amex–2004–38); iShares Silver Trust, Securities Exchange Act Release No. 53521 (Mar. 20, 2006), 71 FR 14967 (Mar. 24, 2006) (SR–Amex–2005–072); ETFs Gold Trust, Securities Exchange Act Release No. 59895 (May 8, 2009), 74 FR 22993 (May 15, 2009) (SR–NYSEArca–2009–40); ETFs Palladium Trust, Securities Exchange Act Release No. 61220 (Dec. 22, 2009), 74 FR 68895 (Dec. 29, 2009) (SR–NYSEArca–2009–94); ETFs Platinum Trust, Securities Exchange Act Release No. 61219 (Dec. 22, 2009), 74 FR 68886 (Dec. 29, 2009) (SR–NYSEArca–2009–95); ETFs Precious Metals Basket Trust, Securities Exchange Act Release No. 62692 (Aug. 11, 2010), 75 FR 50789 (Aug. 17, 2010) (SR–NYSEArca–2010–56); ETFs White Metals Basket Trust, Securities Exchange Act Release No. 62875 (Sept. 9, 2010), 75 FR 56156 (Sept. 15, 2010) (SR–NYSEArca–2010–71). In addition, creations and redemptions of exchange-traded funds (“ETFs”) that are structured as an open-end management investment company or as a unit investment trust under the Investment Company Act of 1940 (“Investment Company Act”) are typically effected in kind. See Investment Company Act Release No. 33646 (Sept. 9, 2019), 84 FR 57162 (October 24, 2019) (adopting Rule 6c–11 under Investment Company Act).

²¹ See *supra* note 17 and accompanying text.

²² See iShares BTC Amendment at 31387; iShares ETH Amendment at 31508; 21Shares Amendment at 35334; Fidelity Amendment at 35357; VanEck Amendment at 35350; WisdomTree Amendment at 35352–3; Invesco Amendment at 35338; Franklin Amendment at 35347; and Bitwise Amendment at 31392.

²³ See NYSE Arca Rule 8.201–E (Commodity-Based Trust Shares); Nasdaq Rule 5711(d) (Commodity-Based Trust Shares); and BZX Rule 14.11(e)(4) (Commodity-Based Trust Shares).

²⁴ The Commission received one comment letter supporting SR–NASDAQ–2025–008 and stating that approving that proposal would provide significant benefits to investors, including increased tax efficiency, simplified reporting, enhanced asset security, and improved market integrity and efficiency. See Letter from Jeff Kleban, dated May 14, 2025. The Commission also received one comment letter generally supporting SR–CboeBZX–2025–023. See Letter from Sammy Aigo, dated Feb. 19, 2025.

Commission finds that the Proposals are consistent with Section 6(b)(5) of the Exchange Act.²⁵

III. Accelerated Approval of the Proposals

The Commission finds good cause to approve the Proposals prior to the 30th day after the date of publication of notice of the Exchanges’ amended filings²⁶ in the **Federal Register**. The amended filings make technical clarifications of the proposed in-kind creation and redemption process and conform various representations in the amended filings to the applicable Exchange’s listing standards and to representations that the Exchanges have made for other Commodity-Based Trust Shares that the Commission has approved.²⁷ These changes do not raise any novel regulatory issues. Further, the changes assist the Commission in evaluating the Proposals and in determining that they are consistent with the Exchange Act and the rules and regulations thereunder applicable to a national securities exchange, as discussed above. Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Exchange Act,²⁸ to approve the Proposals on an accelerated basis.

IV. Conclusion

This approval order is based on all of the Exchanges’ representations and descriptions in their respective amended filings, which the Commission has evaluated as discussed above.²⁹ For the reasons set forth above, the Commission finds, pursuant to Section 19(b)(2) of the Exchange Act,³⁰ that the Proposals are consistent with the requirements of the Exchange Act and the rules and regulations thereunder applicable to a national securities

²⁵ See *supra* note 17.

²⁶ See *supra* notes 4–12.

²⁷ See *supra* note 20.

²⁸ 15 U.S.C. 78s(b)(2).

²⁹ In addition, the shares of the Trusts in SR–NASDAQ–2025–008 and SR–NASDAQ–2025–038 must continue to comply with the requirements of Nasdaq Rule 5711(d) (Commodity-Based Trust Shares) to be listed and traded on Nasdaq on a continuing basis; the shares of the Trusts in SR–CboeBZX–2025–010, SR–CboeBZX–2025–023, SR–CboeBZX–2025–031, SR–CboeBZX–2025–033, SR–CboeBZX–2025–035, and SR–CboeBZX–2025–050 must continue to comply with the requirements of BZX Rule 14.11(e)(4) (Commodity-Based Trust Shares) to be listed and traded on BZX on a continuing basis; and shares of the Trusts in SR–NYSEARCA–2025–38 must continue to comply with the requirements of NYSE Arca Rule 8.201–E (Commodity-Based Trust Shares) to be listed and traded on NYSE Arca on a continuing basis.

³⁰ 15 U.S.C. 78s(b)(2).

¹³ For the complete procedural history of each Proposal, see each respective Amendment, *supra* notes 4–12.

¹⁴ The Commission received comments on the iShares BTC Amendment, available at: <https://www.sec.gov/comments/sr-nasdaq-2025-008/srnasdaq2025008.htm> and the Fidelity Amendment available at: <https://www.sec.gov/comments/sr-cboebzx-2025-023/sr-cboebzx2025023.htm>.

¹⁵ See *infra* Section III.

¹⁶ In approving the Proposals, the Commission has considered the Proposals’ impacts on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹⁷ 15 U.S.C. 78f(b)(5).

¹⁸ See *supra* note 3.

¹⁹ See *supra* notes 4–12. Generally, in an in-kind creation, an authorized participant will deliver spot bitcoin or spot ether, as applicable, to the trust in exchange for trust shares. And in an in-kind redemption, an authorized participant will deliver trust shares to the trust in exchange for spot bitcoin or spot ether, as applicable.

²⁰ See, e.g., streetTRACKS Gold Shares, Exchange Act Release No. 50603 (Oct. 28, 2004), 69 FR 64614

exchange, and in particular, with Section 6(b)(5) of the Exchange Act.³¹

It is therefore ordered, pursuant to Section 19(b)(2) of the Exchange Act,³² that the Proposals (SR–NASDAQ–2025–008; SR–NASDAQ–2025–038; SR–CboeBZX–2025–010; SR–CboeBZX–2025–023; SR–CboeBZX–2025–031; SR–CboeBZX–2025–033; SR–CboeBZX–2025–035; SR–CboeBZX–2025–050; SR–NYSEARCA–2025–38) be, and hereby are, approved on an accelerated basis.

By the Commission.

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2025–14543 Filed 7–31–25; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–103566; File No. SR–NYSEAMER–2024–78]

Self-Regulatory Organizations; NYSE American LLC; Order Approving a Proposed Rule Change, as Modified by Amendment No. 1, To Permit the Trading of FLEX Options on Shares of the Grayscale Bitcoin Trust, the Grayscale Bitcoin Mini Trust ETF, and the Bitwise Bitcoin ETF

July 29, 2025.

I. Introduction

On December 13, 2024, NYSE American LLC (“Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or “Exchange Act”) ¹ and Rule 19b–4 thereunder,² a proposed rule change to amend Exchange Rule 903G(a)(1) to permit Flexible Exchange (“FLEX”) options on shares of the Grayscale Bitcoin Trust (BTC) (“GBTC”). The proposed rule change was published for comment in the **Federal Register** on December 27, 2024.³ On February 7, 2025, pursuant to Section 19(b)(2) of the Act,⁴ the Commission designated a longer period within which to approve the proposal, disapprove the proposal, or institute proceedings to determine whether to disapprove the proposal.⁵

On March 14, 2025, the Commission instituted proceedings under Section 19(b)(2)(B) of the Act ⁶ to determine whether to approve or disapprove the proposal.⁷ On April 25, 2025, the Exchange filed Amendment No. 1 to the proposal, which replaces and supersedes the original filing in its entirety.⁸ The proposed rule change, as modified by Amendment No. 1, was published for comment in the **Federal Register** on May 9, 2025.⁹ The Commission received no comments regarding the proposed rule change, as modified by Amendment No. 1. This order approves the proposed rule change, as modified by Amendment No. 1.

II. Description of the Proposed Rule Change, as Modified by Amendment No. 1

As described more fully in the Notice, the Exchange states that FLEX options are customized equity or index contracts that allow investors to tailor contract terms for exchange-listed equity and index options.¹⁰ Except for enumerated exceptions, FLEX options are not subject to position limits.¹¹ The Exchange states that the Commission recently approved the trading of options on GBTC, BTC, and BITB, all exchange-traded products (“ETPs”) that hold spot bitcoin and are listed on NYSE Arca, Inc., the Exchange’s affiliated equities exchange.¹² The Exchange further states that GBTC, BTC, and BITB options currently are not approved for FLEX trading, and that the current position and exercise limit for options applicable to each Fund is 25,000 contracts.¹³ The Exchange proposes to amend its rules to permit FLEX equity options on GBTC

disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change.

⁶ 15 U.S.C. 78s(b)(2)(B).

⁷ See Securities Exchange Act Release No. 102675 (Mar. 14, 2025), 90 FR 13229.

⁸ Among other things, Amendment No. 1 expands the scope of the proposal to permit FLEX options on the Grayscale Bitcoin Mini Trust ETF (“BTC”), and the Bitwise Bitcoin ETF (“BITB”), as well as GBTC (each a “Fund” and, collectively, the “Funds”). Amendment No. 1 also makes technical corrections to Exchange Rule 904, Commentary .07(f), to update the name of the Grayscale Bitcoin Mini Trust (BTC) to the Grayscale Bitcoin Mini Trust ETF and correct the symbol associated with the Fidelity Ethereum Fund from “ETH” to “FETH.”

⁹ See Securities Exchange Act Release No. 102996 (May 5, 2025), 90 FR 19756 (“Notice”).

¹⁰ See *id.* at 19756, n.6.

¹¹ See *id.* at 19756–57.

¹² See *id.* 90 FR at 19757. See also Securities Exchange Act Release No. 101386 (Oct. 18, 2024), 89 FR 84960 (Oct. 24, 2024) (File No. SR–NYSEAMER–2024–49) (order approving the listing and trading of options on GBTC, BTC, and BITB) (“Bitcoin ETP Options Order”).

¹³ See Notice, 90 FR at 19757.

(“FLEX GBTC”), BTC (“FLEX BTC”), and BITB (“FLEX BITB”) (collectively, “FLEX Fund Options”) and to apply the 25,000-contract position and exercise limits for GBTC options, BTC options, and BITB options to FLEX GBTC, FLEX BTC, and FLEX BITB, respectively.¹⁴ The Exchange will aggregate position (and exercise) limits for all GBTC, BTC, and BITB FLEX and non-FLEX options in the same underlying Fund, thus limiting positions for GBTC, BTC, and BITB options—FLEX and non-FLEX—to 25,000 contracts for each Fund.¹⁵

The Exchange states that the Commission has stated that “rules regarding position and exercise limits are intended to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options positions.”¹⁶ The Exchange states that, for this reason, the Commission requires that “position and exercise limits must be sufficient to prevent investors from disrupting the market for the underlying security by acquiring and exercising a number of options contracts disproportionate to the deliverable supply and average trading volume of the underlying security.”¹⁷ The Exchange further states that based on its review of the data and analysis provided by the Exchange, the Commission concluded that the 25,000-contract position limit for non-FLEX options on each Fund satisfied these objectives.¹⁸

The Exchange states that the proposed aggregated limit effectively restricts a market participant from holding positions that could result in the receipt of more than 2,500,000 shares, aggregated for FLEX and non-FLEX options in the same underlying Fund (if that market participant exercised all its options).¹⁹ The Exchange states that capping the aggregated position limit at 25,000 contracts would be sufficient to address concerns related to manipulation and the protection of investors, and, further, that the proposed position and exercise limits are conservative given the liquidity of the Funds.²⁰ As described more fully in the Notice, the Exchange states that although it proposes an aggregated position limit of 25,000 contracts for all

¹⁴ See *id.*

¹⁵ See *id.* and proposed Exchange Rule 906G(b)(iv).

¹⁶ See Notice, 90 FR at 19757 (citing the Bitcoin ETP Options Order, 89 FR at 84971).

¹⁷ See Notice, 90 FR at 19757.

¹⁸ See *id.*

¹⁹ See Notice, 90 FR at 19757.

²⁰ See *id.*

³¹ 15 U.S.C. 78f(b)(5).

³² 15 U.S.C. 78s(b)(2).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ See Securities Exchange Act Release No. 102014 (Dec. 20, 2024), 89 FR 105669.

⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 102376 (Feb. 7, 2025), 90 FR 9570 (Feb. 13, 2025). The Commission designated March 27, 2025, as the date by which the Commission shall either approve or

options for each Fund, there is evidence to support a higher position limit.²¹

The Exchange states that FLEX options on ETFs are currently traded in the over-the-counter (“OTC”) market by a variety of market participants, including hedge funds, proprietary trading firms, and pension funds.²² The Exchange states that an exchange-traded alternative may provide a useful risk management and trading vehicle for market participants and their customers.²³ The Exchange states that Exchange-traded FLEX Fund Options would have advantages over contracts traded in the OTC market, including the mitigation of counter-party credit risk because Exchange-traded options are issued and guaranteed by The Options Clearing Corporation (“OCC”) and the price discovery and dissemination provided by the Exchange and its members, which would lead to more transparent markets.²⁴

The Exchange states that it and The Options Price Reporting Authority have the necessary systems capacity to handle the additional traffic associated with the listing of FLEX Fund Options.²⁵ The Exchange states that the same surveillance procedures applicable to the other options products listed and traded on the Exchange, including non-FLEX options in each Fund, will apply to FLEX Fund Options, and that it has the necessary systems capacity to support the options.²⁶ The Exchange states that FLEX options products (and their respective symbols) are integrated into the Exchange’s existing surveillance system architecture and are thus subject to the relevant surveillance processes.²⁷ The Exchange further states that its market surveillance staff (including staff of the Financial Industry Regulatory Authority (“FINRA”) who perform surveillance and investigative work on behalf of the Exchange pursuant to a regulatory services agreement) conducts surveillances with respect to GBTC, BTC, and BITB (*i.e.*, the underlying ETFs) and, as appropriate, would review activity in the applicable ETF when conducting surveillances for market abuse or manipulation in the FLEX Fund Options.²⁸ The Exchange states that it

does not believe that allowing FLEX Fund Options would render the marketplace for non-FLEX options in any of the Funds, or equity options in general, more susceptible to manipulative practices.²⁹ The Exchange states that its existing trading surveillances are adequate to monitor the trading in GBTC, BTC, and BITB, and subsequent trading of FLEX Fund Options on the Exchange.³⁰ Additionally, the Exchange states that it is a member of the Intermarket Surveillance Group (“ISG”) under the Intermarket Surveillance Group Agreement, that ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets, and that it would therefore have access to information regarding trading activity in GBTC, BTC, and BITB and in other pertinent underlying securities on other exchanges through ISG.³¹ In addition, the Exchange states that it has a regulatory services agreement with FINRA, pursuant to which FINRA conducts certain surveillances on behalf of the Exchange.³² The Exchange further states that, pursuant to a multi-party 17d–2 joint plan, all options exchanges allocate regulatory responsibilities to FINRA to conduct certain options-related market surveillances.³³ The Exchange states that it will implement any additional surveillance procedures it deems necessary to effectively

Investment Company Act of 1940. *See* Form 10–Q for GBTC, dated May 2, 2025, available at <https://www.sec.gov/Archives/edgar/data/1588489/000095017025062731/gbtc-20250331.htm>; Amendment No. 4 to Form S–1 for BTC, dated July 26, 2024, available at <https://www.sec.gov/Archives/edgar/data/2015034/000119312524186494/d785023ds1a.htm>; Pre-Effective Amendment No. 1 to Form S–3 for BITB, dated June 23, 2025, available at https://www.sec.gov/Archives/edgar/data/1763415/000121390025056635/ea0246384-s3a1_bitwise.htm.

²⁹ *See* Notice, 90 FR at 19759.

³⁰ *See id.*

³¹ *See id.*

³² *See id.*

³³ *See id.* The Exchange states that Section 19(g)(1) of the Act, among other things, requires every self-regulatory organization (“SRO”) registered as a national securities exchange or national securities association to comply with the Act, the rules and regulations thereunder, and the SRO’s own rules, and, absent reasonable justification or excuse, enforce compliance by its members and persons associated with its members. *See* 15 U.S.C. 78q(d)(1) and 17 CFR 240.17d–2. Section 17(d)(1) of the Act allows the Commission to relieve an SRO of certain responsibilities with respect to members of the SRO who are also members of another SRO. Specifically, Section 17(d)(1) allows the Commission to relieve an SRO of its responsibilities to: receive regulatory reports from such members; examine such members for compliance with the Act and the rules and regulations thereunder, and the rules of the SRO; or carry out other specified regulatory responsibilities with respect to such members. *See* Notice, 90 FR at 19759 at n.30.

monitor the trading of FLEX Fund Options.³⁴

III. Discussion and Commission Findings

After careful consideration, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange,³⁵ and, in particular, the requirements of Section 6 of the Act.³⁶ Specifically, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with Section 6(b)(5) of the Act,³⁷ which requires, among other things, that an exchange have rules designed to prevent fraudulent and manipulative acts and practices and to protect investors and the public interest.

The proposed FLEX Fund Options would permit the creation of customized options on GBTC, BTC, and BITB, which could help market participants implement their hedging, risk management, and investment strategies. In addition, the proposal will extend to FLEX Fund Options the benefits of trading on the Exchange’s options market, including a centralized market center, an auction market with posted transparent market quotations and transaction reporting, parameters and procedures for clearance and settlement, and the guarantee of OCC for all contracts traded on the Exchange.³⁸

The Exchange’s rules currently provide position and exercise limits of 25,000 contracts on the same side of the market for GBTC, BTC, and BITB options.³⁹ Although the proposal provides for the trading of FLEX Fund Options, the proposal maintains the existing position and exercise limits for GBTC, BTC, and BITB options of 25,000 contracts on the same side of the market and thus does not raise new regulatory issues with respect to position and exercise limits.⁴⁰ The Commission finds

³⁴ *See* Notice, 90 FR at 19759.

³⁵ In approving this proposed rule change, as modified by Amendment No. 1, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

³⁶ 15 U.S.C. 78f.

³⁷ 15 U.S.C. 78f(b)(5).

³⁸ *See* Securities Exchange Act Release No. 36841 (Feb. 14, 1996), 61 FR 6666, 6668 (Feb. 21, 1996) (File Nos. SR–Cboe–95–43 and PSE–95–24) (order approving listing of FLEX options on specified equity securities).

³⁹ *See* Exchange Rule 904, Commentary .07(f).

⁴⁰ *See* Bitcoin ETP Options Order, 89 FR at 84971 (discussing the Commission’s approval of the 25,000-contract position and exercise limits for GBTC, BTC, and BITB options).

²¹ *See id.*

²² *See id.*

²³ *See id.*

²⁴ *See id.*

²⁵ *See* Notice, 90 FR at 19758.

²⁶ *See id.*

²⁷ *See id.*

²⁸ *See id.* at 19758–59. The Exchange’s rules use the term “exchange-traded fund” to refer to several types of investment products. *See* Exchange Rule 915, Commentary .06. GBTC, BTC and BITB are not registered nor subject to regulation under the

that the proposed aggregation of positions in FLEX and non-FLEX options when calculating position and exercise limits for each of the FLEX Fund Options is consistent with the Act, and in particular, with the requirements in Section 6(b)(5) 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. Position and exercise limits serve as a regulatory tool designed to deter manipulative schemes and adverse market impact surrounding the use of options. Since the inception of standardized options trading, the options exchanges have had rules limiting the aggregate number of options contracts that a member or customer may hold or exercise. Options position and exercise limits are intended to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market to benefit the options position.⁴¹ In addition, such limits serve to reduce the possibility of disruption in the options market itself, especially in illiquid classes.⁴²

When the Commission approved the Exchange's proposal to list options on GBTC, BTC, and BITB, the Commission concluded that the proposed position and exercise limits were designed to prevent investors from disrupting the market for the underlying security by acquiring and exercising a number of options contracts disproportionate to the deliverable supply and average trading volume of the underlying security, and to prevent the establishment of options positions that could be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options position.⁴³ At the same time, the Commission has recognized that limits must not be established at levels that are so low as to discourage participation in the options market by institutions and other investors with substantial hedging needs or to prevent specialists and market-makers from adequately meeting their obligations to maintain a fair and orderly market.⁴⁴ This analysis applies to the proposed position and exercise limits for the FLEX Fund Options as well. By applying the existing GBTC, BTC, and BITB option position and

exercise limits to the FLEX Fund Options, and by requiring the aggregation of positions in FLEX and non-FLEX options on each of the funds for position and exercise limit purposes, the proposed position and exercise limits for the FLEX Fund Options are designed to prevent investors from disrupting the market for the underlying security by acquiring and exercising a number of options contracts disproportionate to the deliverable supply and average trading volume of the underlying security, and to prevent the establishment of options positions that could be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options position.

The Commission previously considered the surveillance procedures that would apply to options on GBTC, BTC, and BITB when it approved the Exchange's proposal to list and trade options on GBTC, BTC, and BITB.⁴⁵ As described above, the same surveillance procedures applicable to other options products listed and traded on the Exchange, including non-FLEX options on the Funds, will apply to FLEX Fund Options.⁴⁶ The Exchange states that FLEX options products (and their respective symbols) are integrated into the Exchange's existing surveillance system architecture and thus are subject to the relevant surveillance processes.⁴⁷ The Exchange further states that it will implement any additional surveillance procedures it deems necessary to effectively monitor the trading of FLEX Fund Options.⁴⁸ In addition, the Exchange states that its market surveillance staff (including staff of FINRA who perform surveillance and investigative work on behalf of the Exchange pursuant to a regulatory services agreement) conducts surveillances with respect to GBTC, BTC, and BITB and, as appropriate, would review activity in GBTC, BTC, and BITB when conducting surveillances for market abuse or manipulation in the FLEX Fund Options.⁴⁹ The Exchange also states that it is a member of ISG, that ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets, and that it would therefore have access to information regarding trading activity in GBTC, BTC, and BITB and in other pertinent underlying securities on other

exchanges through ISG.⁵⁰ Accordingly, the Exchange states that for surveillance purposes, it would therefore have access to information regarding trading activity in the pertinent underlying securities.⁵¹ Further, in approving proposals to list bitcoin-based ETPs, including GBTC, BTC, and BITB, the Commission found that there were sufficient means to prevent fraud and manipulation of bitcoin-based ETPs.⁵²

Together, these surveillance procedures should allow the Exchange to investigate suspected manipulations or other trading abuses in FLEX Fund Options. Accordingly, the Commission finds that the Exchange's surveillance procedures for the FLEX Fund Options are designed to prevent fraudulent and manipulative acts and practices and to protect investors and the public interest.

The proposed changes to Exchange Rule 904, Commentary .07(f) to update the name of the Grayscale Bitcoin Mini Trust (BTC) to the Grayscale Bitcoin Mini Trust ETF and to correct the symbol associated with the Fidelity Ethereum Fund should help to ensure the accuracy of the Exchange's rules.

IV. Conclusion

For the reasons set forth above, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with the requirements of the Exchange Act and the rules and regulations thereunder applicable to a national securities exchange and, in particular, the requirements of Section 6(b)(5) of the Act.⁵³

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁵⁴ that the proposed rule change, (SR–NYSEAMER–2024–78), as modified by Amendment No. 1, is approved.

By the Commission.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025–14546 Filed 7–31–25; 8:45 am]

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⁴¹ See Securities Exchange Act Release No. 39489 (Dec. 24, 1997), 63 FR 276, 279 (Jan. 5, 1998) (order approving File No. SR–Choe–97–11).

⁴² See *id.*

⁴³ See Bitcoin ETP Options Order, 89 FR at 84971. See also Securities Exchange Act Release Nos. 21907 (Mar. 29, 1985), 50 FR 13440, 13441 (Apr. 4, 1985).

⁴⁴ See *id.*

⁴⁵ See Bitcoin ETP Options Order, 89 FR at 84971 (discussing the surveillance procedures that will apply to options on GBTC, BTC, and BITB).

⁴⁶ See Notice, 90 FR at 19759.

⁴⁷ See *id.*

⁴⁸ See *id.*

⁴⁹ See *id.*

⁵⁰ See *id.*

⁵¹ See *id.*

⁵² See Securities Exchange Act Release Nos. 99306 (Jan. 10, 2024), 89 FR 3008 (Jan. 17, 2024) and 100610 (Jul. 26, 2024), 89 FR 62821 (Aug. 1, 2024).

⁵³ 15 U.S.C. 78f(b)(5).

⁵⁴ 15 U.S.C. 78s(b)(2).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–103572; File No. SR–NYSEARCA–2024–98]

Self-Regulatory Organizations; NYSE Arca, Inc.; Order Scheduling Filing of Statements on Review of an Order Approving a Proposed Rule Change, as Modified by Amendment No. 1 Thereto, To Amend NYSE Arca Rule 8.500–E (Trust Units) and To List and Trade Shares of the Bitwise 10 Crypto Index ETF Under Amended NYSE Arca Rule 8.500–E (Trust Units)

July 29, 2025.

On November 14, 2024, NYSE Arca, Inc. (“NYSE Arca” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act”)¹ and Rule 19b–4 thereunder,² a proposed rule change to list and trade shares of the Bitwise 10 Crypto Index ETF under certain proposed listing rules. The proposed rule change was published for comment in the **Federal Register** on December 3, 2024.³

On January 14, 2025, pursuant to Section 19(b)(2) of the Exchange Act,⁴ the Division of Trading and Markets (“Division”), pursuant to delegated authority, extended the time period for Commission action on the proposed rule change.⁵ On March 3, 2025, the Division, pursuant to delegated authority, instituted proceedings pursuant to Section 19(b)(2)(B) of the Exchange Act⁶ to determine whether to approve or disapprove the proposed rule change.⁷ On May 28, 2025, the Division, pursuant to delegated authority, designated a longer period for Commission action on proceedings to determine whether to approve or disapprove the proposed rule change.⁸

On July 17, 2025, the Exchange filed Amendment No. 1 to the proposed rule

change, which replaced and superseded the proposed rule change in its entirety. The proposed rule change, as modified by Amendment No. 1, was published for comment in the **Federal Register** on July 23, 2025.⁹

On July 22, 2025, the Division, acting on behalf of the Commission by delegated authority,¹⁰ approved the proposed rule change, as modified by Amendment No. 1, on an accelerated basis.¹¹ On July 22, 2025, the Deputy Secretary of the Commission notified NYSE Arca that, pursuant to Commission Rule of Practice 431,¹² the Commission would review the Division’s action pursuant to delegated authority and that the Division’s action pursuant to delegated authority was stayed until the Commission orders otherwise.¹³

Accordingly, *it is ordered*, pursuant to Commission Rule of Practice 431, that by August 22, 2025, any party or other person may file a statement in support of, or in opposition to, the action made pursuant to delegated authority.

It is further *ordered* that the order approving proposed rule change SR–NYSEARCA–2024–98 shall remain stayed pending further order of the Commission.

By the Commission.

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2025–14548 Filed 7–31–25; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–103567; File No. SR–NYSEARCA–2025–07]

Self-Regulatory Organizations; NYSE Arca, Inc.; Order Approving a Proposed Rule Change, as Modified by Amendment No. 3, To Amend Rules Regarding Position and Exercise Limits for Options on the Grayscale Bitcoin Trust (“GBTC”) and To Permit Flexible Exchange Options on GBTC

July 29, 2025.

I. Introduction

On January 29, 2025, NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”) filed

with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b–4 thereunder,² a proposed rule change to amend the position and exercise limits for options on the Grayscale Bitcoin Trust ETF (“GBTC”) and to permit options on GBTC to trade as Flexible Exchange (“FLEX”) Equity Options (“FLEX GBTC options”).³ On February 7, 2025, the Exchange filed Amendment No. 1 to the proposed rule change.⁴ The proposed rule change, as modified by Amendment No. 1, was published for comment in the **Federal Register** on February 18, 2025.⁵ On March 12, 2025, pursuant to Section 19(b)(2) of the Act,⁶ the Commission designated a longer period within which to approve the proposal, disapprove the proposal, or institute proceedings to determine whether to disapprove the proposal.⁷ On April 28, 2025, the Exchange filed Amendment No. 2 to the proposal. On May 6, 2025, the Exchange withdrew Amendment No. 2 and filed Amendment No. 3, which supersedes and replaces the original filing in its entirety.⁸ On May 23, 2025, the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ The Exchange’s initial proposal refers to the “Grayscale Bitcoin Trust (BTC)” (“GBTC”).” Amendment No. 3 to the proposal, which supersedes and replaces the original filing in its entirety, refers to “the Grayscale Bitcoin Trust ETF (“GBTC”).” The Exchange’s rules use the term “exchange-traded fund” to refer to several types of investment products. See Exchange Rule 5.3–O(g). GBTC is not a registered investment company under the Investment Company Act of 1940. See Form 10–Q, dated May 2, 2025, available at <https://www.sec.gov/Archives/edgar/data/1588489/000095017025062731/gbtc-20250331.htm>.

⁴ Amendment No. 1 revised the proposal to correct rule marking errors in Exhibit 5 of the proposal.

⁵ See Securities Exchange Act Release No. 102402 (Feb. 11, 2025), 90 FR 9765 (Feb. 18, 2025).

⁶ 15 U.S.C. 78s(b)(2).

⁷ See Securities Exchange Act Release No. 102629 (Mar. 12, 2025), 90 FR 12630 (Mar. 18, 2025). The Commission designated May 19, 2025, as the date by which the Commission shall approve or disapprove, or institute proceedings to determine whether to approve or disapprove, the proposed rule change.

⁸ Amendment No. 3 revises the proposal to: make clear that by removing the current 25,000 contract position limit for GBTC in Exchange Rule 6.8–O, Commentary .06(f), GBTC will be subject to the position limits in Exchange Rule 6.8–O, Commentary .06(a)–(e) that apply to other equity options; make clear that any FLEX and non-FLEX positions in the GBTC must be aggregated for purposes of calculating the position and exercise limits; indicate that, under Exchange Rule 6.9–O, exercise limits for options on an underlying security are the same as the position limits for options on that underlying; state that the Exchange would be able to obtain information regarding trading in shares of GBTC (rather than “trading activity in the pertinent underlying securities”) on other exchanges through the Intermarket

Continued

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ See Securities Exchange Act Release No. 101775 (Nov. 27, 2024), 89 FR 95853 (Dec. 3, 2024). Comments on the proposed rule change are available at: <https://www.sec.gov/comments/sr-nysearca-2024-98/srnysearca202498.htm>.

⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 102186 (Jan. 14, 2025), 90 FR 7199 (Jan. 21, 2025) (designating March 3, 2025, as the date by which the Commission shall either approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change).

⁶ 15 U.S.C. 78s(b)(2)(B).

⁷ See Securities Exchange Act Release No. 102514 (Mar. 3, 2025), 90 FR 11559 (Mar. 7, 2025).

⁸ See Securities Exchange Act Release No. 103140 (May 28, 2025), 90 FR 23574 (June 3, 2025) (designating July 31, 2025, as the date by which the Commission shall either approve or disapprove the proposed rule change).

⁹ See Securities Exchange Act Release No. 103499 (July 18, 2025), 90 FR 34681 (July 23, 2025).

¹⁰ 17 CFR 200.30–3(a)(12).

¹¹ See Securities Exchange Act Release No. 103531 (July 22, 2025), 90 FR 35339 (July 25, 2025).

¹² 17 CFR 201.431.

¹³ See Letter from J. Matthew DeLesDernier, Deputy Secretary, Commission, to Le-Anh Bui, Senior Counsel, NYSE Group, Inc., dated July 22, 2025, available at <https://www.sec.gov/files/rules/sro/nysearca/2025/sr-nysearca-2024-98-rule-431-letter-2025-07-22.pdf>.

Commission published notice of Amendment No. 3 and instituted proceedings under Section 19(b)(2)(B) of the Act⁹ to determine whether to approve or disapprove the proposal, as modified by Amendment No. 3.¹⁰ The Commission received a comment on the proposal.¹¹ This order approves the proposal, as modified by Amendment No. 3.

II. Description of the Proposed Rule Change, as Modified by Amendment No. 3

As described more fully in the Notice and Order Instituting Proceedings, the Exchange proposes to amend its rules to provide for the trading of FLEX GBTC options and to apply the position limits in Exchange Rule 6.8–O, Commentary .06(a)–(e) to GBTC options.¹² Under Exchange Rule 6.9–O, Commentary .01, the exercise limits for options on an underlying security are the same as the position limits for options on that security.¹³

Surveillance Group; revise the analysis supporting the proposed position and exercise limits; and make a technical change to replace rule text references to “the Grayscale Bitcoin Trust BTC (BTC)” with its ticker symbol, “GBTC.”

⁹ 15 U.S.C. 78s(b)(2)(B).

¹⁰ See Securities Exchange Act Release No. 103066 (May 19, 2025), 90 FR 22120 (May 23, 2025) (“Notice and Order Instituting Proceedings”).

¹¹ This comment is available at <https://www.sec.gov/comments/sr-nysearca-2025-07/srnysearca202507-1793014.htm> and it does not address issues related to the proposal.

¹² Exchange Rule 6.8–O establishes a position limit of 250,000 contracts on the same side of the market for options on an underlying stock or ETF that had trading volume of at least 100,000,000 shares during the most recent six-month trading period or that had trading volume of at least 75,000,000 shares during the most recent six-month trading period and has at least 300,000,000 shares currently outstanding; 200,000 contracts on the same side of the market for options on an underlying stock or ETF that had trading volume of at least 80,000,000 shares during the most recent six-month trading period or that had trading volume of at least 60,000,000 shares during the most recent six-month trading period and has at least 240,000,000 shares currently outstanding; 75,000 contracts on the same side of the market for options on an underlying stock or ETF that had trading volume of at least 40,000,000 shares during the most recent six-month trading period or that had trading volume of at least 30,000,000 shares during the most recent six-month trading period and has at least 120,000,000 shares currently outstanding; 50,000 contracts on the same side of the market for options on an underlying stock or ETF that had trading volume of at least 20,000,000 shares during the most recent six-month trading period or trading volume of at least 15,000,000 shares during the most recent six-month trading period and at least 40,000,000 shares currently outstanding; and 25,000 contracts on the same side of the market for options on an underlying stock or ETF that does not satisfy the criteria for a higher limit.

¹³ See Exchange Rule 6.9–O, Commentary .01 and Notice and Order Instituting Proceedings, 90 FR at 22121, footnote 14.

Position and Exercise Limits

The Exchange proposes to eliminate the current 25,000-contract position limit in Exchange Rule 6.8–O, Commentary .06(f) for GBTC options and to apply to GBTC options the position and exercise limits that apply to other equity options, *i.e.*, the position and exercise limits in Exchange Rules 6.8–O, Commentary .06(a)–(e) and 6.9–O.¹⁴ Under Exchange Rule 6.8–O, Commentary .06(e), position limits for options on GBTC would be subject to six-month reviews to determine future position and exercise limits.¹⁵ The Exchange states that GBTC options qualify for the 250,000-contract limit in Exchange Rule 6.8–O, Commentary .06(e)(i), which requires that trading volume for the underlying security in the most recent six months be at least 100,000,000 shares.¹⁶

The Exchange states that the reporting requirement for GBTC options will remain unchanged and that the Exchange will continue to require each member that maintains positions in GBTC options, on the same side of the market, for its own account or for the account of a customer, to report certain information to the Exchange, including the options positions, whether such positions are hedged and, if so, a description of the hedge(s).¹⁷ In addition, the Exchange states that its requirement that members file reports with the Exchange for any customer who held aggregate large long or short positions on the same side of the market of 200 or more option contracts of any single class for the previous day will remain at this level.¹⁸

FLEX GBTC Options

The Exchange proposes to permit the trading of FLEX GBTC options. The Exchange states that FLEX options on ETFs are currently traded in the over-the-counter (“OTC”) market by a variety of market participants, including hedge funds, proprietary trading firms, and pension funds.¹⁹ The Exchange states its market for FLEX GBTC options would be more transparent than the OTC market for such options, and that FLEX GBTC options traded on the Exchange

present less counter-party credit risk because they would be issued and guaranteed by the Options Clearing Corporation (“OCC”).²⁰ Under the proposal positions in FLEX GBTC options will be aggregated with positions in non-FLEX options on GBTC for the purpose of calculating position and exercise limits.²¹ For example, the Exchange states that, assuming a 250,000-contract position limit for options on GBTC, the Exchange “would restrict a market participant from holding positions that could result in the receipt of more than 250,000,000 [sic] shares (if that market participant exercised all its GBTC options).”²²

The Exchange states that it has analyzed its capacity and represents that it and the Options Price Reporting Authority have the necessary systems capacity to handle the additional traffic associated with the listing of FLEX GBTC options.²³ In addition, the Exchange states that it believes that OTP Holders will not have a capacity issue as a result of the proposal.²⁴ The Exchange further states that it will monitor the trading volume associated with the additional options series listed as a result of the proposed rule change and the effect (if any) of these additional series on market fragmentation and on the capacity of the Exchange’s automated systems.²⁵ The Exchange states that the same surveillance procedures applicable to other options products listed and traded on the Exchange, including non-FLEX GBTC options, will apply to FLEX GBTC options, and that FLEX options products (and their respective symbols) are integrated into the Exchange’s existing surveillance system architecture and are thus subject to the relevant surveillance processes.²⁶ The Exchange further states that its market surveillance staff (including staff of the Financial Industry Regulatory Authority, Inc. (“FINRA”), who perform surveillance and investigative work on behalf of the Exchange pursuant to a regulatory services agreement) conducts surveillances with respect to GBTC (the underlying ETF) and, as appropriate, would review activity in GBTC when

²⁰ See *id.*

²¹ See proposed Exchange Rule 5.35–O(b)(iii). Under Exchange Rule 6.9–O, exercise limits for options on GBTC will be the same as the position limits for options on GBTC. See Exchange Rule 6.9–O and Notice and Order Instituting Proceedings, 90 FR 22122 at footnote 32.

²² Notice and Order Instituting Proceedings, 90 FR at 22123. A position of 250,000 GBTC options would represent 25,000,000 shares of GBTC.

²³ See *id.* at 22124.

²⁴ See *id.*

²⁵ See *id.*

²⁶ See *id.*

¹⁴ See Notice and Order Instituting Proceedings, 90 FR at 22120, footnote 8.

¹⁵ See *id.* at 22122. Exchange Rule 6.8–O, Commentary .06(e) states that the Exchange will review the volume and outstanding share information on all underlying stocks and ETF shares on which options are traded on the Exchange every six months to determine which limit will apply.

¹⁶ See *id.* and footnote 12 *supra*.

¹⁷ See Notice and Order Instituting Proceedings, 90 FR at 22123.

¹⁸ See *id.*

¹⁹ See *id.* at 22124.

conducting surveillances for market abuse or manipulation in the FLEX GBTC options.²⁷ In addition, the Exchange states that it is a member of the Intermarket Surveillance Group (“ISG”).²⁸ The Exchange states that ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets.²⁹ The Exchange states that, in addition to the surveillance that is conducted by the Exchange’s market surveillance staff, the Exchange would also be able to obtain information regarding trading in shares of GBTC on other exchanges through ISG.³⁰ The Exchange does not believe that allowing FLEX GBTC options would render the marketplace for non-FLEX GBTC options, or equity options in general, more susceptible to manipulative practices.³¹ The Exchange represents that its existing trading surveillances are adequate to monitor the trading in GBTC as well as any subsequent trading of FLEX GBTC options on the Exchange.³² The Exchange states that it has a regulatory services agreement with FINRA, pursuant to which FINRA conducts certain surveillances on behalf of the Exchange.³³ The Exchange further states that, pursuant to a multi-party 17d–2 joint plan, all options exchanges allocate regulatory responsibilities to FINRA to conduct certain options-related market surveillances.³⁴ In addition, the Exchange states that it will implement any additional surveillance procedures it deems necessary to effectively monitor the trading of GBTC options.³⁵

III. Discussion and Commission Findings

After careful consideration, the Commission finds that the proposed rule change, as modified by Amendment No. 3, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange,³⁶ and, in particular, the requirements of Section 6 of the Act.³⁷ Specifically, the Commission finds that the proposed

rule change, as modified by the Amendment No. 3, is consistent with Section 6(b)(5) of the Act,³⁸ which requires, among other things, that an exchange have rules designed to prevent fraudulent and manipulative acts and practices and to protect investors and the public interest.

A. Position and Exercise Limits

Position and exercise limits serve as a regulatory tool designed to deter manipulative schemes and adverse market impact surrounding the use of options. Since the inception of standardized options trading, the options exchanges have had rules limiting the aggregate number of options contracts that a member or customer may hold or exercise. Options position and exercise limits are intended to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market to benefit the options position.³⁹ In addition, such limits serve to reduce the possibility of disruption in the options market itself, especially in illiquid classes.⁴⁰ As the Commission has previously recognized, markets with active and deep trading interest, as well as with broad public ownership, are more difficult to manipulate or disrupt than less active and deep markets with smaller public floats.⁴¹ The Commission also has recognized that position and exercise limits must be sufficient to prevent investors from disrupting the market for the underlying security by acquiring and exercising a number of options contracts disproportionate to the deliverable supply and average trading volume of the underlying security.⁴² At the same time, the Commission has recognized that limits must not be established at levels that are so low as to discourage participation in the options market by institutions and other investors with substantial hedging needs or to prevent specialists and market-makers from adequately meeting their obligations to maintain a fair and orderly market.⁴³

The Exchange proposes to eliminate the current 25,000-contract position and exercise limit for GBTC options and to apply the position limits in Exchange Rule 6.8–O, Commentary .06(a)–(e) to options on GBTC.⁴⁴ Under Exchange Rule 6.8–O, Commentary .06(a)–(e) position limits are based either on the trading volume of the underlying stock or ETF over the previous six months, or on the trading volume of the underlying stock or ETF over the previous six months and the outstanding shares of the underlying stock or ETF.⁴⁵ Position limits for options on GBTC would be subject to subsequent six-month reviews to determine future position and exercise limits.⁴⁶ The Exchange states that options on GBTC qualify for the 250,000-contract limit in Exchange Rule 6.8–O, Commentary .06(e)(i), which requires the most recent six-month trading volume for the underlying security to be at least 100,000,000 shares.⁴⁷ The Exchange states that, as of November 25, 2024, the most recent six-month trading volume for GBTC was 550,687,400 shares.⁴⁸

The Exchange provided data and analysis supporting the proposed position and exercise limits. The Exchange states that, as of November 25, 2024, GBTC had 273,950,100 shares outstanding, market capitalization of \$20,661,316,542, and average daily volume (“ADV”) for the preceding three months of 3,829,597 shares.⁴⁹ The Exchange states that options on GBTC should be subject to the 250,000-contract limit because “the significant liquidity present in GBTC mitigates against the potential for manipulation.”⁵⁰

The Exchange also compared the size of the position and exercise limits to the market capitalization of the bitcoin market, which, according to the Exchange, had a market capitalization greater than \$1.876 trillion as of

⁴⁴ As noted above, exercise limits for options on an underlying security are the same as the position limits for options on that underlying security. See Exchange Rule 6.9–O, Commentary .01.

⁴⁵ See *supra* footnote 12.

⁴⁶ See Notice and Order Instituting Proceedings, 90 FR at 22122 and Exchange Rule 6.8–O, Commentary .06(e) (providing that, every six months, the Exchange will review the volume and outstanding share information on all underlying ETFs on which options are traded to determine applicable position limits). See also Rule 6.9–O (providing that exercise limits for options on an underlying will be the same as the position limits for such underlying).

⁴⁷ See Notice and Order Instituting Proceedings, 90 FR at 22124.

⁴⁸ See *id.* at 22122.

⁴⁹ See *id.* at 22122, footnote 27 and accompanying text.

⁵⁰ *Id.* at 22123.

³⁸ 15 U.S.C. 78f(b)(5).

³⁹ See Securities Exchange Act Release No. 39489 (Dec. 24, 1997), 63 FR 276, 279 (Jan. 5., 1998) (order approving File No. SR–Cboe–97–11) (“Position Limit Order”).

⁴⁰ *Id.*

⁴¹ *Id.*

⁴² See, e.g., Securities Exchange Act Release Nos. 21907 (Mar. 29, 1985), 50 FR 13440, 13441 (Apr. 4, 1985) (order approving File Nos. SR–CBOE–84–21, SR–Amex–84–30, SR–Phlx–84–25, and SR–PSE–85–1); and 40875 (Dec. 31, 1998), 64 FR 1842, 1843 (Jan. 12, 1999) (order approving File Nos. SR–CBOE–98–25; Amex–98–22; PCX–98–33; and Phlx–98–36).

⁴³ See *id.*

²⁷ See *id.*

²⁸ See *id.*

²⁹ See *id.*

³⁰ See *id.*

³¹ See *id.*

³² See *id.*

³³ See *id.*

³⁴ See *id.*

³⁵ See *id.*

³⁶ In approving this proposed rule change, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

³⁷ 15 U.S.C. 78f.

November 25, 2024.⁵¹ The Exchange calculated that, as of November 25, 2024, a position of 250,000 options on GBTC (which represents 25,000,000 shares of GBTC) would represent less than 0.10% of all bitcoin outstanding.⁵² The Exchange states that if a 250,000-contract option position in GBTC were exercised, it “would have a virtually unnoticed impact on the entire bitcoin market,” and, further, that “[t]his analysis demonstrates that a 250,000-contract position (and exercise) limit for GBTC options would be appropriate given GBTC’s liquidity.”⁵³ The Exchange also states that, as of November 25, 2024, a position limit of 250,000 contracts would represent 9.13% of the outstanding shares of GBTC.⁵⁴

The Commission finds that the proposed position and exercise limits are consistent with the Act, and in particular, with the requirements in Section 6(b)(5) 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. As discussed above, the Commission has recognized that position and exercise limits must be sufficient to prevent investors from disrupting the market for the underlying security by acquiring and exercising a number of option contracts disproportionate to the deliverable supply and average trading volume of the underlying security.⁵⁵ In addition, the Commission has stated previously that rules regarding position and exercise limits are intended to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options position.⁵⁶ Based on its review of the data and analysis provided by the Exchange, the Commission concludes that the proposed position and exercise limits satisfy these objectives. Specifically, the Commission has considered and reviewed the Exchange’s analysis that, as of November 25, 2024, a position limit of 250,000 contracts would represent 9.13% of the outstanding shares of GBTC.⁵⁷ The Commission also has considered and reviewed the Exchange’s statements that, as of

November 25, 2024, GBTC had 273,950,100 shares outstanding, market capitalization of \$20,661,316,542, and ADV for the preceding three months of 3,829,597 shares.⁵⁸ The Commission further considered and reviewed the Exchange’s statement that for the six-month period ending on November 25, 2024, the trading volume for GBTC was 550,687,400 shares.⁵⁹

Based on the Commission’s review of this information and analysis, the Commission concludes that the proposed position and exercise limits are designed to prevent market participants from disrupting the market for the underlying securities by acquiring and exercising a number of options contracts disproportionate to the deliverable supply and average trading volume of the underlying security, and to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options position.

B. FLEX GBTC Options

The proposed FLEX GBTC options would permit the creation of customized options on GBTC, which could help market participants implement their hedging, risk management, and investment strategies. In addition, the proposal will extend to FLEX GBTC options the benefits of trading on the Exchange’s options market, including a centralized market center, an auction market with posted transparent market quotations and transaction reporting, parameters and procedures for clearance and settlement, and the guarantee of OCC for all contracts traded on the Exchange.⁶⁰

The position and exercise limits described above will apply to FLEX GBTC options, and positions in FLEX and non-FLEX GBTC options will be aggregated for purposes of calculating position and exercise limits.⁶¹ The Commission finds that the proposed position and exercise limits for FLEX GBTC options are consistent with the Act, and in particular, with the requirements in Section 6(b)(5) 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. By applying the GBTC option position and exercise limits to FLEX GBTC options, and by requiring the aggregation of positions in FLEX and non-FLEX GBTC options for position and exercise limit purposes, the proposed position and exercise limits for FLEX GBTC options are designed to prevent investors from disrupting the market for the underlying security by acquiring and exercising a number of options contracts disproportionate to the deliverable supply and average trading volume of the underlying security, and to prevent the establishment of options positions that could be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options position.

The Commission previously considered the surveillance procedures that would apply to GBTC options when it approved the Exchange’s proposal to list and trade GBTC options.⁶² The same surveillance procedures that apply to other options products listed and traded on the Exchange, including non-FLEX GBTC options, will apply to FLEX GBTC options, and the Exchange states that FLEX options products (and their respective symbols) are integrated into the Exchange’s existing surveillance system architecture, and thus are subject to the relevant surveillance processes.⁶³ The Exchange states that it will implement any additional surveillance procedures it deems necessary to effectively monitor the trading of FLEX GBTC options.⁶⁴ The Exchange further states that it is a member of ISG, that ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets. In addition to the surveillance conducted by the Exchange’s market surveillance staff, the Exchange would be able to obtain information regarding trading in shares of GBTC on other exchanges through ISG.⁶⁵ Further, in approving proposals to list bitcoin-based exchange-traded products (“ETPs”), including GBTC, the Commission found that there were sufficient means to prevent fraud and manipulation of bitcoin-based ETPs.⁶⁶ Together, these surveillance procedures should allow the Exchange to investigate suspected manipulations

⁵¹ See *id.* at 22122.

⁵² See *id.*

⁵³ *Id.*

⁵⁴ See *id.*

⁵⁵ See *supra* note 42 and accompanying text.

⁵⁶ See Securities Exchange Act Release No. 57352 (Feb. 19, 2008), 73 FR 10076, 10080 (Feb. 25, 2008) (order approving File No. SR-Cboe-2008-07).

⁵⁷ See Notice and Order Instituting Proceedings, 90 FR at 22122.

⁵⁸ See *id.* at 22122, footnote 27 and accompanying text.

⁵⁹ See *id.* at 22122.

⁶⁰ See Securities Exchange Act Release No. 36841 (Feb. 14, 1996), 61 FR 6666, 6668 (Feb. 21, 1996) (File Nos. Cboe-95-43 and PCX-95-24) (order approving proposals to provide for the listing and trading of FLEX options on specified equity securities).

⁶¹ See proposed Exchange Rule 5.35–O(b)(iii).

⁶² See Securities Exchange Act Release No. 101386 (Oct. 18, 2024), 89 FR 84960, 84971 (Oct. 24, 2024).

⁶³ See Notice and Order Instituting Proceedings, 90 FR at 22124.

⁶⁴ See *id.*

⁶⁵ See *id.*

⁶⁶ See Securities Exchange Act Release Nos 99306 (Jan. 10, 2024), 89 FR 3008 (Jan. 17, 2024).

or other trading abuses in FLEX GBTC options.

Accordingly, the Commission finds that the Exchange's surveillance procedures for FLEX GBTC options are designed to prevent fraudulent and manipulative acts and practices and to protect investors and the public interest.

IV. Conclusion

For the reasons set forth above, the Commission finds that the proposed rule change, as modified by Amendment No. 3, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange and, in particular, the requirements of Section 6(b)(5) of the Act.⁶⁷

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁶⁸ that the proposed rule change (SR-NYSEARCA-2025-07), as modified by Amendment No. 3, is approved.

By the Commission.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025-14549 Filed 7-31-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103573; File No. SR-LCH SA-2025-007]

Self-Regulatory Organizations; LCH SA; Notice of Filing of Proposed Rule Change Relating to LCH SA's Risk Governance Framework and Collateral, Financial, Credit, Operational and Third Party Risk Policies

July 29, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4,² notice is hereby given that on July 15, 2025, Banque Centrale de Compensation, which conducts business under the name LCH SA ("LCH SA"), 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 primarily by the clearing agency. 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

LCH SA is submitting several risk policies ("Risk Policies") which LCH SA has adopted, including: (i) the Collateral Risk Policy; (ii) the Financial Resource Adequacy Policy; (iii) the Counterparty Credit Risk Policy; (iv) the Operational Risk Management Policy; (v) the Third Party Risk Management Policy; and (vi) the Risk Governance Framework. The Risk Policies have been issued by LCH Group Holdings Limited ("LCH Group")³ and adopted by the LCH SA Risk Committee and LCH SA Board.⁴

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, LCH SA included statements concerning the purpose of and basis for the Risk Policies and discussed any comments it received on the Risk Policies. The text of these statements may be examined at the places specified in Item IV below. LCH SA has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Risk Policies have been adopted by LCH SA in order to set out the specific risk management requirements that govern its operations as a clearing agency. Moreover, the Risk Policies clarify the roles and responsibilities within LCH SA for compliance with the Risk Policies. Finally, the Risk Policies have been designed to ensure consistency with all relevant laws and regulations, including the European Markets Infrastructure Regulation ("EMIR") and Section 17A of the Act⁵ and the regulations thereunder.⁶

³ LCH Group Holdings Limited is an indirect wholly owned subsidiary of the London Stock Exchange Group plc. In addition to LCH SA, LCH Group also owns LCH Limited, a recognized central counterparty supervised in the United Kingdom by the Bank of England and a derivatives clearing organization ("DCO") registered with the Commodity Futures Trading Commission.

⁴ The Risk Policies have been elaborated in common with LCH Ltd. in order to ensure risk management consistency within LCH Group. Identical risk policies have been approved by LCH Ltd.'s governance.

⁵ 15 U.S.C. 78q-1.

⁶ The Risk Policies generally identify the relevant provisions of law and regulation applicable to that policy.

a. Collateral Risk Policy

The Collateral Risk Policy ("CRP") sets out the LCH Group standards for the management of collateral risk at LCH SA, subject to the risk appetite defined in the Risk Governance Framework. The goal of the policy is to ensure that LCH SA has a robust mechanism in place to process and control the collateral posted by its members.

The CRP applies to collateral accepted by LCH SA to cover margin requirements and default fund contributions.⁷ The CRP also clarifies the roles and responsibilities within LCH SA for compliance with the CRP. The policy owner is the LCH SA Chief Risk Officer ("CRO"). In addition:

- LCH SA Collateral and Liquidity Management team ("CaLM") has a number of responsibilities under the CRP. CaLM's primary responsibilities include: (i) daily monitoring of the pool of collateral lodged by its members in accordance with the policy;⁸ (ii) calibrating collateral haircuts and performing daily monitoring in accordance with the CRP; (iii) supervising the delegated team LCH Ltd First Line Risk RepoClear with the sourcing and assessment⁹ of collateral prices based on guidelines by CaLM First Line Risk SA, subject to the standards set out in the LCH Contract and Market Acceptability Policy; (iv) implementing collateral concentration limits on its members and monitoring against these on a daily basis; (v) handling general enquiries from members regarding collateral risk methodology; (vi) performing collateral stress testing in accordance with the CRP; and (vii) realizing the cash value of the collateral lodged by a defaulted

⁷ Collateral accepted by LCH SA to cover risks associated with (i) securities accepted as part of the clearing services such as in RepoClear and Equity Clear; and (ii) secured cash investments (reverse repurchase agreements or outright purchases) conducted as part of CaLM's investment activities, are outside the scope of the CRP and are covered by the Financial Resource Adequacy Policy (see paragraph below) and Investment Risk Policy, respectively.

⁸ Such monitoring encompasses working with external stakeholders (e.g., International Central Securities Depositories ("ICSDs")), Central Securities Depositories ("CSDs") and internal stakeholders (e.g., Collateral Operations, as defined below) to update the list of eligible collateral in line with the acceptance criteria set out in the CRP.

⁹ For example, this includes assessing the prices of collateral lodged bilaterally and collateral lodged via tri-party providers against published market prices. In addition, it assesses. In addition, where a material change in the collateral market is identified, CaLM will escalate the issue to CaLM Risk (as defined herein) and LCH SA senior management.

⁶⁷ 15 U.S.C. 78f(b)(5).

⁶⁸ 15 U.S.C. 78s(b)(2).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

member during the Default Management Process (“DMP”);¹⁰

- LCH SA Risk Collateral and Liquidity Risk Management team (“CaLM Risk”) is responsible for daily monitoring and managing risks associated with collateral activities and positions in line with the requirements of the CRP. This includes, *inter alia*, conducting independent assessments of the eligibility of collateral received and validating collateral haircuts in accordance with the policy;¹¹

- LCH SA Collateral Operations team (“Collateral Operations”) is responsible for ensuring that member margin liabilities are covered with eligible non-cash collateral and/or cash and managing the corresponding margin and collateral flows and related investment flows. Most notably, Collateral Operations: (i) monitors securities settlement and interoperability account balances; (ii) tracks member requests to lodge and substitute collateral (seeking LCH SA Risk Department and CaLM Risk approval as necessary); (iii) oversees the system handling valuation of collateral lodged by members including the application of relevant haircuts; (iv) communicates to members changes in the population of acceptable collateral and haircuts; (v) handles general inquiries from members regarding member collateral pledged to cover margin requirements; and (vi) is responsible for static data, collateral pricing, and adding new ISINs approved as eligible collateral;¹² and

- LCH SA Compliance is responsible for notifying regulators of changes to collateral eligibility, limits and/or haircuts, where relevant.

The CRP also sets out requirements for the approval of eligible cash and non-cash collateral. In particular, the CRP establishes that margin requirements can be covered by a mixture of cash and eligible non-cash collateral (*i.e.*, traded securities and

bank guarantees), subject to the criteria set out in the policy.

In respect of ‘cash’, LCH SA accepts EUR, GBP and USD¹³ as the primary currencies for margin cover and default fund contributions. Further, the policy requires default fund contributions to be met by cash¹⁴ in the primary currencies designated by each Clearing Service.¹⁵

With regards to non-cash collateral, the CRP limits the assets accepted as collateral to those with low credit, liquidity and market risks as required by SEC Rule 17ad–22(e)(5).¹⁶ Specifically, in respect of ‘traded securities,’ the policy requires that all traded securities meet certain credit, liquidity and market risk requirements to be eligible as collateral for margin cover. For example, (i) the issuer must be reviewed and assigned an internal credit score (“ICS”) by LCH SA Credit Risk; (ii) the value of the securities must be established daily using observed prices obtained from published sources; (iii) the security must be in a currency that meets the minimum criteria set out in the CRP, and must be reviewed by LCH SA Credit Risk if such currency is not denominated in the domestic currency of the home country; (iv) the value of the shares can be established daily using observed prices obtained from published resources; (v) the CCP has the operational infrastructure in place to process the securities, market the positions, and apply appropriate haircuts; (vi) CaLM has the expertise and the operational capability to realize the value of the security in the event of a default, either directly or via contractual arrangements with a third party service provider; (vii) the CCP can hold and liquidate the securities

without legal challenge; and (viii) there must be sufficient market liquidity available.¹⁷ The full list of traded securities that qualify as eligible non-cash collateral¹⁸ are set out in Appendix II of the CRP. In addition, the CRP provides a list of traded securities that are not eligible as collateral for margin cover, including perpetual bonds.¹⁹

In respect of ‘bank guarantees,’ the policy provides that central bank guarantees are eligible as collateral for margin cover if they are issued by central banks in countries that are approved for investments by CaLM. Commercial bank guarantees are not eligible.²⁰

The CRP also addresses changes to collateral eligibility. It provides that, for new currencies and new issuers within an approved collateral type to be accepted as collateral, approval from the LCH SA Executive Committee (“ERCo”) is required.²¹ The ERCo also has the discretion to declare that eligible collateral is no longer acceptable.²² New types of collateral that pose new or novel risk features, or that require a change to existing risk controls, require (i) CaLM to submit such request to the ERCo and the LCH SA Risk Committee; ²³ (ii) the ERCo and the LCH SA Risk Committee to review such request; and (iii) the LCH SA Board to approve such request.²⁴ If no changes are required to existing risk controls,²⁵

¹⁷ The policy provides that fixed income securities where the issuance size of a security is less than the minimum specified in Appendix III, CaLM will provide evidence of market liquidity to CaLM Risk and approval for eligibility will be required from the CRO (or the CRO’s delegate). Examples of such an issuance size include 800 mln for AUD and 5.5 bln for NOK.

¹⁸ Such eligibility remains subject to the eligibility criteria for traded securities summarized above as well as to the margin collateral haircut schedules published on LCH SA’s website.

¹⁹ Other traded securities not eligible include (i) zero coupon bond types (excluding treasury bills); (ii) strips (including principal and coupon strips); (iii) securities issued by credit and financial institutions; and (iv) securities which are close to maturity, subject to specific corporate events, or have optionality.

²⁰ Such investments must comply with the Investment Risk Policy.

²¹ In addition, the CRP requires appropriate regulatory approval to be obtained prior to LCH SA accepting new currencies. The ERCo may also request that new issuers be reviewed by the LCH SA Risk Committee and approved by the LCH SA Board.

²² Such decisions are made upon the recommendation of CaLM and CaLM Risk, following which the ERCo must notify the Risk Committee of its decision.

²³ The request must be accompanied by its rational and supporting documentation.

²⁴ Appropriate regulatory approval must also be obtained prior to LCH SA’s acceptance of new collateral types.

²⁵ For example, adding new ISINs issued by sovereigns which LCH SA already accepts,

¹⁰ The governance of the DMP is laid out in the LCH Default Management Policy.

¹¹ CaLM Risk is also responsible for: (i) the independent assessment of the prices of collateral lodged bilaterally and the collateral market value lodged via tri-party providers against the published market prices, in line with second-line risk responsibilities for pricing set out in the LCH Contract and Market Acceptability Policy; (ii) validating and monitoring the collateral concentration limits on members; and (iii) the production of regular reports and management information for circulation with LCH Risk Department, CaLM, and senior management, including escalation if there are material changes in the market value, credit quality or liquidity of collateral lodged (bilaterally or via tri-party).

¹² In addition, the CaLM team in Ltd is responsible for static data, collateral pricing, and adding of new ISINs approved as eligible non-cash collateral.

¹³ LCH SA also accepts other currencies, subject to the minimum criteria set out in the CRP, including that the currency is used for clearing in LCH SA, has been approved for use by LCH SA Credit Risk, can be invested in accordance with the Investment Risk Policy, and CaLM Risk can manage the exchange risk associated with the currency.

¹⁴ Default fund contributions can also be met by collateral equivalent to cash in the case of default such as Central Bank Guarantees, where authorized by the LCH SA Rulebook.

¹⁵ LCH SA currently maintains three separate Clearing Services: (i) CDS Clear, which provides clearing services for credit default swaps; (ii) RepoClear SA, which provides clearing services in respect of repo and cash transactions on Euro-denominated government and supra-national debts across 13 markets (France, Italy, Spain, Germany, Belgium, Austria, Finland, Ireland, The Netherlands, Portugal, Slovakia, Slovenia and Supranational), as well as a basket collateral service through the Euro GC+ clearing service; and (iii) DigitalAssetClear SA, which provides clearing services for cash-settled Bitcoin index futures and options contracts traded on GFO–X, an FCA-regulated, centrally-cleared multilateral trading facility dedicated to digital asset futures and options.

¹⁶ 17 CFR 240.17ad–22(e)(5).

CaLM Risk approval is sufficient. The CRP requires, where possible, that LCH SA provide a notice period to its clearing members to allow them sufficient time to adjust the portfolio of collateral lodged, provided that this will not impair LCH SA's financial resources nor liquidity position.

The CRP also establishes a framework for monitoring market, credit, concentration/liquidity, wrong way and FX risks (the "Risks"). The Risks are covered by baseline haircuts, haircut add-ons, limits and/or price adjustments, detailed in the policy.²⁶ The policy provides that the ability of LCH SA to realize the value of a piece of collateral lodged by its member within the assumed holding period is affected by the collateral's market liquidity and the size of the position to be liquidated. Details of and the rationale for the holding period is detailed in Appendix I. In line with SEC Rule 17ad-22(e)(5), the framework aims to set and enforce appropriate conservative haircuts and concentration limits.

The policy provides that the ERCo may impose haircut add-ons and/or impose new limits or price adjustments on certain types of non-cash collateral based on their market liquidity, in particular, CaLM's ability to realize the value of the securities in the event of a default. In addition, the ERCo has the discretion to assess haircut add-ons on clearing members, based on their exposures, domicile, or portfolio of collateral posted, to protect LCH SA's financial resources and liquidity position. Collateral haircuts are subject to daily stress testing with any exceptions to be notified to the ERCo.²⁷

The CRO is responsible for ensuring the review of collateral haircuts,²⁸ and changes to published haircuts must be submitted to the ERCo for approval.²⁹ Material changes, as agreed by the ERCo, are required under the CRP to be notified to the LCH SA Risk Committee.

provided that the ISINs meet the minimum eligibility requirements for non-cash collateral.

²⁶ In addition, the CRP requires collateral haircuts to comply with the FRAP.

²⁷ Under the CRP, the Stress Resting Regime must include the following elements: (i) historical risk factor moves beyond the 99.7% level; (ii) theoretical scenarios which are extreme but plausible are to be used to complement the historical scenarios and provide better coverage of the tail losses of collateral portfolios. To the extent that similar securities are cleared by LCH SA, the same stress test scenarios applied on the clearing positions may be used to stress test collateral haircuts.

²⁸ With quarterly reviews to be submitted to the ERCo for approval; monthly reviews submitted to LCH SA CRO and/or the ERCo; and more frequent reviews where appropriate.

²⁹ Material changes (agreed by the ERCo) are to be notified to the LCH SA Risk Committee. Changes are required to be notified to the regulators where appropriate.

Changes are required to be notified to the regulators, where appropriate. In addition, the policy requires the appropriateness of the CRP to be reviewed by the ERCo and the LCH SA Risk Committee on an annual basis,³⁰ and requires approval by the LCH SA Board.

b. Financial Resource Adequacy Policy

The Financial Resource Adequacy Policy ("FRAP") sets out the standards governing the assessment of financial resources (initial margins, margin add-ons and default funds) against the Latent Market Risks³¹ in clearing member portfolios at LCH SA. The FRAP also sets out the standards for addressing procyclicality in the risk frameworks and models used by the LCH CCPs. In particular, the FRAP (i) details the standards by which financial resources should be assessed against member exposures;³² (ii) details the holding periods to be used for each product in the assessment of margins, providing the justification for each; (iii) articulates the rules governing the use of economic offsets between products; (iv) presents the limit framework to be used in assessing clearing exposures to members for each Clearing Service and across Clearing Services; (v) details the standards to be used for reverse stress testing the financial resources held against member portions; (vi) details the standards to be used for ensuring that procyclicality concerns are appropriately addressed in the risk frameworks and models used by the LCH CCPs; and (vii) describes the requirements for services within LCH Ltd that offer tiered participation arrangements in accordance with the Tiering Risks described in the Risk Governance Framework. Finally, the FRAP states that the Board's appetite for Latent Market Risk and Procyclicality Risk is low. The policy requires LCH SA to impose, call, and collect margins at least daily on each day when its Clearing Services are open and operating in order to limit its credit

³⁰ In line with SEC Rule 17ad-22(e)(5), the sufficiency of collateral haircuts and concentration limits is performed no less than annually.

³¹ 'Latent Market Risk' is defined in the Risk Governance Framework as the 'risk that the exposure to a member's portfolio value increases due to the impact of changing market factors on the valuation of the portfolio'. This risk is described as latent, in that LCH SA is only exposed in the event of the member's default.

³² This includes variation margins, initial margins, margin add-ons for liquidity risk, concentration risk, wrong way risk where appropriate, as well as the sizing and re-sizing of default funds.

exposures³³ to its clearing members and, where relevant, from Central Clearing Counterparties ("CCPs") with which it has interoperability arrangements.³⁴ In addition, the policy sets out the LCH SA standards for initial margin, margin add-ons, intraday margins and variation margin.³⁵ For example:

- Initial margin levels for each of LCH SA's Clearing Services must be calibrated to the 99.7%³⁶ confidence level;³⁷

- Additional margins must be held (where appropriate) to cover member specific portfolio risk arising from both house and client activity of the following types: (i) concentration/liquidity risk; (ii) sovereign risk; (iii) wrong way risk; and (iv) counterparty credit risk; and

- Each Clearing Service is expected to monitor margin levels intraday and to have the capacity to call for margin intraday should it be necessary to address any issues with member exposures.

The FRAP also sets out the minimum governance standards applicable to LCH SA's default fund arrangements, including the requirement for all financial resources held by LCH SA (initial margins, additional margins, and the default funds) to meet the so-called

³³ Such margins shall be sufficient to cover potential exposures that LCH SA estimates will occur until the liquidation of the relevant positions.

³⁴ The FRAP also requires LCH SA to assess a number of risks prior to entering into any interoperating arrangements. For example, legal risk arising from the link, including each party's rights and obligations, cross border legal issues, netting arrangements, enforceability of the LCH SA Rulebook, default procedures, collateral arrangements and dispute resolution.

³⁵ The standards for the calculation of variation margin depend on whether the price discovery takes place on a public venue/exchange or the price is determined via the "OTC" market. For example: (i) for exchanges and venues where pricing is transparent, each Clearing Service must have a well-documented routine for price capture, price verification and data cleansing where required; (ii) for OTC products, the model used to price instruments for variation margin purposes must be subjected to an "outputs" review; (iii) all inputs to the model must have a documented process for data capture and data cleansing; and (iv) standards for adequate price sources and controls should be equivalent to those described in the Contract, Market and Acceptability Policy.

³⁶ The rationale for the 99.7% confidence level is detailed in Appendix 2 of the FRAP.

³⁷ The policy explains that such levels ensure that enough margins are held to cover the potential loss from any member (including the clients of that member) to the defined service confidence levels under normal market conditions, should LCH SA need to close out that member's portfolio within the holding periods prescribed by the policy. The FRAP also sets out a set of expectations surrounding initial margin. For example, any deterioration in backtesting results must be identified immediately and flagged to the CRO and/or the ERCo to assess whether mitigation actions are required.

“cover-2” standard, *i.e.* the potential losses from a close-out in an extreme event of the largest two (2) member portfolios and all clients of both of these members. Moreover, the policy details: (i) the order in which LCH SA must use its available resources to cover the losses from a defaulting member;³⁸ (ii) the predefined stress regime³⁹ to be used to identify “extreme but plausible”⁴⁰ tail losses in each member portfolio beyond the applicable initial margin confidence level; and (iii) the Stress Test Loss Over Additional Margin (“STLOAM”)⁴¹ to be imposed on members in order to limit exposure by LCH SA to a single clearing member portfolio. The FRAP states that LCH SA applies a daily Clearing Limit on member exposures such that the STLOAM may not exceed 45% of the Default Fund for any member (the Daily Default Fund Additional Margin, or “DDFAM” threshold), and that should a member group breach the 45% limit, the excess amount must be called as DDFAM from that member group and such margin must be held until the member group’s exposure falls back below the 45% limit.⁴²

The FRAP states that each service is expected to monitor intraday margin levels and have the capability to call for margin intraday should it be necessary to address any issues with member exposure. In addition, each service must calculate daily variation margin and such standards for calculation differ depending on whether the price discovery takes place on a public venue/exchange or the price is determined via the OTC market.

³⁸ The order is as follows: (i) defaulter’s own financial resources (initial margins, variation margins, additional margins, default fund contributions); (ii) the Clearing House “skin in the game”; (iii) the default fund contributions of the non-defaulting members; (iv) second layer of skin in the game where required by applicable regulation; (v) default fund assessments of the non-defaulting members; (vi) service continuity and loss allocation mechanisms; and (vii) if the resources at this stage are still not enough to cover the losses, then a decision is made to either close or partially close (if applicable) the service and allocate the remaining losses, or raise more funds from the membership to continue the service.

³⁹ This includes Stress Test Loss Over Initial Margin (STLOIM) and default fund additional margin (DFAM) calculations, the frequency at which each default fund must be resized, and the prescribed Stress Testing Regime to be followed.

⁴⁰ The FRAP determines that a scenario is “plausible” if it has happened over the last 30 years.

⁴¹ This term and some other capitalized terms in the FRAP are defined in the glossary found in Appendix 4 thereof.

⁴² The 45% DDFAM threshold may be increased to up to 50% for members with certain ICS scores, when additional risk management tools are in place subject to ERCo approval and Risk Committee notification.

The FRAP provides, in addition, that offsets or reductions are allowed in the required margin, subject to certain conditions being met *e.g.*, where the economic offset must be demonstrably resilient during stressed market conditions and must be subject to the stress test regime. The policy also sets the standards to be applied to sources of procyclicality and requirements that were set out in the former Procyclicality Policy.⁴³ Specifically, the FRAP discusses how LCH SA manages the trade-off between increasing clearing member margins following a market stress event, with the potential resulting liquidity drain, which may be disruptive to the market. To address procyclicality risk, LCH SA will employ specific standards for each of its clearing services to comply with. This includes producing margin levels which avoid disruptive step changes in financial resources held, ensuring margin increases are driven by market pricing and not anticipatory of market movements and adequately estimating volatility to prevent the erosion of margin levels during quiet periods. The FRAP has a supplemental appendix that describes the key sources of procyclicality risk in more detail and specific considerations LCH SA will factor in to avoid procyclicality risk when assessing clearing members.

The FRAP sets out the limit framework for clearing exposures at the member and member group level, with the primary limit being that no one member or member group can use more than 45% of the default fund.⁴⁴ For lower credit quality members (beginning at an ICS score of 5), there is a limit of 25% usage of the Default Fund, progressively decreasing to zero for a member with an ICS score of 8 or higher. Finally, the FRAP provides that LCH SA will monitor these limits daily for each member in each Default Fund.

To address the risk of clearing members that also have exposure as

⁴³ As part of its annual review process, LCH SA moved the contents of its Procyclicality Policy into the FRAP and decommissioned the Procyclicality Policy. Section 9 of the FRAP includes detail on how LCH SA manages procyclicality risk, including by assessing changes in margin requirements, collateral haircuts, Clearing Member credit scoring and how LCH SA may assess Clearing Members for additional default fund contributions.

⁴⁴ This may be increased up to 50% for members which have an ICS of 1–4, for a given default fund, when additional risk management tools are in place to mitigate a decrease in the 10% buffer in financial resources held. This is subject to approval from the ERCo followed by a notification to the Risk Committee, and the approval from ERCo needs to be ratified annually. Any such increase in the threshold to 50% is not automatic and each clearing service will need to present and justify the request during the ERCo.

CaLM counterparties, the FRAP establishes a concentration limit framework at the counterparty level. That is, the FRAP defines a Capital at Risk (“CAR”) amount for each member or member group which, together with the aggregate risk exposure of that member or member group, must not be greater than 30% of the entire LCH SA capital.

The FRAP, in addition, requires LCH SA to run liquidity stress tests,⁴⁵ collateral stress tests⁴⁶ and exposure stress testing.⁴⁷ The policy also describes LCH SA’s Reverse Stress Testing Framework to ascertain the adequacy of financial resources held against member positions.⁴⁸ A supplemental appendix also describes LCH SA’s reverse stress testing and sensitivity analysis processes in accordance with SEC regulations. Specifically, the appendix states that LCH SA will conduct a comprehensive analysis of core stress testing scenarios, models, and underlying parameters and assumptions more frequently than the required monthly cadence when the products cleared or markets served display high volatility or become less liquid, or when the size or concentration of positions held by the participants increases significantly. The results of which will go through LCH SA’s internal governance processes for the purposes of assessing the adequacy of and adjusting, as necessary, its margin methodology, model parameters, models used to generate clearing or guaranty fund requirements, and any other relevant aspects of its margin framework. In addition to its reverse stress testing processes, LCH SA will conduct a sensitivity analysis of its margin models and a review of its parameters and assumptions for back-testing on at least a monthly basis and consider modifications to ensure its back-testing practices are appropriate for determining the adequacy of margin resources. This may be performed more frequently than monthly during periods of time when the products cleared or markets served display high volatility or

⁴⁵ These stresses are detailed in the Liquidity Risk Policy and must be run daily and reviewed at least quarterly or when there is a sudden change in liquidity conditions.

⁴⁶ These stresses are described in the Collateral Risk Policy and must be run daily. Collateral haircuts must be reviewed at least quarterly.

⁴⁷ This is the stress testing regime carried out in the default fund sizing described above in the FRAP, which ensures that the “cover 2” standard is being met relative to extreme but plausible scenarios above the service initial margin confidence level. These stress tests must be run daily.

⁴⁸ The financial resources considered by the policy include all margin coverage, default funds and liquidity resources.

become less liquid, or when the size or concentration of positions held by the participants increases or decreases significantly. LCH SA will bring the results of this analysis through internal governance in order to evaluate the adequacy of its margin methodology, model parameters and any other relevant aspects of its margin framework.

c. Counterparty Credit Risk Policy

The Counterparty Credit Risk Policy ("CCRP") describes the standards by which LCH Group and its entities manage and assess counterparty credit risk via an ICS and limit frameworks to manage the risk. Moreover, the policy clarifies the roles and responsibilities within LCH SA for compliance with the CCRP. LCH SA Credit Risk is responsible for monitoring⁴⁹ and managing counterparty credit risk. This includes: (i) assigning and maintaining the ICS; (ii) assigning, maintaining and monitoring the applicable limits under the policy; (iii) reporting to the responsible risk team of any change in the ICS which triggers actions under the CCRP and other LCH SA risk policies; and (iv) regular and ad-hoc reporting to other risk areas and senior management. The policy is owned by the CRO.

The CCRP requires an ICS to be assigned to all clearing members and the sovereign of their country of risk (and that of their parent, if different); and all other counterparties, including intermediaries and countries which are subject to a minimum ICS as covered in other risk policies. The main scoring frameworks for each counterparty type are detailed in the ICS Frameworks Methodology Document (the "IFMD") and are subject to annual model validation.

The CCRP and IFMD set out the factors to be used by LCH SA to assign an ICS⁵⁰ and derive the Implied ICS⁵¹

⁴⁹ LCH SA Credit Risk is also required to escalate to the ERCo if any concerns are raised as a result of the factors listed in Annex I, regardless of whether it directly impacts the Implied ICS. For example, where a counterparty reports a change to its external rating letter category from A to BBB and vice versa.

⁵⁰ The frameworks assign an ICS between one (1) and ten (10), whereby one (1) represents low default probability in line with the AAA public ratings and ten (10) is equivalent to a defaulting counterparty.

⁵¹ The ICS is calculated using quantitative and qualitative factors, which are also scored on a one (1) to ten (10) scale based on one or more metrics. Each factor is weighted and the sum of the weighted factors produces an "Implied ICS". The Implied ICS can be adjusted up or down to arrive at the "Final ICS" based on specific "Adjustment factors" which capture: (i) third party guarantees or support; (ii) country risk: a sovereign ceiling applies to all corporates unless there is a demonstrated degree of diversification. Due to the high regulatory oversight, the country ceiling does not apply to interoperating

for corporates (including banks, non-bank financial institutions and supranational entities), sovereigns (including "Government Related Entities"), interoperating CCPs, pension funds, regulated funds, and insurance funds.

The CCRP also requires all applicable counterparties, including "Dormant Sponsored Members," to be subject to a formal documented ICS assessment before on-boarding, and then at least once a year. Prospective clearing members and interoperating CCPs for all markets must meet the minimum entry ICS detailed in the policy.⁵² For example, Clearing Members, including Interoperating CCPs, must have at least an ICS five (5) rating.

The policy requires a Credit Assessment Review and ICS recommendation to be performed for all new clearing member applications, including the sovereign credit assessment and ICS recommendation of the prospective clearing member and its parent jurisdiction. The ERCo has the discretion to reject any member application regardless of the ICS assigned.

The CCRP and Annex I thereof detail the exposure monitoring thresholds, limits and tolerances applied to each clearing member. This includes: (i) STLOAM plus Default Fund Contribution/Net Capital ratio; (ii) T-ratio; and (iii) credit tolerances. All thresholds are monitored daily, and LCH SA Credit Risk decide on any action to be taken when a breach has occurred.

The CCRP also provides that the aim of additional margin is to ensure that as a clearing member's credit quality deteriorates to below its entry requirement, more resources are called progressively so that the stress losses are fully covered by eligible resources. Moreover, it ensures the relevant service confidence level, as detailed in the FRAP, continues to be met. Additional margin will be applied to house positions and, in general, additional margin will also be applied to client accounts.

The CCRP provides that, where appropriate, LCH SA Credit Risk and the business line may agree to separate procedures to apply additional margin

CCPs; and (iii) specific reasons which make one of the factors over/under stated or particularly significant to dominate all other factors for the final score. The factors, metrics and adjustments are reviewed by the ERCo on at least an annual basis and independently validated in accordance with the Model Governance, Validation and Review Policy.

⁵² All other counterparties must meet the minimum eligibility criteria detailed in the relevant LCH risk policies and Rulebooks.

to client accounts on a discretionary basis. Such procedures may include an assessment of the ability of a client to port and its underlying credit quality. Such procedures need to be approved by the ERCo upon LCH SA Credit Risk's recommendation. If such discretion is applied, the LCH SA Risk Committee will be notified of the ERCo's approval and the rationale for the decision.

d. Operational Risk Management Policy

The Operational Risk Management Policy ("ORMP") sets out (i) the LCH Group Board's⁵³ risk appetite and expectations for the management of operational risk (defined as the risk of loss arising from inadequate or failed internal processes, people and systems or from external events);⁵⁴ and (ii) the key features of the operational risk management framework for identifying, assessing, monitoring, mitigating and managing operational risk. The policy applies to all operations within LCH SA, including all LCH SA employees,⁵⁵ regardless of the basis or term of their employment. The standards of the ORMP must also be applied where business functions are outsourced to third parties, including intra-Group.

The ORMP clarifies and expands upon the roles and responsibilities within LCH SA for compliance with the ORMP. The LCH SA Board is responsible for: (i) determining risk appetite; (ii) overall compliance of the risk management framework; and (iii) ensuring that management maintains an adequate system of internal controls appropriate to LCH SA, and the risks to which it is exposed.⁵⁶ Moreover, the ORMP details the three lines of defence model, as defined in the Risk

⁵³ In accordance with the Risk Governance Framework and unless otherwise stated, "LCH Group Board" refers to each respective Group entity board, including that of LCH SA, LCH Ltd. and SwapAgent Ltd.

⁵⁴ The policy acknowledges that regulations applicable to local entities may specify a more detailed definition of 'operational risk'.

⁵⁵ An "employee" is defined as a permanent, temporary and contract member of staff, consultant and seconde, intern and any other such individual.

⁵⁶ The ORMP sets out the LCH SA Board's expectations, including that (i) risks be identified, assessed, monitored and managed in a proactive manner to minimize the impact to the LCH Group; (ii) risk assessments be carried out using the risk severity matrix contained in Annex A; and (iii) each operational risk be identified as either 'outside appetite', 'near limit (within appetite)' or 'within appetite'. Where risks are assessed as near or outside appetite, or where control weaknesses are identified, the First Line of Defence must develop solutions and implementation plans with clear interim milestones to address the weaknesses and bring the risks back to within appetite. The policy requires issues and actions to be raised at least for all risks assessed as near or outside appetite.

Governance Framework, operated by LCH SA:

- All services and functions responsible for business as usual and change activities are responsible for ensuring adherence to the ORMP and being accountable for identifying, assessing, monitoring, mitigating and managing operational risk⁵⁷ (the “First Line of Defence”).
- LCH SA Risk Department⁵⁸ are responsible for (i) providing oversight, support, and challenge to the First Line of Defence;⁵⁹ (ii) ensuring that the ORMP is aligned to the LCH SA Board’s risk appetite; (iii) defining the risk management process and policy framework; (iv) assessing risks against policy standards; and (v) reporting to the Board and sub-committees on risk exposure (the “Second Line of Defence”). The Second Line of Defence is also responsible for providing appropriate training⁶⁰ on the risk management framework at least annually to relevant staff.⁶¹
- LCH SA Internal Audit team (“Internal Audit”) is responsible for developing and delivering a program of assurance aimed at validating that the control environment is operating in alignment with the LCH SA Board’s risk appetite and the policies approved by

⁵⁷ This includes responsibility for the day-to-day management of risk by designing, operating and maintaining an effective system of internal controls and for promoting the development of a strong risk culture. The ORMP provides that business and department heads are responsible for ensuring all material risks, controls and mitigating actions are up to date and reflect the current risk assessment. In addition, all staff are responsible for the day-to-day management of risk by designing, operating and maintaining an effective system of internal controls.

⁵⁸ The LCH SA Risk Department is also responsible for approving all changes to appetite assessment, and reporting to the LCH SA Board and sub-committees on risk exposure.

⁵⁹ The Second Line of Defence must ensure that the First Line of Defence provides evidence of compliance with the principles and standards outlined in the ORMP in an appropriately frequent and detailed manner, having regard to the importance of the business and the services provided.

⁶⁰ In line with Annex D of the ORMP, LCH SA Compliance performs face-to-face training for new joiners on compliance topics, and at least every 2 years with critical staff. The purpose of risk management training is to (i) ensure the consistent application of the Operational Risk Management framework, including the tools and reporting processes; (ii) enhance the clarity of roles and responsibilities for risk management and embed these across the three lines of defense; and (iii) embed an effective risk culture for the group which maintains high standards or risk awareness, transparency and accountability.

⁶¹ Compliance is also included as a Second Line of Defence, providing oversight, support and challenge to the First Line in addition to ensuring that this policy is aligned to the Board risk appetite and complies with all the applicable financial rules and regulations.

the LCH SA Board (“Third Line of Defence”).⁶²

The ORMP requires the LCH Group to have a defined risk taxonomy for operational risks, as set out in Appendices 3 and 7 of the Risk Governance Framework (the “Risk Taxonomy”). Specifically, (i) the First Line of Defence must identify applicable operational risks and define associated controls applicable to their business or function, in line with the Risk Taxonomy; and (ii) any changes must be approved by the Second Line of Defence, in accordance with Annex C of the ORMP.

The policy confirms that the LCH SA risk assessment tools and processes must include the following minimum requirements:

- risk and control assessments⁶³ (“RCAs”) to be performed by the First Line of Defence⁶⁴ on an annual basis, and reviewed by the Second Line of Defence;⁶⁵
- a control assurance process,⁶⁶ covering key controls⁶⁷ in appropriate depth and frequency;

⁶² In doing so, the Third Line of Defence provides independent assurance to the LCH SA Board and other key stakeholders over the effectiveness of the systems of internal controls and the Risk Governance Framework.

⁶³ Such assessments must consider a number of factors such as (i) critical and significant audit findings; (ii) policy breaches; and (iii) external events that may give rise to increased vulnerabilities. Change activities (including new products, processes and system changes), which, if not deployed correctly would have a material impact on LCH SA’s business activities or risk profile, must follow the defined change management process detailed in the ORMP and Annex E thereof.

⁶⁴ In carrying out its RCAs, the First Line of Defence must refer to the Risk Taxonomy and Control Guidance set in a dedicated Standard as set forth in the Risk Governance Framework in order to: (i) identify risks and controls which are applicable to their business or function; (ii) assess the inherent risk (*i.e.*, before considering mitigating controls); (iii) perform a control environment assessment; and (iv) assess the residual impact and likelihood of the risk after considering the control assessment.

⁶⁵ The Second Line of Defence must have a process in place to review and challenge First Line of Defence RCAs.

⁶⁶ Control assurance is an assessment of controls by a person independent of the day-to-day operation of those controls to confirm the control environment is adequately designed and operating effectively, providing a systematic view of which controls are effective in mitigating risk, which ones are not and where controls are missing. The control assurance also focuses on providing objective evidence that key controls are designed and operating effectively. This provides management the opportunity to respond where controls are not managing risks sufficiently. For the purposes of this control framework, ‘control’ is defined as ‘an action taken (including verification action) to mitigate risk by either reducing the likelihood and/or the impact of an unwanted outcome’.

⁶⁷ The term ‘key control’ is defined as a control that ‘[p]revents a risk from materializing, detects it in a timely manner or significantly mitigates the

• deep dives⁶⁸ to be conducted by the First, Second and Third Lines of Defence in response to concerns, themes, management focus, triggers or external drivers; and

• a list of extreme but plausible operational risk scenarios relevant to the business or function, incorporating expert opinion⁶⁹ and data evaluating exposure to high severity events.

The ORMP also details the process to be followed when the following risk events occur triggering a re-assessment of risks and controls: (i) incidents and actual losses;⁷⁰ (ii) audit⁷¹ or risk and compliance issues, and external reviews;⁷² (iii) key risk and control indicator breaches;⁷³ (iv) control weakness; (v) other internal events including process changes or restructuring;⁷⁴ and (vi) external events arising outside of LCH SA and LCH

consequences. The failure of the key control could have a material impact; financial, non-financial, reputational, regulatory, lead to service disruption and increase risk exposure for the entity’. Any key controls being assessed as being absent or ineffective must be reported to the Second Line of Defence with a remediation plan.

⁶⁸ Deep dives assess the controls and governance over a particular process. Any changes to risk profile or actions required as a result of a deep dive must be reported to Second Line of Defence, with a remediation plan.

⁶⁹ The ORMP provides that such scenario analysis should draw on the knowledge of experienced business managers and subject matter experts to derive reasoned assessments of plausible severe losses and impacts. As part of the RCA review, the Second Line of Defence will review and challenge the scenarios selected by First Line to ensure they are reflective of the key risks the business or function is exposed to. Over time, the ORMP requires such assessments to be validated and reassessed through comparison to actual loss experience to ensure their reasonableness.

⁷⁰ A process must be in place to monitor and manage all types of incidents including IT system failures, failure or delays in key business processes, in order to minimize interruptions to business services. The ORMP requires all incidents to be classified in accordance with their materiality under Annex B and recorded in an appropriate system to facilitate the immediate escalation and resolution of the incident.

⁷¹ Any audit issue rated ‘critical’ or ‘significant’ may impact the risk profile of the business/function and the risk must be re-assessed accordingly.

⁷² External reviews can be initiated by LCH SA’s regulators or management where a third party is engaged to perform a specific review and will include for example management recommendations arising as part of the annual external audit process.

⁷³ Key Risk Indicators (“KRI”) and Key Control Indicators (“KCI”) are metrics with thresholds designed for management to use in order to effectively identify, assess and monitor their current and emerging risks against risk appetite. All businesses and functions must implement them based on the operational risk library and control guidance.

⁷⁴ Changes such as process redesign or organizational restructuring may impact the risk profile and require re-assessment of relevant risks, as could a threat assessment triggered by senior management or the LCH SA Board.

Group's control (e.g., natural disasters, pandemics, political changes, etc.).

Finally, the ORMP requires businesses and functions to maintain complete and accurate risk registers; risk indicators and evidence that supports the assessment of risk, including scenario testing, and ensure regular management information is available for reporting on the status of operational risk.

e. Third Party Risk Management Policy

The Third Party Risk Management Policy ("TPRMP") and the associated Standard set forth in the Risk Governance Framework set out LCH Group's minimum requirements for managing potential risks when entering into and managing all third party relationships across the following four (4) phases of the Third Party⁷⁵ lifecycle: (i) identify the need to leverage third party services and select the most appropriate third party provider ("Plan and Select"); (ii) set the conditions for the third party relationship ("Contract and Onboard"); (iii) ensure that the service, relationship and risks are effectively managed ("Manage and Monitor"); and (iv) ensure orderly exit and transition at the completion of an engagement or an early termination ("Terminate and Exit").

The Plan and Select section explain how a Risk Assessment must be performed on all new Third Party engagements.⁷⁶ Such assessment evaluates the importance and criticality

of the third party dependencies across all dimensions and drives subsequent due diligence and procurement activities. Moreover, the policy requires due diligence conducted to be proportionate to the inherent risk and nature of the engagement prior to determining if the Third Party is an appropriate choice for LSEG and within the defined appetite, including concentration. Due diligence must include, but is not limited to, business facts,⁷⁷ know your third party,⁷⁸ due diligence⁷⁹ and conflicts of interest.⁸⁰ The TPRMP provides a detailed list of the events that trigger notification to the relevant regulators e.g., when an existing arrangement turns from 'non-critical' to 'critical', and when there are changes⁸¹ to the list of existing Critical Outsourcing Arrangements.⁸²

The Contract and Onboard section requires LCH SA to have appropriate written agreements⁸³ with the Third Party (including Intragroup engagements) that are commensurate with the nature, scale and complexity of the services and in line with the financial approval policy. The TPRMP

⁷⁷ For example, a check to ascertain that the Third Party is a valid entity registered in the jurisdiction(s) in which it operates and/or a check of the Third Party's capability to deliver the desired goods/services.

⁷⁸ For example, compliance and financial crime screening, including sanctions, anti-bribery & corruption, anti-money laundering, country risk and fraud, as appropriate.

⁷⁹ The TPRMP provides that such due diligence is to be carried out in accordance with the risk profile of the service, e.g., information and cyber security, data privacy, financial crime, and business continuity/resilience.

⁸⁰ All conflicts of interest relating to each third party arrangement must be identified, captured and managed in line with the Group Conflict of Interest Policy.

⁸¹ This would include material changes, exits or replacements.

⁸² A "Critical or Important Outsourcing Arrangement" is defined as a Third Party arrangement which meets both the definition of 'Outsourcing' and delivers services which meet the definition of 'Critical Service'. Outsourcing is defined as an engagement of any form between LSEG and a service provider by which that service provider performs a service, function or an activity that would otherwise be undertaken by LSEG itself. A sub-set of Third Party provided services (either internal or external) where certain regulatory requirements are triggered based on the type and materiality of the service. Example regulatory requirements include increased governance, more frequent risk assessment and regulatory notification. The policy lists the circumstances and factors to be considered by LCH Group to deem a service a 'Critical Service'.

⁸³ A Written Agreement is defined as a binding, auditable commitment between LSEG, or an LSEG entity and a Third Party. It includes, but is not limited to, contracts, LSEG Legal preapproved standard Master Service Agreements ("MSA") or other type of framework agreement along with Purchase Orders ("PO"), Statements of Work ("SoW"), Order Forms ("OF"), Access or Membership Agreement.

also provides that the written agreement must consider the dependencies from the third party across all dimensions including technology and the potential impact on the continuity and availability of financial services and activities.⁸⁴ In addition and for engagements or Outsourcing contracts with Critical Third Parties,⁸⁵ the TPRMP requires LCH SA to engage with subject matter experts from Legal, the Business, Risk and Compliance during the contracting phase and the subsequent approval process.

The Manage and Monitor⁸⁶ section requires an updated register of all current relationships with the third parties and outsourcing arrangements⁸⁷ to be regularly maintained. Moreover, Third Party performance,⁸⁸ together with that of any permitted subcontractors⁸⁹ (for example 4th and nth parties) supporting the delivery of services, must be monitored⁹⁰ on an

⁸⁴ The TPRMP requires written arrangements related to critical outsourcing or critical services to ensure the service provider grants LSEG and its competent authorities certain access (e.g., head offices and operation centers) and rights of inspection and auditing, to enable them to monitor such outsourcing arrangement, and to ensure compliance with all applicable regulatory and contractual requirements. Where the outsourcing of services is not critical, LCH Group should ensure the access and audit rights are appropriate taking a risk-based approach. The policy lists the circumstances and factors to be considered by LCH Group to deem a service a 'Non-Critical Service'.

⁸⁵ A Critical Third Party is defined in the TPRMP as a Third Party where the continuous, secure and efficient delivery of their services to the regulated entity is critical to the operation of that regulated entity.

⁸⁶ The TPRMP provides that the following key principles underpin LSEG's approach to the management of Third Party arrangements: (i) a risk-based approach, with the highest level of oversight and due diligence on Critical Third Party services (which includes third parties which meet the regulatory definitions Critical Outsourcing Arrangements and Critical Third Parties); (ii) overall accountability by the Accountable Executive for overall resilience and any risks associated with it and for any activities conducted via an outsourcing arrangement; and (iii) standard processes and tools must be leveraged wherever possible to achieve consistency and efficiency.

⁸⁷ This includes critical 4th and nth parties where details of these are provided.

⁸⁸ The TPRMP sets out what the performance monitoring for Critical Third Parties should include. For example, Day-to-day monitoring of the Third Party's performance and delivery against the measures defined in the written agreement and to ensure appropriate action is taken to resolve any operational issues that may arise with the Third Party.

⁸⁹ A subcontractor is defined as a provisioning party to whom the Third Party subsequently delegates all or part of the provision of a service (e.g., 4th+ party).

⁹⁰ Monitoring of Third Party arrangements must also include the appropriate assessment and management of changes to, and within, the arrangement in line with organizational change processes. Moreover, the policy provides that it is important that Business Continuity Plans and

⁷⁵ "Third Party" is defined in the TPRMP to mean a third party entity, whether internal or external, that provides goods or services to LSEG. The definition includes: (i) External service providers (also known as suppliers and vendors) where LSEG negotiate contractual terms and pay through invoiced arrangements; (ii) External Partners including Financial Market Utilities (FMUs)/Financial Market Institutions (FMIs)/Banks, etc. remunerated through indirect payments (e.g., settlements/deductions). These include CCPs; (iii) Internal Third Party: intragroup services provided from one LSEG entity to another. This definition does not include affiliates, charities, brokers, or joint ventures.

⁷⁶ In the event of a "Critical Outsourcing" arrangement, appropriate risk and LCH SA Board approval, including regulated entity boards, must be obtained prior to execution, including for the use of any subcontractors. In addition, where a third party provides details on its extended supply chain, LCH SA should establish if any of those parties meet the definition of 'critical'. Where identified, these should be managed in line with the relevant requirements in the TPRM Standards. 'Extended Supply Chain' is defined as 'Equivalent to 4th and nth suppliers. Aligns with the expectation that entities take steps to understand critical dependencies in their extended supply chain as far as they extend into the supply chain'. Moreover, Appendix D of the TPRMP provides that where LCH SA identifies an FMI, FMU or other entity directly regulated by a competent authority (regulator) as 'critical', the requirements of this policy and the associated TPRM standards will be applied on a best endeavors basis.

ongoing basis using a risk-based, proportionate approach⁹¹ and in line with the TPRM Manage and Monitor Standard to ensure the Third Party is delivering on their obligations under the written agreement. The policy also requires LSEG to exercise and apply audit rights (and supplier testing) in full to Critical Third Party arrangements and on a risk-based basis to non-critical outsourcing arrangements where required.⁹²

The Termination and Exit section requires LCH SA to plan for both a 'stressed' (e.g., a third party becoming insolvent) and unstressed (e.g., termination for convenience/end of a contract) exit from each of its third party arrangements.⁹³ The policy states that the Accountable Executive⁹⁴ and Relationship Owner⁹⁵ for each Third Party arrangement is responsible for ensuring records and documentation are maintained in line with local regulatory records management requirements, in order to demonstrate ongoing compliance with the TPRMP and the associated standards.⁹⁶

The TPRMP also sets out the roles and responsibility for implementing the above standards within LCH SA.⁹⁷ In this regard, LCH Group follows a third lines of defense model. The first line of

defense, made up of the LCH SA Third Party Management Risk team and Procurement team, is responsible and accountable for identifying, assessing, monitoring, and managing third party risk. Moreover, it must ensure there are appropriate controls designed, implemented and assessed to ensure LCH SA can operate within the agreed risk appetite.

The Second Line of Defence, including Second Line Risk and Compliance team, is responsible for the oversight, support, and challenge in addition to ensuring that the policy is aligned to the LCH SA Board appetite.⁹⁸ The Third Line of Defence, made up of the Internal Audit function, is responsible for developing and delivering a program of assurance aimed at validating that the control environment is operating in alignment with the LCH SA Board's risk appetite and the policies approved by the LCH SA Board. In doing so, Third Line of Defence provides independent assurance to the LCH SA Board and other key stakeholders over the effectiveness of the systems of controls and the Risk Governance Framework.

f. Risk Governance Framework

The Risk Governance Framework (the "RGF") identifies the Key Risks (as defined below) faced by LCH SA and sets out: (i) the LCH SA Board's appetite across the Key Risks; (ii) the taxonomy of the Key Risks; (iii) the roles and responsibilities within LCH SA for managing each identified Key Risk; (iv) the standards to be met by LCH SA when managing its business activities within the determined risk appetite; and (v) the indicators and tolerance thresholds by which each Key Risk is meant to be measured and reported.

The RGF aims to ensure that the risks assumed in executing LCH SA's business strategy are adequately understood and managed across all levels within LCH SA. Moreover, the framework supports LCH SA's Board and Executive Management in discharging their regulatory and corporate responsibilities.⁹⁹

The RGF establishes a hierarchical risk taxonomy comprising of levels zero

(0), one (1) and two (2). The key risks are set out at level zero (0) and include: (i) financial and model risks associated directly with clearing activities; (ii) risks relating to operational resilience; (iii) strategic risks; (iv) people and culture risks; and (v) regulatory compliance, legal and corporate disclosure risks (together, the "Key Risks"). Within the Key Risks, the RGF identifies 31 level one (1) risks, and a number of level two (2) sub-risks where additional granularity is appropriate.¹⁰⁰ Moreover, the framework provides that LCH SA's appetite for the Key Risks is generally low,¹⁰¹ and in some cases, very low, due to its core mission as a regulated clearing house that plays a vital role in ensuring the stability of the financial markets in which it operates.¹⁰²

The RGF also identifies a range of quantitative and qualitative indicators and thresholds¹⁰³ tailored for specific risks, which are used to measure the extent to which a risk is considered within the LCH SA Board's appetite.¹⁰⁴ In addition to these indicators, the CRO, as owner of the RGF, will utilize the risk assessment grid¹⁰⁵ and process to

¹⁰⁰ Details on the taxonomy with level two (2) risk definitions can be found in Appendix 3 of the RGF.

¹⁰¹ The framework establishes four levels of risk appetite: very low, low, medium and high. Moreover, each level is defined as follows: (i) 'very low' means LCH SA is not willing to accept risks in most circumstances. The LCH SA Board should decide if the benefits outweigh the costs and the risk is worth taking; (ii) 'low' means LCH SA is willing to accept risk in some circumstances whereby successful delivery is likely with an acceptable level of reward. Such risks should be managed at business unit level (as set out in the RGF), but escalated if the impact and/or probability of occurrence is increasing; and (iii) 'moderate' means LCH SA is eager to innovate or choose options based on potential higher rewards. Risks in the 'moderate' category should be monitored in accordance with the RGF to ensure that the cost/effort applied in managing such risks is appropriate given the potential downside. In relation to the 'high' risk appetite, the framework provides that while LCH SA does not expect to have a high-risk appetite for any risk, in exceptional circumstances, it may temporarily tolerate short periods of exposure to this risk level.

¹⁰² Section C of the RGF expands upon each of the risks identified in the risk taxonomy, including the relevant risk appetite, a definition of each risk, the high level standards expected to be in place to manage such risks, as well as the relevant risk indicators and associated tolerance thresholds for assessing the management of each risk.

¹⁰³ The framework provides that the thresholds should be considered risk tolerances (*i.e.*, an 'outside' appetite threshold indicates the maximum tolerance for a particular risk). The LCH SA Board expects that such tolerance levels should be specific to each risk, and capable of quantitative measurement where possible, so that an accurate report can be made of the status of each risk against the LCH SA Board's appetite and maximum tolerance.

¹⁰⁴ The CRO will include these indicators and thresholds in his regular risk reporting to the LCH SA Board.

¹⁰⁵ The assessment of a risk being reported as 'within' (green), 'near' (amber), or 'outside' appetite

reviewed and where relevant testing in line with the Business Continuity Management Policy.

⁹¹ Further detail on this approach can be found in the TPRMP and Appendix D thereto.

⁹² For regulated areas, this may include third party certifications and pool audits, where appropriate. A full table of requirements is set out in the Risk Methodology document.

⁹³ Irrespective of the reason for exiting a Third Party relationship, LSEG aims to do so: without undue disruption to its business activities with minimal impact on the services provided to customers; and without limiting its compliance with legal or regulatory requirements.

⁹⁴ An Accountable Executive is defined as responsible for ensuring that the risks associated with the Third Party are managed as per this policy: (i) retain overall responsibility for the Third Party engagement; (ii) monitor Third Party engagement; (iii) manage incidents and disputes and oversee change control process'.

⁹⁵ A Relationship Owner is defined as a nominated individual within the Business Function who assumes responsibility for the ownership of goods or services from a designated Third Party. They are responsible for implementing and executing oversight and management activities across the Third Party lifecycle (*i.e.*, from selection, contracting and onboarding service delivery through to exit activities). This role is limited to full time employees.

⁹⁶ The policy sets out the relevant LCH Group policies and guidelines, or equivalent entity policies and guidelines, that must be read in conjunction with the TPRMP. For example, the Anti-Bribery and Corruption Policy, the Business Continuity Policy, the Code of Conduct and Ethics, and the Conflicts of Interest Policy.

⁹⁷ Further detail on these roles and responsibilities can be found in Appendix E of the TPRMP. Please note that Appendix A has not been referred to as it is not applicable to LCH SA.

⁹⁸ The Second Line of Defence, including Compliance, must ensure that the First Line of Defence provides evidence of compliance with the principles and requirements outlined in this policy in an appropriately frequent and detailed manner, having regard to the importance of the business and the services provided.

⁹⁹ The RGF provides that this is done through robust governance arrangements with (i) well-defined, transparent, and consistent lines of responsibility; (ii) effective processes to identify, manage, monitor and report the risks to which it is or might be exposed; and (iii) adequate internal control mechanisms.

compile LCH SA Board's appetite reports.¹⁰⁶

The framework highlights that risk culture is a vital element of the overall culture of the LCH SA organization. LCH SA values, as adopted by the LCH SA Board and Executive Management, communicated to all employees, and reflected in the LSEG Code of Conduct, provide the basis for measuring and assessing LCH SA's culture, and support the measurement of risk against appetite. For example, the RGF requires (i) senior management and employees at all levels to operate in a transparent way, and be held accountable for their behavior;¹⁰⁷ and (ii) mandatory training to be provided to employees to reinforce LCH SA's key cultural, behavioral, legal and regulatory obligations across all important topics.¹⁰⁸

The framework requires LCH SA to follow the three lines of defense model (as described above). Like the ORMP,¹⁰⁹ LCH SA Function Heads and Business Heads (excluding the CRO, LCH SA Chief Compliance Officer ("CCO") and Head of Internal Audit) manage the risks of all LCH SA's business activities and therefore constitute the First Line of Defence. The CRO,¹¹⁰ as part of the Second Line of Defence, is responsible for: (i) measuring, monitoring and reporting the risks identified in the RGF and ORMP; and (ii) setting policies¹¹¹ consistent with the standards identified in the RGF. LCH SA Human Resources, Compliance, Finance and Legal are responsible for corporate risks and for setting policies consistent with the RGF and for the management, monitoring

(red) may be made by using the risk indicators described above and by comparing residual risk severity with the LCH SA Board's appetite, using the tables detailed in Section A3 and Appendix 6 of the RGF.

¹⁰⁶ The CRO may exercise judgement, both in the method utilized and in the final assessment *e.g.*, taking into account the existence of any appetite-related actions. The CRO's assessment will be validated through review at the Resilience Committee (ResCo) and the ERCo.

¹⁰⁷ The RGF provides that the culture of transparency and accountability is embedded through establishing, monitoring and adhering to risk appetite, which is implemented through the framework and suite of LCH SA policies.

¹⁰⁸ The training is refreshed and rolled out throughout the year, requiring an assessment to be completed by all the staff to confirm that the materials have been understood. Non-completion is monitored and escalated to ensure that the training has been delivered to all intended recipients.

¹⁰⁹ The RGF details a specific Operational Risk Taxonomy in Appendix 7 thereof.

¹¹⁰ The CRO has a dual reporting line to the LCH SA Chief Executive Officer ("CEO") and to the Chair of the LCH SA Risk Committee. For compliance and regulatory risks, the CCO is responsible for the second-line risk function, supported by the CRO.

¹¹¹ The full list of LCH SA's Risk Policies can be found in Appendix 4 of the RGF.

and reporting of any policy noncompliance within their specific areas. Internal Audit is the Third Line of Defence.

The RGF details, in table format, each of the Key Risks, including: (i) the LCH SA Board's risk appetite and standards; (ii) relevant risk indicators and tolerance thresholds to assist with the assessment of whether each risk should be assessed as 'within', 'near' or 'outside' appetite;¹¹² (iii) the internal LCH SA stakeholders responsible for each risk and associated policy; and (iv) the LCH SA policy detailing how the LCH SA Board standards are applied across the business.¹¹³

In relation to reputational risk, the framework:

(i) defines reputational risk as "the risk of a failure to meet stakeholders' expectations or the risk of unfavorable public perceptions of the LCH SA business and brand;"

(ii) identifies stakeholder perceptions, brand risk and media engagement as level two (2) risks;

(iii) describes the LCH SA Board risk appetite as 'low' and expresses that LCH SA will actively protect its brand by maintaining the integrity of services and actively review initiatives to ensure that its brand is protected;

(iv) defines the CEO and Business Heads as the First Line of Defence, and the CRO as the Second Line of Defence;

(v) states that this risk is covered by brand, media and communication policies;

(vi) identifies 'negative/damaging press coverage' as a risk indicator;

(vii) identifies 'up to three (3) days of national/"trade" press coverage' as the near appetite threshold; and

(viii) identifies 'more than three (3) days of national/"trade" press coverage as a proxy for maintaining a good reputation' as the outside appetite tolerance limit.

Appendix 1 of the RGF details additional standards in relation to the subject of recovery, resolution and wind-down¹¹⁴ ("RRW") and Important Business Services. For example and in relation to RRW, the framework requires LCH SA to have a pre-arranged recovery

¹¹² Holistically, at each level, such risk status assessment will also take account of qualitative factors, tolerance thresholds, policies and culture.

¹¹³ Such details can be found in Section C of the RGF.

¹¹⁴ Appendix 1 of the RGF defines such risk as "The risk stemming from LCH Ltd. or LCH SA not having in place a proper [r]ecovery [p]lan having identified and pre-agreed recovery tools to handle a loss event, remain solvent and to continue to operate smoothly in performing its central clearing role. Examples of such recovery tools can include member assessments, variation margin haircutting, cash settlement, etc."

plan which: (i) has been agreed with LCH SA clearing members and regulators; (ii) has been fully documented and gone through the appropriate internal governance; (iii) lists the recovery tools available to be used in the recovery process; and (iv) lists the decision points which trigger LCH SA to go into recovery mode.

The RGF is reviewed and signed off by the LCH SA Board at least annually, providing assurance that all risks continue to be appropriately identified and mapped, that the statement of risk appetite is clear and defined at the appropriate level of granularity, that ownership and responsibilities are clear, and that there is an appropriate process for monitoring and reporting on all risks against LCH SA's appetite.

2. Statutory Basis

LCH SA has determined that the Risk Policies are consistent with the requirements of Section 17A of the Act¹¹⁵ and regulations thereunder applicable to it, including Commission Rule 17ad-22(e).¹¹⁶ In particular, Section 17A(b)(3)(F)¹¹⁷ of the Act requires, *inter alia*, that the rules of a clearing agency "promote the prompt and accurate clearance and settlement of . . . derivatives agreements, contracts, and transactions" and "to protect investors and the public interest."

In this regard, the CRP sets out more clearly LCH SA's standards for the management of risks associated with LCH SA's collateral activities, including collateral accepted to cover margin requirements and to satisfy default fund contributions. The policy establishes robust criteria for collateral eligibility, including concentration limits, as well as a rigorous oversight and monitoring framework to ensure that collateral is appropriately valued on an ongoing basis. In addition, the FRAP establishes a robust framework to ensure that the financial resources held by LCH SA against member exposures—including, most importantly, margin requirements—is sufficient to cover any potential losses of a defaulting clearing member. Insufficient financial resources, including margin, would impede LCH SA's ability to promptly accept trades for clearing, hence the CRP and FRAP are consistent with Section 17A(b)(3)(F) of the Act.¹¹⁸

The CCRP is designed to identify, and manage, LCH SA's counterparty credit risk, principally through the ICS framework applicable to members and

¹¹⁵ 15 U.S.C. 78q-1.

¹¹⁶ 17 CFR 240.17ad-22(e).

¹¹⁷ 15 U.S.C. 78q-1(b)(3)(F).

¹¹⁸ 15 U.S.C. 78q-1(b)(3)(F).

the sovereign of their country of risk (as well as their parent entity, if different) as well as to all other investment and other counterparties. Applicants for clearing membership must meet a minimum ICS; a member's ICS is monitored on an ongoing basis and the policy sets out a framework for responding to deteriorating credit risk. The CCRP is therefore an integral part of LCH SA's arrangements to mitigate the risk of a clearing member default, which serves to protect investors as well as the public interest. The CCRP is therefore consistent with the requirements of Section 17A(b)(3)(F) of the Act.¹¹⁹

To clear trades promptly and accurately, LCH SA must ensure that its systems, including those operated by third parties, are resilient. In this regard, the ORMP sets out LCH SA's arrangements for minimizing the risks of disruption to LCH SA's services and to LCH SA's ability to carry out its obligations to members, clients and other stakeholders. The ORMP therefore implements a suite of risk assessment controls and procedures, including a control framework, deep dive, and scenario analysis, to address operational risks. These arrangements are supported by a change control framework as well as a set of procedures to undertake an *ex-post* review of risk incidents. The TPRMP is designed to manage the risks of using third party service providers in relation to outsourcing critical or important functions. By establishing a risk control framework across the outsourcing life-cycle—from contracting/onboarding, to monitoring and managing performance, to exit/termination—the TPRM minimizes the risks that the use of third party service providers will impact LCH SA's ability to accept trades for clearing promptly and accurately. The ORMP and the TPRMP are therefore consistent with Section 17A(b)(3)(F) of the Act.¹²⁰

The RGF sits above the CRP, FRAP, CCRP, ORMP and TPRMP, and identifies the key risks faced by LCH SA as well as the associated indicators and tolerance thresholds by which each such risk is to be measured and reported. By providing the wider risk governance framework within which the CRP, FRAP, CCRP, ORMP and TPRMP have been designed and adopted, the RGF supports how such risk policies facilitate the prompt and accurate settlement of transactions and protect investors and the public interest and is

therefore consistent with Section 17A(b)(3)(F) of the Act.¹²¹

Commission Rule 17ad-22(e)(2)(i) provides that each covered clearing agency must establish, implement, maintain, and enforce written policies and procedures reasonably designed to provide for governance arrangements that are clear and transparent.¹²² As discussed above, each of the Risk Policies expands on and clarifies the standards by which LCH SA manages the various risks to which it is exposed as a CCP. Importantly, each Risk Policy clearly describes the roles and responsibilities of the various units within LCH SA or LCH Group, as applicable, responsible for compliance with each policy. For example, the CCRP specifies that LCH SA Credit Risk is responsible for monitoring and managing counterparty credit risk, including: (i) assigning and maintaining the ICS; (ii) assigning, maintaining and monitoring the applicable limits under the policy; (iii) reporting to the responsible risk team of any change in the ICS which triggers actions under the CCRP and other LCH SA risk policies; and (iv) regular and ad-hoc reporting to other risk areas and senior management. The CCRP also identifies the CRO as policy owner.

Similarly, the three lines of defense model set out in the TPRMP identifies the first line of defense as the LCH SA Third Party Management Risk and Procurement team Function Heads and Business Heads, which is responsible and accountable for identifying, assessing, monitoring, and managing third party risk and for ensuring that LCH SA can operate within the agreed risk appetite. Second Line Risk is responsible for the oversight, support, and challenge in addition to ensuring that the policy is aligned to the LCH SA Board risk appetite. The Internal Audit function, as the third line of defense, is responsible for developing and delivering a program of assurance aimed at validating that the control environment is operating in alignment with the LCH SA Board's risk appetite and the LCH SA Board's approved policies. For its part, the RGF specifies the internal LCH SA stakeholders responsible for each Key Risk and the associated policy framework generated to address such Key Risk.

By expanding on and clarifying the standards by which LCH SA manages the various risks to which it is exposed as a CCP and more clearly describing the roles and responsibilities of the various units within LCH SA or LCH

Group responsible for compliance with each Risk Policy, the Risk Policies provide for governance arrangements that are clear and transparent. As such, the Risk Policies are consistent with Commission Rule 17ad-22(e)(2)(i).¹²³

Commission Rule 17ad-22(e)(2)(v)¹²⁴ provides that each covered clearing agency must establish, implement, maintain, and enforce written policies and procedures reasonably designed to specify clear and direct lines of responsibility. As discussed in detail immediately above, each Risk Policy clearly describes the roles and responsibilities of the various units within LCH SA or LCH Group responsible for compliance with each policy. By more clearly describing the roles and responsibilities of the various units within LCH SA or LCH Group, as applicable, responsible for compliance with each Risk Policy, the Risk Policies specify clear and direct lines of responsibility. As such, the Risk Policies are consistent with Commission Rule 17ad-22(e)(2)(v).

Commission Rule 17ad-22(e)(3)¹²⁵ requires a covered clearing agency to establish, implement, maintain and enforce written policies and procedures reasonably designed to maintain a sound risk management framework for comprehensively managing legal, credit, liquidity, operational, general business, investment, custody, and other risks that arise in or are borne by the covered clearing agency, which includes, *inter alia*, (i) risk management policies, procedures, and systems designed to identify, measure, monitor, and manage the range of risks that arise in or are borne by the covered clearing agency, that are subject to review on a specified periodic basis and approved by the LCH SA Board annually; and (ii) plans for the recovery and orderly wind-down of the covered clearing agency necessitated by credit losses, liquidity shortfalls, losses from general business risk, or any other losses.¹²⁶

In this regard, the RGF is a framework that: (i) identifies and categorizes Key Risks faced by LCH SA; (ii) sets out the roles and responsibilities within LCH SA for managing each identified Key Risk; (iii) provides the standards to be met by LCH SA when managing its business activities within the determined risk appetite; and (iv) establishes the indicators and tolerance thresholds by which each Key Risk is meant to be measured and reported. For example, and as noted above, the RGF identifies the standards that are specific

¹¹⁹ *Id.*

¹²⁰ *Id.*

¹²¹ *Id.*

¹²² 17 CFR 240.17ad-22(e)(2)(i).

¹²³ *Id.*

¹²⁵ 17 CFR 240.17ad-22(e)(3).

¹²⁶ *Id.*

to LCH SA in relation to the subject of RRW to ensure LCH SA has a proper recovery plan to handle a loss event, remain solvent and continue to operate smoothly in performing its central clearing role. The RGF also expects that the LCH SA Board establish a wind-down plan for non-critical services, to be tested annually and on a selected service. The RGF is signed off by the LCH SA Board at least annually. By providing (i) an overall risk management framework to comprehensively manage the Key Risks, subject to the LCH SA Board's annual review and sign-off; and (ii) a plan for the recovery and orderly wind-down of LCH SA, the RGF is consistent with Commission Rule 17ad-22(e)(3).¹²⁷

Commission Rule 17ad-22(e)(4)(i) requires a covered clearing agency to establish, implement, maintain and enforce written policies and procedures reasonably designed to effectively identify, measure, monitor, and manage its credit exposures to participants and those arising from its payment, clearing, and settlement processes by maintaining sufficient financial resources to cover its credit exposure to each participant fully with a high degree of confidence.¹²⁸

The CCRP sets out the standards by which LCH SA manages and assesses counterparty credit risk. Specifically, the policy requires LCH SA Credit Risk to assign an ICS to: (i) all clearing members and the sovereign of their country of risk (and that of their parent, if different); and (ii) all counterparties, including intermediaries and countries which are subject to a minimum ICS as covered in other risk policies. In addition, the CCRP imposes credit exposure monitoring thresholds, limits and tolerances on each clearing member. The CCRP ensures LCH SA maintains sufficient financial resources (including prefunded financial resources) to cover its credit exposure to each participant by: (i) assigning an ICS to each counterparty based on an assessment of quantitative and qualitative factors; and (ii) detailing the policy on exposure monitoring thresholds, limits and tolerances applicable to each clearing member. The CCRP is therefore consistent with Commission Rules 17ad-22(e)(4)(i).¹²⁹

Commission Rule 17ad-22(e)(4)(iii) requires a covered clearing agency to establish, implement, maintain and enforce written policies and procedures reasonably designed to effectively identify, measure, monitor, and manage its credit exposures to participants and

those arising from its payment, clearing, and settlement processes, including by maintaining additional financial resources at the minimum to enable it to cover a wide range of foreseeable stress scenarios that include, but are not limited to, the default of the participant family that would potentially cause the largest aggregate credit exposure for the covered clearing agency in extreme but plausible market conditions.¹³⁰ In addition, Commission Rule 17ad-22(e)(4)(v) requires that such financial resources be maintained in combined or separately maintained clearing or guarantee funds.¹³¹

The FRAP describes the standards governing the assessment of financial resources (initial margins, margin additions and default funds) against Latent Market Risks in clearing portfolios at LCH SA. Specifically, the policy requires additional margins to be held (where appropriate) to cover member specific portfolio risk arising from house and client activity of the following types: (i) concentration/liquidity risk; (ii) sovereign risk; (iii) wrong way risk; and (iv) counterparty credit risk. The FRAP details the stress regime to be used to identify 'extreme but plausible' tail losses in each member portfolio beyond the applicable initial margin confidence level. For instance, it requires liquidity stress tests, collateral stress tests, and exposure stress tests to be run daily. The policy also details the maximum credit tolerances to be applied per LCH SA clearing member every day. By confirming: (i) the requirements for LCH SA to impose, call and collect daily margins; (ii) the methodology for stress testing; and (iii) the allocation of financial resources per clearing member, the FRAP is consistent with Commission Rules 17ad-22(e)(4)(iii)¹³² and 17ad-22(e)(4)(v).¹³³

Commission Rule 17ad-22(e)(4)(vi)¹³⁴ requires a covered clearing agency to establish, implement, maintain and enforce written policies and procedures reasonably designed to effectively identify, measure, monitor, and manage its credit-exposures to participants and those arising from its payment, clearing, and settlement processes, including testing the sufficiency of its total financial resources available to meet its minimum financial resource requirements by: (i) conducting stress testing of its total financial resources once each day using standard predetermined parameters and

assumptions; (ii) conducting a comprehensive analysis on at least a monthly basis of the existing stress testing scenarios, models, and underlying parameters and assumptions, and considering modifications to ensure they are appropriate for determining the covered clearing agency's required level of default protection in light of current and evolving market conditions; (iii) conducting a comprehensive analysis of stress testing scenarios, models, and underlying parameters and assumptions more frequently than monthly when the products cleared or markets served display high volatility or become less liquid, or when the size or concentration of positions held by the covered clearing agency's participants increases significantly; and (iv) reporting the results of its analyses under items (ii) and (iii) above to appropriate decision makers at the covered clearing agency, including but not limited to, its Risk Management Committee or LCH SA Board, and using these results to evaluate the adequacy of and adjust its margin methodology, model parameters, models used to generate clearing or guaranty fund requirements, and any other relevant aspects of its credit risk management framework, in supporting compliance with the minimum financial resources requirements set forth in paragraphs (e)(4)(i) and (iii) of this section.¹³⁵

The FRAP (i) details the standards by which financial resources should be assessed against member exposures; (ii) details the holding periods to be used for each product in the assessment of margins, providing justification for each; (iii) articulates the predefined stress regime to be used by LCH SA to identify 'extreme but plausible' tail losses in each member portfolio beyond the applicable initial margin confidence level; (iv) sets the standards to be used for reverse stress testing the financial resources held against member positions; and (v) establishes the required daily liquidity stress, collateral stress and exposure stress testing. The policy also details a comprehensive process for LCH SA to monitor, analyze and resize each default fund on a monthly basis.

The FRAP also complements the Model Governance, Validation and Review Policy by adding further standards to be included in the testing and validation of margin models. For instance, it requires LCH SA to (i) list and justify its critical model assumptions and modelling methodology; and (ii) calculate and

¹²⁷ *Id.*

¹²⁸ 17 CFR 240.17ad-22(e)(4)(i).

¹²⁹ *Id.*

¹³⁰ 17 CFR 240.17ad-22(e)(4)(iii).

¹³¹ 17 CFR 240.17ad-22(e)(4)(v).

¹³² 17 CFR 240.17ad-22(e)(4)(iii).

¹³³ 17 CFR 240.17ad-22(e)(4)(v).

¹³⁴ 17 CFR 240.17ad-22(e)(4)(vi).

¹³⁵ *Id.*

monitor the sensitivities of model outputs to key parameter changes. Moreover, the FRAP provides that the appropriateness of the policy relative to the LCH SA Board's risk appetite and regulatory requirements should be reviewed on an annual basis by ERCo with any significant findings reported to the LCH SA Risk Committee and LCH SA Board. The FRAP is therefore consistent with Commission Rule 17ad-22(e)(4)(vi).¹³⁶

Commission Rule 17ad-22(e)(5)¹³⁷ requires a covered clearing agency to establish, implement, maintain and enforce written policies and procedures reasonably designed to limit the assets it accepts as collateral to those with low credit, liquidity, and market risks, and set and enforce appropriately conservative haircuts and concentration limits if the covered clearing agency requires collateral to manage its or its participants' credit exposures.

The CRP sets out the standards for the management of LCH SA's collateral risks. As noted above, the policy identifies the acceptance criteria for cash and non-cash collateral posted by its members to cover margin requirements and default fund contributions to those with low credit, liquidity and market risks. With regards to cash, as explained in the CRP and noted above, LCH SA limits the primary currencies accepted by LCH SA to EUR, GBP, and USD. In relation to non-cash collateral, the policy limits the assets to certain traded securities and central bank guarantees. Moreover, the CRP requires LCH SA to apply a defined haircut methodology and mandates additional haircuts and concentration limits to manage its or its participants' credit exposures when certain events are triggered. For instance, issuers are subject to a credit risk add-on where they are assigned an ICS of four or below.

By confirming (i) the principles and factors that will be applied when considering whether an asset can be accepted by LCH SA as collateral for margin cover; and (ii) the base haircuts, haircut add-ons, limits and/or price adjustments, the CRP is consistent with Commission Rule 17ad-22(e)(5).¹³⁸

Commission Rule 17ad-22(e)(6)¹³⁹ requires a covered clearing agency to establish, implement, maintain and enforce written policies and procedures reasonably designed to cover, if the covered clearing agency provides central counterparty services, its credit

exposures to its participants by establishing a risk-based margin system that, at a minimum, *inter alia*: (i) considers, and produces margin levels commensurate with, the risks and particular attributes of each relevant product, portfolio, and market; (ii) marks participant positions to market and collects margin, including variation margin or equivalent charges if relevant, at least daily and includes the authority and operational capacity to make intraday margin calls in defined circumstances; (iii) uses reliable sources of timely price data and uses procedures and sound valuation models for addressing circumstances in which pricing data are not readily available or reliable; and (iv) uses an appropriate method for measuring credit exposure that accounts for relevant product risk factors and portfolio effects across products.

The FRAP sets out the standards governing the assessment of financial resources (initial margins, margin add-ons and default funds) against the Latent Market Risks in clearing member portfolios at LCH SA. As noted above, the FRAP requires LCH SA to impose, call and collect margins at least daily on each day when its Clearing Services are open and operating to limit its credit exposures to its clearing members and, where relevant, from CCPs with which it has interoperability arrangements. In addition, the policy sets out the LCH SA standards for initial margin, margin add-ons, intraday margins and variation margin. For instance, additional margins must be held (where appropriate) to cover member specific portfolio risk arising from both house and client activity of the following types: (i) concentration/liquidity risk; (ii) sovereign risk; (iii) wrong way risk; and (iv) counterparty credit risk. In addition, each Clearing Service is expected to monitor margin levels intraday and to have the capacity to call for margin intraday should it be necessary to address any issues with member exposures. The FRAP also details the standard for the calculation of margin, including the methods of price capture and verification.

By confirming: (i) the policy requiring LCH SA to impose, call and collect daily margins; (ii) the methods for calculating margins; and (iii) the ability for Clearing Services to call for intraday margin, where necessary, the FRAP is consistent with Commission Rule 17ad-22(e)(6).¹⁴⁰

Commission Rule 17ad-22(e)(18) requires a covered clearing agency to establish, implement, maintain and enforce written policies and procedures

reasonably designed to establish objective, risk-based, and publicly disclosed criteria for participation, which, *inter alia*: (i) require participants to have sufficient financial resources and robust operational capacity to meet obligations arising from participation in the clearing agency; and (ii) monitor compliance with such participation requirements on an ongoing basis.¹⁴¹

The CCRP describes the standards by which LCH SA manages and assesses counterparty credit risk via an ICS and limit frameworks. In addition to clarifying the roles and responsibilities within LCH SA for compliance with the policy, noted above, the CCRP requires LCH SA Credit Risk to: (i) assign and maintain the ICS for each counterparty; (ii) assign, maintain and monitor the applicable limits under the policy; (iii) report to the responsible risk team of any change in the ICS which triggers actions under the CCRP and other LCH SA risk policies; and (iv) provide regular and ad-hoc reporting to other risk areas and senior management. The CCRP requires an ICS to be assigned to all clearing members and the sovereign of their country of risk (and that of their parent, if different); and all other counterparties, including intermediaries and countries which are subject to a minimum ICS as covered in other risk policies. Furthermore, the CCRP sets out the factors used by LCH SA to assign an ICS and Implied ICS for each of the counterparty types it deals with. The CCRP also details the exposure monitoring thresholds, limits and tolerances applied to each clearing member; all thresholds are monitored daily, and LCH SA Credit Risk decide on any action to be taken when a breach has occurred.

By providing for the assignment, maintenance and monitoring of an ICS applied to each counterparty that LCH SA interacts with, as well as the monitoring of related counterparty credit risk thresholds, the CCRP is consistent with Commission Rule 17ad-22(e)(18).¹⁴²

Commission Rule 17ad-25(i) requires a covered clearing agency to manage risks from relationships with its service providers for core services.¹⁴³ The TPRMP states that LCH SA consider a risk-based and proportionate approach to onboarding third parties (including service providers for core services). LCH SA adopts the highest level of oversight and due diligence for critical third party services. Third parties deemed critical in accordance with the TPRMP will

¹³⁶ *Id.*

¹³⁷ 17 CFR 240.17ad-22(e)(5).

¹³⁸ *Id.*

¹³⁹ 17 CFR 240.17ad-22(e)(6).

¹⁴⁰ *Id.*

¹⁴¹ 17 CFR 240.17ad-22(e)(18).

¹⁴² *Id.*

¹⁴³ 17 CFR 240.17ad-25(i).

have a high or very-high inherent risk rating and require more heightened due diligence (monitoring and testing) and approval by the LCH SA Board for any changes to the relationship with any critical third party engagements. By considering this risks borne from its relationships with service providers of core services and applying a more stringent due diligence process for such service providers, LCH SA believes its TPRMP is consistent with Commission Rule 17ad-25(i).¹⁴⁴

Rule 1001 of Regulation System Compliance and Integrity (“Reg SCI”)¹⁴⁵ requires SCI entities (which include registered clearing agencies), to: (i) establish, maintain, and enforce written policies and procedures reasonably designed to ensure that its SCI systems and, for purposes of security standards, indirect SCI systems, have levels of capacity, integrity, resiliency, availability, and security, adequate to maintain the SCI entity’s operational capability and promote the maintenance of fair and orderly markets; and (ii) establish, maintain, and enforce written policies and procedures reasonably designed to ensure that its SCI systems operate in a manner that complies with the Act and the rules and regulations thereunder and the entity’s rules and governing documents, as applicable.

The ORMP sets out (i) LCH SA’s appetite and expectations for the management of operational risk (defined as the risk of loss arising from inadequate or failed internal processes, people and systems or from external events); and (ii) the key features of the operational risk management framework for identifying, assessing, monitoring, mitigating and managing operational risk. In addition to clarifying the roles and responsibilities within LCH SA for compliance with the policy, noted above, the ORMP requires LCH SA to have a defined risk taxonomy for operational risks, and sets out the risk assessment tools and processes to be used, including RCAs, control assurance processes, and deep dives. Furthermore, the ORMP details the process to be followed when the following risk events occur triggering a re-assessment of risks and controls: (i) incidents and actual losses; (ii) audit or risk and compliance issues, and external reviews; (iii) key risk and control indicator breaches; (iv) control weakness; (v) other internal events including process changes or restructuring; and (vi) external events arising outside of LCH SA and LCH

Group’s control (e.g., natural disasters, pandemics, political changes, etc.).

By providing for the overall operational risk management framework of LCH SA, including the controls detailed thereunder, the ORMP is designed to ensure that LCH SA’s systems and indirect systems have levels of capacity, integrity, resiliency, availability, and security, adequate to maintain LCH SA’s operational capability and ensure that its systems operate in a manner that complies with the Act and the rules and regulations thereunder. The ORMP is therefore consistent with Rule 1001 of Reg SCI.¹⁴⁶

B. Clearing Agency’s Statement on Burden on Competition

Section 17A(b)(3)(I) of the Act requires that the rules of a clearing agency not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.¹⁴⁷ LCH SA does not believe the Risk Policies would have any impact or impose any burden on competition. The Risk Policies do not address any competitive issue or have any significant impact on the competition among central counterparties. LCH SA operates an open access clearing model, and the Risk Policies will have no direct effect on this access model subject to the regulatory requirements, our clearing rules provisions and our governance process on the clearing membership criteria and eligibility including the appropriate credit risk assessment.

C. Clearing Agency’s Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

Written comments relating to the Risk Policies have not been solicited or received. LCH SA will notify the Commission of any written comments received by LCH SA.

III. Date of Effectiveness of the Proposed Rule Change

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 such proposed rule change, or (B) institute proceedings to determine whether the

proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission’s internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR–LCH SA–2025–007 on the subject line.

Paper Comments

Send paper comments in triplicate to Vanessa Countryman, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

All submissions should refer to file number SR–LCH SA–2025–007. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission’s internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of LCH SA and on LCH SA’s website at: (<https://www.lch.com/resources/rulebooks/proposed-rule-changes>).

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 materials that is obscene or subject to copyright protection. All submissions should refer to file number SR–LCH SA–2025–007 and should be submitted on or before August 22, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴⁸

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2025–14564 Filed 7–31–25; 8:45 am]

BILLING CODE 8011–01–P

¹⁴⁴ *Id.*

¹⁴⁵ 17 CFR 242.1001.

¹⁴⁶ *Id.*

¹⁴⁷ 15 U.S.C. 78q–1(b)(3)(I).

¹⁴⁸ 17 CFR 200.30–3(a)(12).

SMALL BUSINESS ADMINISTRATION**[Disaster Declaration #21228 and #21229;
INDIANA Disaster Number IN-20013]****Presidential Declaration of a Major
Disaster for Public Assistance Only for
the State of Indiana****AGENCY:** U.S. Small Business
Administration.**ACTION:** Notice.**SUMMARY:** This is a Notice of the
Presidential declaration of a major
disaster for Public Assistance Only for
the State of Indiana (FEMA-4882-DR),
dated July 22, 2025.*Incident:* Severe Storms, Tornadoes,
Straight-line Winds and Flooding.**DATES:** Issued on July 22, 2025.*Incident Period:* March 30, 2025
through April 9, 2025.*Physical Loan Application Deadline
Date:* September 22, 2025.*Economic Injury (EIDL) Loan
Application Deadline Date:* April 22,
2026.**ADDRESSES:** Visit the MySBA Loan
Portal at <https://lending.sba.gov> to
apply for a disaster assistance loan.**FOR FURTHER INFORMATION CONTACT:**
Sharon Henderson, Office of Disaster
Recovery & Resilience, U.S. Small
Business Administration, 409 3rd Street,
SW, Suite 6050, Washington, DC 20416,
(202) 205-6734.**SUPPLEMENTARY INFORMATION:** Notice is
hereby given that as a result of the
President's major disaster declaration on
July 22, 2025, Private Non-Profit
organizations that provide essential
services of a governmental nature may
file disaster loan applications online
using the MySBA Loan Portal <https://lending.sba.gov> or other locally
announced locations. Please contact the
SBA disaster assistance customer
service center by email at
disastercustomerservice@sba.gov or by
phone at 1-800-659-2955 for further
assistance.The following areas have been
determined to be adversely affected by
the disaster:*Primary Counties:* Bartholomew, Brown,
Clark, Crawford, Decatur, Floyd,
Franklin, Greene, Harrison,
Jefferson, Lawrence, Madison,
Marshall, Martin, Montgomery,
Morgan, Orange, Owen, Perry,
Switzerland, Vanderburgh, Warrick,
Washington.

The Interest Rates are:

	Percent
<i>For Physical Damage:</i> Non-Profit Organizations with Credit Available Elsewhere	3.625

	Percent
Non-Profit Organizations with- out Credit Available Else- where	3.625
<i>For Economic Injury:</i> Non-Profit Organizations with- out Credit Available Else- where	3.625

The number assigned to this disaster
for physical damage is 21228C and for
economic injury is 212290.(Catalog of Federal Domestic Assistance
Number 59008)

(Authority: 13 CFR 123.3(b).)

James Stallings,*Associate Administrator, Office of Disaster
Recovery & Resilience.*

[FR Doc. 2025-14517 Filed 7-31-25; 8:45 am]

BILLING CODE 8026-09-P**SMALL BUSINESS ADMINISTRATION****[Disaster Declaration #21176 and #21177;
TEXAS Disaster Number TX-20058]****Presidential Declaration Amendment of
a Major Disaster for Public Assistance
Only for the State of Texas****AGENCY:** U.S. Small Business
Administration.**ACTION:** Amendment 6.**SUMMARY:** This is an amendment of the
Presidential declaration of a major
disaster for Public Assistance Only for
the State of Texas (FEMA-4879-DR),
dated July 6, 2025.*Incident:* Severe Storms, Straight-line
Winds, and Flooding.**DATES:** Issued on July 29, 2025.*Incident Period:* July 2, 2025 through
July 18, 2025.*Physical Loan Application Deadline
Date:* September 4, 2025.*Economic Injury (EIDL) Loan
Application Deadline Date:* April 6,
2026.**ADDRESSES:** Visit the MySBA Loan
Portal at <https://lending.sba.gov> to
apply for a disaster assistance loan.**FOR FURTHER INFORMATION CONTACT:**
Sharon Henderson, Office of Disaster
Recovery & Resilience, U.S. Small
Business Administration, 409 3rd Street
SW, Suite 6050, Washington, DC 20416,
(202) 205-6734.**SUPPLEMENTARY INFORMATION:** The notice
of the President's major disaster
declaration for Private Non-Profit
organizations in the State of TEXAS,
dated July 6, 2025, is hereby amended
to include the following areas as
adversely affected by the disaster.*Primary Counties:* Edwards, Lampasas,
Real, Reeves, Schleicher, Sutton.All other information in the original
declaration remains unchanged.(Catalog of Federal Domestic Assistance
Number 59008)

(Authority: 13 CFR 1234.3(b).)

James Stallings,*Associate Administrator, Office of Disaster
Recovery & Resilience.*

[FR Doc. 2025-14645 Filed 7-31-25; 8:45 am]

BILLING CODE 8026-09-P**SMALL BUSINESS ADMINISTRATION****[Disaster Declaration #21174 and #21175;
TEXAS Disaster Number TX-20057]****Presidential Declaration Amendment of
a Major Disaster for the State of Texas****AGENCY:** U.S. Small Business
Administration.**ACTION:** Amendment 3.**SUMMARY:** This is an amendment of the
Presidential declaration of a major
disaster for the State of Texas (FEMA-
4879-DR), dated July 6, 2025.*Incident:* Severe Storms, Straight-line
Winds, and Flooding.**DATES:** Issued on July 29, 2025.*Incident Period:* July 2, 2025 through
July 18, 2025.*Physical Loan Application Deadline
Date:* September 4, 2025.*Economic Injury (EIDL) Loan
Application Deadline Date:* April 6,
2026.**ADDRESSES:** Visit the MySBA Loan
Portal at <https://lending.sba.gov> to
apply for a disaster assistance loan.**FOR FURTHER INFORMATION CONTACT:**
Sharon Henderson, Office of Disaster
Recovery & Resilience, U.S. Small
Business Administration, 409 3rd Street
SW, Suite 6050, Washington, DC 20416,
(202) 205-6734.**SUPPLEMENTARY INFORMATION:** The notice
of the President's major disaster
declaration for the State of Texas, dated
July 6, 2025, is hereby amended to
include the following areas as adversely
affected by the disaster:*Primary Counties (Physical Damage and
Economic Injury Loans):*
Guadalupe, Kimble, McCulloch,
Menard.*Contiguous Counties (Economic Injury
Loans Only):*Texas: Bexar, Coleman, Comal,
Gonzales, Sutton, Wilson.All other information in the original
declaration remains unchanged.(Catalog of Federal Domestic Assistance
Number 59008)

(Authority: 13 CFR 1234.3(b).)

James Stallings,

Associate Administrator, Office of Disaster Recovery & Resilience.

[FR Doc. 2025–14640 Filed 7–31–25; 8:45 am]

BILLING CODE 8026–09–P

SMALL BUSINESS ADMINISTRATION

**[Disaster Declaration #21159 and #21160;
TENNESSEE Disaster Number TN–20025]**

**Presidential Declaration Amendment of
a Major Disaster for Public Assistance
Only for the State of TENNESSEE**

AGENCY: U.S. Small Business
Administration.

ACTION: Amendment 2.

SUMMARY: This is an amendment of the Presidential declaration of a major disaster for Public Assistance Only for the State of Tennessee (FEMA–4878–DR), dated June 19, 2025.

Incident: Severe Storms, Straight-line Winds, Tornadoes, and Flooding.

DATES: Issued on July 29, 2025.

Incident Period: April 2, 2025 through April 24, 2025.

Physical Loan Application Deadline Date: August 19, 2025.

Economic Injury (EIDL) Loan Application Deadline Date: March 19, 2026.

ADDRESSES: Visit the MySBA Loan Portal at <https://lending.sba.gov> to apply for a disaster assistance loan.

FOR FURTHER INFORMATION CONTACT: Sharon Henderson, Office of Disaster Recovery & Resilience, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205–6734.

SUPPLEMENTARY INFORMATION: The notice of the President's major disaster declaration for Private Non-Profit organizations in the State of Tennessee, dated June 19, 2025, is hereby amended to include the following areas as adversely affected by the disaster.

Primary Counties: Crockett, Henderson, Humphreys, Lewis, Montgomery, Shelby.

All other information in the original declaration remains unchanged.

(Catalog of Federal Domestic Assistance Number 59008)

(Authority: 13 CFR 123.3(b).)

James Stallings,

Associate Administrator, Office of Disaster Recovery & Resilience.

[FR Doc. 2025–14647 Filed 7–31–25; 8:45 am]

BILLING CODE 8026–09–P

SMALL BUSINESS ADMINISTRATION

**[Disaster Declaration #21220 and #21221;
MISSOURI Disaster Number MO–20023]**

**Presidential Declaration of a Major
Disaster for Public Assistance Only for
the State of Missouri**

AGENCY: U.S. Small Business
Administration.

ACTION: Notice.

SUMMARY: This is a Notice of the Presidential declaration of a major disaster for Public Assistance Only for the State of Missouri (FEMA–4885–DR), dated July 22, 2025.

Incident: Severe Storms and Flooding.

DATES: Issued on July 22, 2025.

Incident Period: May 23, 2025 through May 26, 2025.

Physical Loan Application Deadline Date: September 22, 2025.

Economic Injury (EIDL) Loan Application Deadline Date: April 22, 2026.

ADDRESSES: Visit the MySBA Loan Portal at <https://lending.sba.gov> to apply for a disaster assistance loan.

FOR FURTHER INFORMATION CONTACT: Sharon Henderson, Office of Disaster Recovery & Resilience, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205–6734.

SUPPLEMENTARY INFORMATION: Notice is hereby given as a result of the President's major disaster declaration on July 22, 2025, Private Non-Profit organizations providing essential services of a governmental nature may file disaster loan applications online using the MySBA Loan Portal <https://lending.sba.gov> or other locally announced locations. Please contact the SBA disaster assistance customer service center by email at disastercustomerservice@sba.gov or by phone at 1–800–659–2955 for further assistance.

The following areas have been determined to be adversely affected by the disaster:

Primary Counties: Dade, Douglas, Ozark, Vernon, Webster.

The Interest Rates are:

	Percent
<i>For Physical Damage:</i>	
Non-Profit Organizations with Credit Available Elsewhere	3.625
Non-Profit Organizations without Credit Available Elsewhere	3.625
<i>For Economic Injury:</i>	
Non-Profit Organizations without Credit Available Elsewhere	3.625

The number assigned to this disaster for physical damage is 21220B and for economic injury is 212210.

(Catalog of Federal Domestic Assistance Number 59008)

(Authority: 13 CFR 123.3(b).)

James Stallings,

Associate Administrator, Office of Disaster Recovery & Resilience.

[FR Doc. 2025–14520 Filed 7–31–25; 8:45 am]

BILLING CODE 8026–09–P

SMALL BUSINESS ADMINISTRATION

**[Disaster Declaration #21226 and #21227;
MICHIGAN Disaster Number MI–20037]**

**Presidential Declaration of a Major
Disaster for Public Assistance Only for
the State of Michigan and the Little
Traverse Bay Reservation and Off-
Reservation Trust Land**

AGENCY: U.S. Small Business
Administration.

ACTION: Notice.

SUMMARY: This is a Notice of the Presidential declaration of a major disaster for Public Assistance Only for the State of Michigan and the Little Traverse Bay Reservation and Off-Reservation Trust Land (FEMA–4880–DR), dated July 22, 2025.

Incident: Severe Winter Storms.

DATES: Issued on July 22, 2025.

Incident Period: March 28, 2025 through March 30, 2025.

Physical Loan Application Deadline Date: September 22, 2025.

Economic Injury (EIDL) Loan Application Deadline Date: April 22, 2026.

ADDRESSES: Visit the MySBA Loan Portal at <https://lending.sba.gov> to apply for a disaster assistance loan.

FOR FURTHER INFORMATION CONTACT: Sharon Henderson, Office of Disaster Recovery & Resilience, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205–6734.

SUPPLEMENTARY INFORMATION: Notice is hereby given that as a result of the President's major disaster declaration on July 22, 2025, Private Non-Profit organizations that provide essential services of a governmental nature may file disaster loan applications online using the MySBA Loan Portal <https://lending.sba.gov> or other locally announced locations. Please contact the SBA disaster assistance customer service center by email at disastercustomerservice@sba.gov or by phone at 1–800–659–2955 for further assistance.

The following areas have been determined to be adversely affected by the disaster:

Primary Counties: Alcona, Alpena, Antrim, Charlevoix, Cheboygan, Crawford, Emmet, Kalkaska, Mackinac, Montmorency, Oscoda, Otsego, Presque Isle.
Sovereign Tribal Nation: Little Traverse Bay Reservation and Off-Reservation Trust Land.

The Interest Rates are:

	Percent
For Physical Damage:	
Non-Profit Organizations with Credit Available Elsewhere	3.625
Non-Profit Organizations without Credit Available Elsewhere	3.625
For Economic Injury:	
Non-Profit Organizations without Credit Available Elsewhere	3.625

The number assigned to this disaster for physical damage is 21226B and for economic injury is 212270.

(Catalog of Federal Domestic Assistance Number 59008)

(Authority: 13 CFR 123.3(b).)

James Stallings,

Associate Administrator, Office of Disaster Recovery & Resilience.

[FR Doc. 2025-14521 Filed 7-31-25; 8:45 am]

BILLING CODE 8026-09-P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #21218 and #21219; KANSAS Disaster Number KS-20024]

Presidential Declaration of a Major Disaster for Public Assistance Only for the State of Kansas

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is a Notice of the Presidential declaration of a major disaster for Public Assistance Only for the State of Kansas (FEMA-4883-DR), dated July 22, 2025.

Incident: Severe Storms, Straight-line Winds, Tornadoes, and Flooding.

DATES: Issued on July 22, 2025.

Incident Period: May 18, 2025 through May 19, 2025.

Physical Loan Application Deadline Date: September 22, 2025.

Economic Injury (EIDL) Loan Application Deadline Date: April 22, 2026.

ADDRESSES: Visit the MySBA Loan Portal at <https://lending.sba.gov> to apply for a disaster assistance loan.

FOR FURTHER INFORMATION CONTACT:

Sharon Henderson, Office of Disaster Recovery & Resilience, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205-6734.

SUPPLEMENTARY INFORMATION: Notice is hereby given that as a result of the President's major disaster declaration on July 22, 2025, Private Non-Profit organizations that provide essential services of a governmental nature may file disaster loan applications online using the MySBA Loan Portal <https://lending.sba.gov> or other locally announced locations. Please contact the SBA disaster assistance customer service center by email at disastercustomerservice@sba.gov or by phone at 1-800-659-2955 for further assistance.

The following areas have been determined to be adversely affected by the disaster:

Primary Counties: Bourbon, Cheyenne, Edwards, Gove, Kiowa, Logan, Pratt, Reno, Scott, Sheridan, Stafford.

The Interest Rates are:

	Percent
For Physical Damage:	
Non-Profit Organizations with Credit Available Elsewhere	3.625
Non-Profit Organizations without Credit Available Elsewhere	3.625
For Economic Injury:	
Non-Profit Organizations without Credit Available Elsewhere	3.625

The number assigned to this disaster for physical damage is 21218C and for economic injury is 212190.

(Catalog of Federal Domestic Assistance Number 59008)

(Authority: 13 CFR 123.3(b).)

James Stallings,

Associate Administrator, Office of Disaster Recovery & Resilience.

[FR Doc. 2025-14518 Filed 7-31-25; 8:45 am]

BILLING CODE 8026-09-P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #21211 and #21212; MISSOURI Disaster Number MO-20022]

Administrative Declaration of a Disaster for the State of Missouri

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is a notice of an Administrative declaration of a disaster

for the State of Missouri dated July 28, 2025.

Incident: Severe Storms, Straight-line Winds, Heavy Rains, Large Hail, and Flash Flooding.

DATES: Issued on July 28, 2025.

Incident Period: June 29, 2025.

Physical Loan Application Deadline Date: September 26, 2025.

Economic Injury (EIDL) Loan Application Deadline Date: April 28, 2026.

ADDRESSES: Visit the MySBA Loan Portal at <https://lending.sba.gov> to apply for a disaster assistance loan.

FOR FURTHER INFORMATION CONTACT: Sharon Henderson, Office of Disaster Recovery & Resilience, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205-6734.

SUPPLEMENTARY INFORMATION: Notice is hereby given that as a result of the Administrator's disaster declaration, applications for disaster loans may be submitted online using the MySBA Loan Portal <https://lending.sba.gov> or other locally announced locations. Please contact the SBA disaster assistance customer service center by email at disastercustomerservice@sba.gov or by phone at 1-800-659-2955 for further assistance.

The following areas have been determined to be adversely affected by the disaster:

Primary Counties: Greene.

Contiguous Counties:

Missouri: Christian, Dade, Dallas, Lawrence, Polk, Webster.

The Interest Rates are:

	Percent
For Physical Damage:	
Homeowners with Credit Available Elsewhere	5.625
Homeowners without Credit Available Elsewhere	2.813
Businesses with Credit Available Elsewhere	8.000
Businesses without Credit Available Elsewhere	4.000
Non-Profit Organizations with Credit Available Elsewhere	3.625
Non-Profit Organizations without Credit Available Elsewhere	3.625
For Economic Injury:	
Business and Small Agricultural Cooperatives without Credit Available Elsewhere	4.000
Non-Profit Organizations without Credit Available Elsewhere	3.625

The number assigned to this disaster for physical damage is 21211B and for economic injury is 212120.

The States which received an EIDL Declaration are Missouri.

(Catalog of Federal Domestic Assistance Number 59008)

(Authority: 13 CFR 123.3(b).)

James Stallings,

Associate Administrator, Office of Disaster Recovery and Resilience.

[FR Doc. 2025-14515 Filed 7-31-25; 8:45 am]

BILLING CODE 8026-09-P

SMALL BUSINESS ADMINISTRATION

Small Business Investment Company Licensing and Examination Fees Inflation Adjustment

AGENCY: U.S. Small Business Administration.

ACTION: Notice of inflation adjustment of SBIC licensing and examination fees.

SUMMARY: The U.S. Small Business Administration (SBA) is providing notice of the annual Inflation Adjustment to the Licensing and Examination Fees charged in the Small Business Investment Company (SBIC) program, required under the SBIC program regulations.

DATES: The SBIC program Licensing and Examination Fees identified in this notice will become effective on October 1, 2025, and will not require further Inflation Adjustment prior to the release of the June 2026 Consumer Price Index for All Urban Consumers (CPI-U), as calculated by the U.S. Bureau of Labor Statistics (BLS).

FOR FURTHER INFORMATION CONTACT: Paul Van Eyl, Office of Investment and Innovation at 202-257-5955 or oi.policy@sba.gov. If you are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunications relay services.

SUPPLEMENTARY INFORMATION: The SBIC program regulations at 13 CFR 107.300(c)(4), 107.692(b)(2), and 107.692(e) require SBA to annually adjust the SBIC program Licensing and Examination Fees using the Inflation Adjustment defined in 13 CFR 107.50. The current Licensing Fees payable by SBIC Applicants became effective on August 17, 2023, as part of the SBIC Investment Diversification and Growth Final Rule, and the current Examination Fees payable by SBICs became effective on October 1, 2024. This document provides notice of the annual Inflation Adjustment based on the release of the June 2025 BLS CPI-U.

The table below identifies the Licensing Fees payable by SBIC License Applicants and Examination Fees payable by SBICs, effective as of October 1, 2025.

SBIC fee type	Fund sequence	Fees amounts (effective October 1, 2025)
Licensing Fees (effective under § 107.300):		
Initial Licensing Fee § 107.300(a)	Fund I	\$5,200
	Fund II	10,600
	Fund III	15,800
	Fund IV+	21,100
Final Licensing Fee § 107.300(b)	Fund I	10,600
	Fund II	15,800
	Fund III	26,400
	Fund IV+	31,700
Licensing Resubmission Penalty Fee § 107.300(c)(3) ¹ .....	.....	10,600
Examination Fees (effective under § 107.692):		
Minimum Base Fee (§ 107.692(b)(2))	All Funds	11,300
Maximum Base Fee for non-Leveraged SBICs (§ 107.692(b)(2))	All Funds	37,600
Maximum Base Fee for Leveraged SBICs (§ 107.692(b)(2))	All Funds	55,000
Delay Fee (§ 107.692(e))	All Funds	800

¹ *Resubmission Penalty Fee.* The Resubmission Penalty Fee means a \$10,600 penalty fee assessed to an applicant that has previously withdrawn or is otherwise not approved for a license that must be paid *in addition* to the Initial and Final Licensing Fees at the time the applicant re-submits its application.

(Authority: 15 U.S.C. 681(e) and 687(b); 13 CFR 107.300 and 107.692.)

Joshua R. Carter,

Associate Administrator, U.S. Small Business Administration, Office of Investment and Innovation.

[FR Doc. 2025-14516 Filed 7-31-25; 8:45 am]

BILLING CODE 8026-09-P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #21215 and #21216; OREGON Disaster Number OR-20013]

Presidential Declaration of a Major Disaster for Public Assistance Only for the State of Oregon

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is a Notice of the Presidential declaration of a major disaster for Public Assistance Only for the State of Oregon (FEMA-4881-DR), dated July 22, 2025.

Incident: Severe Storms, Flooding, Landslides, and Mudslides.

DATES: Issued on July 22, 2025.

Incident Period: March 13, 2025 through March 20, 2025.

Physical Loan Application Deadline Date: September 22, 2025.

Economic Injury (EIDL) Loan Application Deadline Date: April 22, 2026.

ADDRESSES: Visit the MySBA Loan Portal at <https://lending.sba.gov> to apply for a disaster assistance loan.

FOR FURTHER INFORMATION CONTACT: Sharon Henderson, Office of Disaster Recovery & Resilience, U.S. Small

Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205-6734.

SUPPLEMENTARY INFORMATION: Notice is hereby given that as a result of the President's major disaster declaration on July 22, 2025, Private Non-Profit organizations that provide essential services of a governmental nature may file disaster loan applications online using the MySBA Loan Portal <https://lending.sba.gov> or other locally announced locations. Please contact the SBA disaster assistance customer service center by email at disastercustomerservice@sba.gov or by phone at 1-800-659-2955 for further assistance.

The following areas have been determined to be adversely affected by the disaster:

Primary Counties: Coos, Curry, Douglas.
The Interest Rates are:

	Percent
For Physical Damage:	
Non-Profit Organizations with Credit Available Elsewhere	3.625
Non-Profit Organizations without Credit Available Elsewhere	3.625
For Economic Injury:	
Non-Profit Organizations without Credit Available Elsewhere	3.625

The number assigned to this disaster for physical damage is 21215B and for economic injury is 212160.
(Catalog of Federal Domestic Assistance Number 59008)
(Authority: 13 CFR 123.3(b).)

James Stallings,
Associate Administrator, Office of Disaster Recovery & Resilience.
[FR Doc. 2025–14522 Filed 7–31–25; 8:45 am]
BILLING CODE 8026–09–P

DEPARTMENT OF STATE
[Public Notice: 12778]

Specially Designated Global Terrorist Designations of Kata’ib al-Imam Ali and Nasr Mohsen Ali Huthele

Acting under the authority of and in accordance with section 1(a)(ii)(A) of Executive Order 13224, as amended (“E.O. 13224” or “Order”), I hereby determine that the person known as Kata’ib al-Imam Ali (also known as KIA, al-Imam Ali Battalions, Imam Ali Brigades, Kataib Rouh Allah Issa Ibn Miriam) is a foreign person who has committed or has attempted to commit, poses a significant risk of committing, or has participated in training to commit acts of terrorism that threaten the security of U.S. nationals or the national security, foreign policy, or economy of the United States.

Additionally, acting under the authority of and in accordance with section 1(a)(ii)(B)(2) of E.O. 13224, I hereby determine that the person known as Nasr Mohsen Ali Huthele (also known as Nasr al-Shammari) is a foreign person who is a leader of Harakat al-Nujaba, an entity whose property and interests in property are blocked pursuant to a determination by the Secretary of State pursuant to E.O. 13224.

Consistent with the determination in section 10 of E.O. 13224 that prior notice to persons determined to be subject to the Order who might have a constitutional presence in the United

States would render ineffectual the blocking and other measures authorized in the Order because of the ability to transfer funds instantaneously, I determine that no prior notice needs to be provided to any person subject to this determination who might have a constitutional presence in the United States, because to do so would render ineffectual the measures authorized in the Order.

This determination shall be published in the **Federal Register**.

Dated: July 21, 2025.
Marco Rubio,
Secretary of State.
[FR Doc. 2025–14533 Filed 7–31–25; 8:45 am]
BILLING CODE 4710–AD–P

DEPARTMENT OF STATE

[Delegation of Authority No. 590]

Delegation of Authority;
Administration of the Advisory Committee on Historical Diplomatic Documentation (Foreign Relations of the United States Series)

By virtue of the authority vested in the Secretary of State, including Section 1 of the State Department Basic Authorities Act, as amended (22 U.S.C. 2651a), and to the extent authorized by law, I hereby delegate to the Assistant Secretary of Administration the authorities and functions related to the administration of the Advisory Committee on Historical Diplomatic Documentation, including approval of submissions for the *Foreign Relations of the United States* series, pursuant to 22 U.S.C. 4351 *et seq.*

The Secretary, the Deputy Secretary, the Deputy Secretary for Management and Resources, and the Under Secretary for Management may at any time exercise any authority or function delegated herein. Other than Delegation of Authority 472, dated June 10, 2019, which is hereby rescinded, this delegation of authority does not modify any other delegation currently in force.

This delegation of authority shall be published in the **Federal Register**.

Dated: July 10, 2025.
Marco Rubio,
Secretary of State.
[FR Doc. 2025–14534 Filed 7–31–25; 8:45 am]
BILLING CODE 4710–06–P

SURFACE TRANSPORTATION BOARD
[Docket No. MCF 21131]

Trivest Fund VII, L.P. and Passenger Transport Holdings, L.P.—Acquisition of Control—Cline Tours, Inc. et al.

AGENCY: Surface Transportation Board.
ACTION: Notice tentatively approving and authorizing finance transaction.

SUMMARY: Trivest Fund VII, L.P. (Trivest) and its subsidiary, Passenger Transport Holdings, L.P. (PTH) (collectively, Applicants), both noncarriers, filed an application seeking authority to acquire control of Cline Tours, Inc. (Cline), a passenger motor carrier, and Cline’s passenger motor carrier subsidiaries, Bus Supply Charters, Inc. (BSCI) and Crown Coach Corporation (Crown) (collectively, the Cline Companies). Cline also seeks after-the-fact authority for its prior acquisition of BSCI and Crown. The Board is tentatively approving and authorizing these transactions. If no opposing comments are timely filed, this notice will be the final Board action.

DATES: Comments must be filed by September 15, 2025. If any comments are filed, Applicants and Cline may file a reply by September 30, 2025. If no opposing comments are filed by September 15, 2025, this notice shall be effective on September 16, 2025.

ADDRESSES: Comments, referring to Docket No. MCF 21131, may be filed with the Board either via e-filing on the Board’s website or in writing addressed to: Surface Transportation Board, 395 E Street SW, Washington, DC 20423–0001. In addition, send one copy of comments to Applicants’ representative: Mark J. Andrews, Clark Hill PLC, 1001 Pennsylvania Ave. NW, Suite 1300 South, Washington, DC 20004.

FOR FURTHER INFORMATION CONTACT: Jonathon Binet at (202) 915–4348. If you require an accommodation under the Americans with Disabilities Act, please call (202) 245–0245.

SUPPLEMENTARY INFORMATION: On May 1, 2025, Applicants filed an application under 49 U.S.C. 14303 and 49 CFR part 1182 for Board authority to acquire control of Cline and the Cline Companies. (Appl. 2.) By a decision served on May 30, 2025, the Board directed Applicants to seek after-the-fact authority for Cline’s prior acquisition of BSCI and Crown or explain why such authority was not required. Applicants filed supplements on June 18, 2025 (June 18 Suppl.) and July 2, 2025 (July 2 Suppl.) providing additional information in support of the request for

after-the-fact authority for Cline's acquisition of control of BSCI and Crown.¹

According to the application, PTH seeks to acquire all voting securities of Cline and therefore to also acquire control of Cline's motor carrier subsidiaries BSCI and Crown.² (Appl. 2.) Because Trivest controls PTH, this transaction would also result in Trivest obtaining control of the Cline Companies.³ Applicants state that they already control Star Shuttle LLC (Star Shuttle), a passenger motor carrier.⁴

Applicants state that the Cline Companies transport 1.5 million passengers annually to and from points in Alabama, Arkansas, Mississippi, and Tennessee. (Appl. 4.) According to Applicants, the Cline Companies utilize approximately 200 vehicles and have a total of approximately 290 employees. (*Id.*) Applicants further state that Star Shuttle has approximately 230 employees who provide bus transportation primarily to, from and within South Texas. (*Id.* at 5.) In addition, Applicants state that both Star Shuttle and the Cline Companies provide contract-based passenger transportation services to tour operators, transit authorities, other governmental agencies, corporations, higher educational institutions and healthcare facilities wishing to outsource the movement of passengers. (*Id.*) According to Applicants, the Cline Companies engage in primarily tour and charter operations with some fixed route operations while Star Shuttle's operations are mostly fixed route but also involve tour and charter operations as well as shuttle services. (*Id.*)

Applicants also seek after-the-fact authorization for Cline's acquisition of BSCI and Crown. Applicants state that Cline acquired all of BSCI's stock from Keith Sanders in October 2015. (*Id.* at 3.) According to Applicants, at the time Cline acquired BSCI, Cline was a provider of charter, shuttle, and school bus services with approximately 150 vehicles servicing Mississippi, Alabama, and Arkansas, and BSCI was a provider

of charter services with approximately 18 vehicles serving Mississippi and Louisiana. (*Id.*) In addition, Applicants claim that approximately 90% of BSCI's passenger revenue and mileage at that time was derived from intrastate operations or from exempt interstate operations such as school and airport transportation. Applicants state that Cline acquired all the stock of Crown from John Wilson and Lori Womach in August 2024. (*Id.* at 5.) According to Applicants, at the time Cline acquired Crown, Cline was providing charter, shuttle and school bus services with about 190 vehicles servicing Mississippi, Alabama and Arkansas and Crown was providing predominantly charter services and some shuttle operations serving Tennessee with nine vehicles. (*Id.*)

Under 49 U.S.C. 14303(b), the Board must approve and authorize a transaction that it finds consistent with the public interest, taking into consideration at least (1) the effect of the proposed transaction on the adequacy of transportation to the public, (2) the total fixed charges resulting from the proposed transaction, and (3) the interest of affected carrier employees. Applicants have submitted the information required by 49 CFR 1182.2, including information demonstrating that the proposed transaction is consistent with the public interest under 49 U.S.C. 14303(b), *see* 49 CFR 1182.2(a)(7), and a jurisdictional statement under 49 U.S.C. 14303(g) that the aggregate gross operating revenues of the involved carriers exceeded \$2 million during the 12-month period immediately preceding the filing of the application, *see* 49 CFR 1182.2(a)(5).

Acquisition of the Cline Companies by Applicants. Applicants state that their proposed acquisition of the Cline Companies should have no adverse impact on the adequacy of transportation. (Appl. 6–7.) Applicants argue that their proposed acquisition would not result in any meaningful reduction in charter bus services available to the public given the large number of companies involved in providing such services and the low barriers to entry in the passenger motor carrier industry. (*Id.* at 6.) Applicants further claim that the Cline Companies and Star Shuttle have every incentive to maintain and improve the adequacy of their services in the outsourced passenger transit services market because of the competitive process involved in bidding on contracts to provide such services. (*Id.* at 6–7.) In addition, Applicants state that they must maintain a high level of service in that market because users of third-party

transit services such as governments and universities have the option to take transportation operations in-house. (*Id.* at 7.)

With respect to fixed charges, Applicants state that they plan to finance the proposed transaction with equity from Trivest affiliated funds and with third-party debt, which will be secured at closing. (*Id.* at 8.) According to Applicants, payments on the third-party debt will be structured to maintain significant cash coverage over and above mandatory principal repayments. (*Id.*)

Applicant asserts that they have no intention of significantly reducing employment levels following the proposed transaction. (*Id.*) According to Applicants, they face a shortage of qualified employees and are actively recruiting. (*Id.*)

With respect to the potential effect on competition, Applicants claim that Star Shuttle's operations have little or no geographic overlap with the areas served by the Cline Companies. (*Id.* at 5.) In addition, Applicants state that the operations of Star Shuttle and those of the Cline Companies are "highly complementary" because they are focused on different types of service.⁵ (*Id.*)

Cline's Prior Acquisition of BSCI and Crown. Applicants contend that Cline's prior acquisitions of control of the BSCI and Crown were consistent with the public interest. (June 18 Suppl. 3.) According to Applicants, the acquisitions did not result in a reduction in services but rather expanded access to bus transportation in the combined service areas of Cline, BSCI, and Crown. (*Id.* at 4, 6.) Applicants further state that the acquisitions provided fresh capital to BSCI and Crown. (*Id.*) With respect to fixed charges, Applicants state that Cline acquired BSCI and Crown using cash and that the acquisitions therefore did not result in any fixed charges. (July 2 Suppl. 1.) In addition, Applicants state the acquired carriers increased employment in their service areas by hiring additional drivers following their acquisitions. (June 18 Suppl. 4, 6.)

Based on Applicants' representations, the Board finds that Applicants' proposed acquisition of the Cline Companies is consistent with the public interest and should be tentatively approved and authorized. The Board also finds that Cline's prior acquisitions

¹ For purposes of determining the procedural schedule and statutory deadlines, the filing date of the application is July 2, 2025. *See* 49 CFR 1182.4(a).

² More information about the Cline Companies, including U.S. Department of Transportation (USDOT) numbers, motor carrier numbers, and USDOT safety fitness ratings, can be found in the application. (Appl. 3–4, Ex. D.)

³ More information about the proposed corporate structure and ownership can be found in the application. (Appl. 2–3, Ex. A–C.)

⁴ More information about Star Shuttle, including USDOT numbers, motor carrier numbers, and USDOT safety fitness ratings, can be found in the application. (Appl. 4, Ex. D.)

⁵ Applicants state that for fiscal year 2024, the Cline companies derived 8% of revenue from fixed route operations and 92% of revenue from tour and charter operations while Star Shuttle derived 63% of revenue from fixed route operations, 13% of revenue from shuttle operations, and 24% of revenues from tour and charter operations.

of control of the BSCI and Crown are consistent with the public interest and should be tentatively approved and authorized after the fact. If any opposing comments are timely filed, these findings will be deemed vacated and, unless a final decision can be made on the record as developed, a procedural schedule will be adopted to reconsider the application. See 49 CFR 1182.6. If no opposing comments are filed by the expiration of the comment period, this notice will take effect automatically and will be the final Board action in this proceeding.

This action is categorically excluded from environmental review under 49 CFR 1105.6(c).

Board decisions and notices are available at www.stb.gov.

It is ordered:

1. The proposed acquisition of control of the Cline Companies by Applicants is approved and authorized, subject to the filing of opposing comments.

2. Cline's prior acquisitions of BSCI and Crown are approved and authorized after the fact, subject to the filing of opposing comments.

3. If opposing comments are timely filed, the findings made in this notice will be deemed vacated.

4. This notice will be effective September 16, 2025, unless opposing comments are filed by September 15, 2025. If any comments are filed, Applicants may file a reply by September 30, 2025.

5. A copy of this notice will be served on: (1) the U.S. Department of Transportation, Federal Motor Carrier Safety Administration, 1200 New Jersey Avenue SE, Washington, DC 20590; (2) the U.S. Department of Justice, Antitrust Division, 10th Street & Pennsylvania Avenue NW, Washington, DC 20530; and (3) the U.S. Department of Transportation, Office of the General Counsel, 1200 New Jersey Avenue SE, Washington, DC 20590.

Decided: July 28, 2025.

By the Board, Board Members Fuchs, Hedlund, Primus, and Schultz.

Brendetta Jones,
Clearance Clerk.

[FR Doc. 2025-14526 Filed 7-31-25; 8:45 am]

BILLING CODE 4915-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[Docket No. FAA-2025-1193]

Notice of Proposed Order Designating U.S. Aviation Safety Team (USAST) and Aerospace National Safety Issue Registry (ANSIR) Information as Protected From Public Disclosure

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

ACTION: Notice; request for comments.

SUMMARY: The Federal Aviation Administration (FAA) is proposing to designate safety and security information, reports, data, and work products provided to the FAA from the U.S. Aviation Safety Team (USAST) and its membership as protected from public disclosure. The FAA is authorized to protect voluntarily provided safety and security information from disclosure. This proposed designation is intended to encourage the sharing of information between the FAA and the aviation industry during the discovery of system-level safety issues in the National Airspace System (NAS) and the development and implementation of safety enhancements to address these issues. The voluntarily provided information described in this proposed designation is critical to the FAA's safety mission because it supports a proactive and collaborative, data-driven strategy to reduce the risk of fatal and non-fatal accidents.

DATES: Send comments on or before September 2, 2025.

ADDRESSES: Send comments identified by docket number FAA-2025-1193 using any of the following methods:

- **Federal eRulemaking Portal:** Go to <http://www.regulations.gov> and follow the online instructions for sending your comments electronically.

- **Mail:** Send comments to Docket Operations, M-30; U.S. Department of Transportation, 1200 New Jersey Avenue SE, Room W12-140, West Building Ground Floor, Washington, DC 20590-0001.

- **Hand Delivery or Courier:** Take comments to Docket Operations in Room W12-140 of the West Building Ground Floor at 1200 New Jersey Avenue SE, Washington, DC 20590-0001, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

- **Fax:** Fax comments to Docket Operations at (202) 493-2251.

FOR FURTHER INFORMATION CONTACT: Christopher Gomes, Operational Safety

Analyst, Office of Accident Investigation and Prevention Federal Aviation Administration, 800 Independence Avenue SW, Washington, DC 20591. Email: christopher.gomes@faa.gov. Telephone: 202-267-4920.

Background

Under 49 U.S.C. 40123, certain voluntarily provided safety and security information is protected from disclosure to encourage persons to provide the information to the FAA. The FAA's rules for implementing 49 U.S.C. 40123 are in Title 14 of the Code of Federal Regulations (14 CFR) part 193. The FAA must first issue an order specifying why the agency finds that the information should be protected in accordance with that section. If the FAA Administrator issues an order designating information as protected under section 40123, that information will not be disclosed under the Freedom of Information Act (5 U.S.C. 552) or other laws except as provided in part 193, and the order designating the information as protected. This proposed order to protect the USAST information from disclosure is issued under 14 CFR 193.11, which sets out the notice procedure for designating information as protected.

Applicability

The final order, based on this proposal, will be applicable to any FAA organization that receives information covered under this designation from a chartered stakeholder, attendee, representative, or participant of the USAST, aviation community safety teams, or working groups chartered by the USAST. The final order will also apply to any other government agency that receives such information from the FAA. For any other government agency to receive USAST information protected from disclosure under this designation from the FAA, the agency receiving the protected information must first comply with the procedure set forth in 14 CFR 193.7(e) and this order.

Description of the Proposed Safety Information To Be Protected

The FAA proposes to designate certain system-level safety issue information voluntarily provided through the USAST as protected from disclosure. The USAST is a collaborative leadership body representing U.S. industry and government stakeholders across the aviation system. It evolved from the legacy Aviation Safety Information and Analysis Sharing (ASIAS) Executive Board (AEB) to bring together stakeholders from across aviation

communities and offer a new approach and tools for addressing systemic aviation safety issues. Stakeholders encompass (but are not limited to) the FAA, air navigation service providers, air carriers and operators, crewmembers, aerospace manufacturers, aerospace domain associations (*i.e.*, labor unions, standards bodies, etc.), and aviation community safety teams.

Aviation community safety teams are chartered public-private partnerships that work to improve aviation safety by collectively analyzing aviation safety data to identify emerging issues and develop strategies to address and prioritize safety issues. Participation in an aviation community safety team is entirely voluntary. These teams rely on the voluntary submission of proprietary industry safety data through the USAST and Aerospace National Safety Issue Registry (ANSIR) to develop informed mitigations/communications appropriate to their communities. Aviation community safety teams develop voluntary safety enhancements as intervention strategies to prevent or mitigate safety issues. Existing aviation community safety teams include the Commercial Aviation Safety Team (CAST), General Aviation Joint Safety Committee (GAJSC), and U.S. Helicopter Safety Team (USHST) and their working groups.

The USAST is led by two executive-level chairpersons: one selected from the aviation industry and one from the U.S. Government (an FAA employee selected by the FAA Administrator). The core function of the USAST is to encourage its membership to unite voluntarily to improve aviation safety. This is done through voluntary participation in the operation of a system-level safety issue lifecycle analysis to address potential systemic safety issues identified through the USAST. The USAST's system-level safety issue lifecycle relies on both governance and the ANSIR for success.

A system-level safety issue is anything that involves a potential hazard that affects one or more segments of the aviation industry or affects multiple entities within a single segment of the industry. As part of the system-level safety issue lifecycle, the USAST relies on voluntary identification and submission of safety issues from the aviation industry. If appropriate, the safety issue is then validated and assigned to an aviation community safety team for safety risk management and mitigation development. The USAST may also conduct safety promotion activities with the aviation industry to communicate validated safety issues and/or safety

enhancements to the appropriate aviation community safety team for awareness.

The ANSIR tool is the central repository where information regarding systemic safety or security issues is collected voluntarily from the aviation industry and available in a standardized format. The USAST is responsible for the management and monitoring of the ANSIR. The ANSIR is used throughout the lifecycle of the safety issue as analyses and assessments are conducted and mitigations are developed, implemented, tracked, and monitored to ensure the achievement of safety targets. Contributions of safety issue information into the ANSIR are voluntarily provided by industry participants with the collective understanding that the information will not be disclosed unless validated and approved by the USAST. The FAA and aviation community safety teams receive voluntarily provided aviation safety issues as chartered stakeholders of the USAST, participants of the system-level safety lifecycle, and users of the ANSIR.

Supporting the ANSIR, USAST governance of the system-level safety issue lifecycle requires the documentation of safety issue information across a variety of formats and at stages where the issue may not be fully validated. These formats may include USAST meeting agendas, meeting minutes, presentations, inputs/outputs of the ANSIR tool, and reports or other analyses. The information provided in these documents is voluntarily provided to the USAST. Release of this information before a safety issue is validated and approved by the USAST would jeopardize industry participation and reduce the willingness of the aviation industry to submit safety issues as part of the USAST.

The ANSIR and USAST processes fully rely on confidence that voluntarily submitted safety and security information from any of the USAST chartered stakeholders or representatives is protected from disclosure, thus encouraging them to voluntarily report potential safety issues. Protection of voluntarily provided USAST and ANSIR system-level safety issue information allows the USAST to appropriately assess the information without the potential negative effects from involuntary release of the information before validation has occurred.

The voluntary contributions from aviation stakeholders to the USAST and ANSIR are core components to the success of these teams and programs.

Without certain protections for USAST and ANSIR information, reports, data, and work products, the U.S.

Government may be unable to work effectively with the aviation industry to develop safety enhancements for systemic safety issues.

Summary of the Protected Safety Information

A. Who may participate?

Entities eligible for participation include chartered stakeholders, attendees, and representatives of the USAST, along with aviation community safety teams and working groups chartered by the USAST. This encompasses air navigation service providers, air carriers and operators, crewmembers, aerospace industry manufacturers, aviation community safety teams, and aerospace industry associations or organizations (*i.e.*, labor unions, standards bodies, etc.).

B. What voluntarily provided information will be protected from disclosure?

1. All information, reports, data, and work products conducted through the USAST's system-level safety issue lifecycle governance in support of the validation and verification of systemic aviation safety and security issues.

2. All information voluntarily provided and documented before, at, or after any USAST meeting or event that covers systemic aviation safety and security issues, emerging threats, changing risks, or accident precursors unless validated and approved by the USAST and part of a USAST approved safety promotion activity.

3. All safety or security issue information submitted to and coordinated within the ANSIR. This includes but is not limited to, titles of the issues, descriptions, submitter information, supporting data, and all ANSIR user feedback surrounding the safety or security issue until the issue is validated and approved by the USAST and part of a USAST approved safety promotion activity.

4. All information, reports, data, and work products conducted through the USAST work groups that relate to the preliminary analysis of safety or security issues before obtaining USAST approval and part of a USAST approved safety promotion activity. This also includes all information, reports, data, and work products from the USAST work group findings during routine monitoring of aviation safety data for known risks, emerging risks, and anomalies.

5. All information, reports, data, and work products conducted through any

preliminary safety risk management processes done by any of the USAST chartered stakeholders, representatives, or communities in response to a safety issue submitted to the USAST and prior to USAST approval of the issue for further action. For a safety issue, this includes the identification of hazards, analysis of risk, assessment of risk, development of risk controls, and documentation of safety risk acceptance before the safety issue and risk management processes are complete and approved by the FAA.

6. All information related to identifying if a USAST chartered stakeholder, attendee, representative, operator, or industry community has implemented a safety enhancement recommended by USAST that is reported to the FAA.

7. All information related to the level of safety enhancement implementation, the methods used to implement, and the results of implementation provided by a USAST chartered stakeholder, representative, operator, or industry community that is reported to the FAA.

8. Reports, agendas, minutes, and other documents prepared by the FAA, any USAST chartered stakeholder, attendee, representative, or aviation community safety team, or any team or workgroup established by or associated with the USAST that is based on information related to the implementation of safety enhancements.

9. Any information voluntarily provided by the eligible entities related to the implementation of safety enhancements and/or the effectiveness of these safety enhancements in eliminating or mitigating underlying safety hazards.

C. How can persons participate?

Eligible entities that comprise the USAST can participate by voluntarily providing aviation system-level safety or security issue data to the USAST, its respective safety teams, or ANSIR as part of the normal operating processes or on an ad-hoc basis.

D. What is the duration of this protection?

Information provided to the USAST and ANSIR as part of its ongoing processes in support of the identification of systemic safety issues and implementation of safety enhancements will be protected indefinitely.

Summary of Proposed Findings

The FAA is proposing to designate information received from eligible entities related to potential system-level safety issues and safety enhancements

as protected under 49 U.S.C. 40123 and 14 CFR 193.7 based on the following findings:

1. Summary of Why FAA Finds That the Information Will Be Provided Voluntarily

The core principle of USAST and the ANSIR is voluntary participation. Those who are chartered stakeholders, attendees, representatives, or communities within the USAST, who take part in the safety analysis, determine the feasibility of safety enhancements, and agree to implement the enhancements do so voluntarily. Contributions of safety issue information into the ANSIR are voluntarily provided by the aviation industry with the collective understanding that the information will not be disclosed and that it will be used to collectively improve aviation safety by all USAST's voluntary participants. The FAA and aviation community safety teams receive the voluntarily provided aviation safety issues as chartered stakeholders of the USAST, participants of the system-level safety lifecycle, and users of the ANSIR.

2. Description of the Type of Information That May Be Voluntarily Provided Under the Program and Why the FAA Finds That the Information is Safety or Security Related

USAST participants voluntarily provide safety or security related information to the ANSIR that identifies possible system-level issues in the NAS. A system-level safety or security issue is anything that involves a potential hazard that affects one or more segments of the aviation industry or affects multiple entities within a single segment of the industry. As part of the USAST's system-level safety issue lifecycle, the USAST relies on identification and voluntary submission of safety issues from the industry. The issue is subsequently validated and assigned to an aviation community safety team for safety risk management and mitigation or safety enhancement development. Issues submitted and pending validation require protection from disclosure; however, this designation will not offer protection from disclosure for issues submitted that are determined not to be safety or security related. USAST participants also voluntarily provide information about safety enhancements implementation, the method of implementation, the process to evaluate the implementation, and any other information, such as best practices related to the implementation of safety enhancements. The FAA finds that the

information is safety or security related because it contributes towards achieving and measuring USAST aviation safety goals (e.g. reducing the risk of fatal and non-fatal accidents.) by using voluntary, proactive, data-driven strategies to get results and develop collaborative safety interventions.

3. Summary of Why the FAA Finds That the Disclosure of the Information Would Inhibit Persons From Voluntarily Providing That Type of Information

The ANSIR and USAST processes fully rely on confidence that voluntarily submitted safety and security information from any of the USAST chartered stakeholders, attendees, or representatives is protected from disclosure. The protection provided by this designation will encourage them to voluntarily report potential safety issues without fear of uncontrolled and involuntary public release of this information. Eligible entities part of the USAST will be reluctant to share sensitive safety information with the FAA if it might be subject to public disclosure.

Release of the voluntarily provided information to the public may be incomplete, unreliable, or sensitive. The release of this information may adversely affect the USAST participants and the aviation industry, discouraging further voluntary information sharing. Protecting system-level safety issue information voluntarily provided through the USAST governance and ANSIR tool allows the FAA and USAST to appropriately assess the information and work with the aviation industry to validate and verify the issue (along with creating safety interventions).

Participation in the USAST and ANSIR is not required by regulation. The U.S. aviation industry also has wide discretion to choose if it will implement safety enhancements because such enhancements are not required by regulation. There is great concern that if the information listed above is disclosed, there is the potential for the information to be used for purposes other than improving aviation safety and improving aviation safety is the primary reason for establishing the USAST.

4. Summary of Why Receiving the Information Aids in Fulfilling the FAA's Safety and Security Responsibilities

The FAA finds that receipt of safety issue information through the USAST and ANSIR aids in fulfilling the FAA's safety responsibilities because it provides early identification of potential hazards in the NAS, allowing the FAA to proactively address risk in the

system. This offers the FAA a unique opportunity to work with the aviation industry to avoid incidents or accidents. The USAST and ANSIR can produce safety-related information that may not be available from any other source and may improve the FAA's ability to modify procedures, policies, and regulations to improve aviation safety.

The FAA and DOT's safety goals, as highlighted in the FAA's Flight Plan 2021, include "identifying use cases for predictive analytics and supporting technologies to implement enterprise-level solutions" along with "defining an enterprise-level process utilizing data for determining and re-evaluating safety measures for a 21st century NAS". With the information provided to the FAA through the USAST, the FAA and industry will be able to identify systemic aviation safety issues, emerging threats, changing risks, and accident precursors effectively and proactively and determine whether safety enhancements to address these issues are effective. This information supports the FAA's safety goals around the proactive identification of systemic safety or security issues in the NAS and the establishment of an enterprise-level process that brings data and people together voluntarily to improve aviation safety.

5. Summary of Why Withholding the Information From Disclosure Is Consistent With FAA Safety Responsibilities and When Withholding the Information From Disclosure Would Not Be Consistent With FAA Safety Responsibilities as Described in 14 CFR 193.9

Withholding such information from disclosure is consistent with the FAA's safety responsibilities because without voluntary contributions of safety or security issues from the aviation industry and information on the implementation of the safety enhancements, the FAA and USAST will not be able to determine the effectiveness of safety enhancements or proactively discover systemic safety issues before they cause harm within the NAS.

Unless the FAA can provide assurance that certain USAST and ANSIR information will not be disclosed, the FAA and USAST may not receive information that would otherwise be used to improve aviation safety. Without this information, the FAA and USAST will be limited in their ability to understand the possible system-level safety issues that the aviation industry may be experiencing and make the changes necessary to address those issues before any

accidents or incidents occur. Withholding the information encourages entities to voluntarily provide it because they know it is protected once the FAA receives it. In turn, the more information the FAA receives, the more effectively it can exercise aviation safety oversight and analyze systemic safety and security issues.

Withholding the information from disclosure would not be consistent with FAA safety responsibilities as described in 14 CFR 193.9 when reports or other data involve possible criminal activity, substance abuse, improper use of controlled substances and/or alcohol, intentional falsification, reckless conduct (*i.e.*, an act (or failure to act) demonstrating a gross disregard for, or deliberate indifference to, safety or a safety standard), intentional conduct (*i.e.*, an act (or failure to act) while knowing that such conduct is contrary to a regulation or statute, or is otherwise prohibited), or generally demonstrate a lack of care, judgment, or responsibility. The protection described in this proposed designation will not apply to information falling into these instances.

The FAA may disclose de-identified information, as set forth in part 193, to explain the need for changes in FAA policies and regulations. As part of the USAST's safety promotion activities, the FAA may (in consultation with the USAST) release information as set forth in part 193 to communicate its work with aviation safety communities or other third parties involved with the USAST to address system-level safety issues. In either of these situations, the FAA may release de-identified, aggregate, and summarized information derived from information reported about the implementation of USAST safety enhancements, information provided within the ANSIR, or information provided through the USAST.

The FAA will give information to USAST participants who are government agencies only if each agency meets the requirements in 14 CFR 193.7(e). The FAA will give information to USAST participants who are third parties only if the third party provides adequate assurance in writing that it has a safety or security need for the information, it will protect the information from further release, and it will limit access to those with a need to know to carry out safety responsibilities.

6. Summary of How the FAA Will Distinguish Information Protected Under Part 193 From Information the FAA Receives From Other Sources

Information received by the FAA from eligible entities concerning safety and security issues identified through the

USAST and ANSIR will be clearly labeled as follows to be protected under this designation: WARNING: This information may be protected from disclosure under 49 U.S Code (U.S.C) Section 40123 and 14 Code of Federal Regulations (CFR) Part 193.

In this way, the information protected under this order will be easily identified and distinguished from information the FAA receives from other sources.

Proposed Designation

The FAA hereby proposes to designate the above-described information submitted as part of the USAST's system-level safety issue lifecycle and safety enhancements to be protected under 49 U.S.C. 40123 and 14 CFR part 193.

Issued in Washington, DC, on July 30, 2025.

Genoveva Martin,

Chief of Staff, Office of Accident Investigation and Prevention, AVP-1.

[FR Doc. 2025-14594 Filed 7-31-25; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Railroad Administration

[Docket Nos. FRA-2010-0028, -0029, -0039, -0042, -0043, -0045, -0048, -0049, -0051, -0054, -0056, -0057, -0058, -0059, -0060, -0061, -0062, -0064, -0065, and -0070, and FRA-2011-0104]

Railroads' Joint Request To Amend Their Positive Train Control Safety Plans

AGENCY: Federal Railroad Administration (FRA), Department of Transportation (DOT).

ACTION: Notice of availability and request for comments.

SUMMARY: This document provides the public with notice that, on July 25, 2025, 21 host railroads submitted a joint request for amendment (RFA) to their FRA-approved Positive Train Control Safety Plans (PTCSP) to implement onboard software Version 6.5.5.0, which would require modifications to the Interoperable Train Control (ITC) Positive Train Control (PTC) Concept of Operations and to the human-machine interface (HMI). As this joint RFA may involve requests for FRA's approval of proposed material modifications to FRA-certified PTC systems, FRA is publishing this notice and inviting public comment on the railroads' joint RFA to their PTCSPs.

DATES: FRA will consider comments received by August 21, 2025. FRA may consider comments received after that

date to the extent practicable and without delaying implementation of valuable or necessary modifications to PTC systems.

ADDRESSES:

Comments: Comments may be submitted by going to <https://www.regulations.gov> and following the online instructions for submitting comments.

Instructions: All submissions must include the agency name and the applicable docket number. The relevant PTC docket numbers for the host railroads that filed a joint RFA to their PTCSPs are cited above and in the Supplementary Information section of this notice. For convenience, all active PTC dockets are hyperlinked on FRA's website at <https://railroads.dot.gov/research-development/program-areas/train-control/ptc/railroads-ptc-dockets>. All comments received will be posted without change to <https://www.regulations.gov>; this includes any personal information.

FOR FURTHER INFORMATION CONTACT:

Gabe Neal, Staff Director, Signal, Train Control, and Crossings Division, telephone: 816-516-7168, email: Gabe.Neal@dot.gov.

SUPPLEMENTARY INFORMATION: In general, title 49 United States Code (U.S.C.) section 20157(h) requires FRA to certify that a host railroad's PTC system complies with title 49 Code of Federal Regulations (CFR) part 236, subpart I, before the technology may be operated in revenue service. Before making certain changes to an FRA-certified PTC system or the associated FRA-approved PTCSP, a host railroad must submit, and obtain FRA's approval of, an RFA to its PTCSP under 49 CFR 236.1021.

Under 49 CFR 236.1021(e), FRA's regulations provide that FRA will publish a notice in the **Federal Register** and invite public comment in accordance with 49 CFR part 211, if an RFA includes a request for approval of a material modification of a signal or train control system. Accordingly, this notice informs the public that, on July 25, 2025, the following 21 host railroads jointly submitted an RFA to their respective PTCSPs for their Interoperable Electronic Train Management Systems (I-ETMS): Alaska Railroad; The Belt Railway Company of Chicago; BNSF Railway; Peninsula Corridor Joint Powers Board (Caltrain); Canadian National Railway; Canadian Pacific Railway; Central Florida Rail Corridor (SunRail); Consolidated Rail Corporation; CSX Transportation, Inc.; Kansas City Southern Railway; Kansas City Terminal Railway; National Railroad Passenger Corporation

(Amtrak); New Mexico Rail Runner Express; Norfolk Southern Railway; North County Transit District; Northeast Illinois Regional Commuter Railroad Corporation (Metra); Northern Indiana Commuter Transportation District; South Florida Regional Transportation Authority; Southern California Regional Rail Authority (Metrolink); Terminal Railroad Association of St. Louis; and Union Pacific Railroad. This RFA covers an update to onboard software Version 6.5.5.0, which would require modifications to the ITC PTC Concept of Operations and to the HMI. The railroads' joint RFA is available in Docket Numbers FRA-2010-0028, -0029, -0039, -0042, -0043, -0045, -0048, -0049, -0051, -0054, -0056, -0057, -0058, -0059, -0060, -0061, -0062, -0064, -0065, and -0070, and FRA-2011-0104.

Interested parties are invited to comment on this RFA by submitting written comments or data. During FRA's review of these railroads' joint RFA, FRA will consider any comments or data submitted within the timeline specified in this notice and to the extent practicable, without delaying implementation of valuable or necessary modifications to PTC systems. See 49 CFR 236.1021; see also 49 CFR 236.1011(e). Under 49 CFR 236.1021, FRA maintains the authority to approve, approve with conditions, or deny these railroads' joint RFA to their PTCSPs at FRA's sole discretion.

Privacy Act Notice

In accordance with 49 CFR 211.3, FRA solicits comments from the public to better inform its decisions. DOT posts these comments, without edit, including any personal information the commenter provides, to <https://www.regulations.gov>, as described in the system of records notice (DOT/ALL-14 FDMS), which can be reviewed at <https://www.transportation.gov/privacy>. See <https://www.regulations.gov/privacy-notice> for the privacy notice of www.regulations.gov. To facilitate comment tracking, we encourage commenters to provide their name, or the name of their organization; however, submission of names is completely optional. If you wish to provide comments containing proprietary or confidential information, please contact FRA for alternate submission instructions.

Issued in Washington, DC,
Carolyn R. Hayward-Williams,
Director, Office of Railroad Systems and Technology.

[FR Doc. 2025-14631 Filed 7-31-25; 8:45 am]

BILLING CODE 4910-06-P

DEPARTMENT OF TRANSPORTATION

Federal Railroad Administration

[Docket Number FRA-2025-0136]

Notice of Petition for Waiver of Compliance

AGENCY: Federal Railroad Administration (FRA), Department of Transportation (DOT).

ACTION: Notice.

SUMMARY: This document provides the public notice that Mt. Rainier Scenic Railroad (MRSR) petitioned FRA for relief from certain regulations concerning steam locomotive inspections.

DATES: FRA must receive comments on the petition by September 2, 2025. FRA will consider comments received after that date to the extent practicable.

ADDRESSES:

Comments: Comments related to this docket may be submitted by going to <https://www.regulations.gov> and following the online instructions for submitting comments.

Instructions: All submissions must include the agency name and docket number. All comments received will be posted without change to <https://www.regulations.gov>; this includes any personal information. Please see the Privacy Act heading in the **SUPPLEMENTARY INFORMATION** section of this document for Privacy Act information related to any submitted comments or materials.

Docket: For access to the docket to read background documents or comments received, go to <https://www.regulations.gov> and follow the online instructions for accessing the docket.

FOR FURTHER INFORMATION CONTACT:

Michael Barron, Railroad Safety Specialist, FRA Motive Power & Equipment Division, telephone: 202-366-7117, email: michael.barron@dot.gov.

SUPPLEMENTARY INFORMATION: Under part 211 of title 49 Code of Federal Regulations (CFR), this document provides the public notice that by letter dated May 23, 2025, MRSR petitioned FRA for a waiver of compliance from certain provisions of the Federal railroad safety regulations contained at 49 CFR part 230 (Steam Locomotive Inspection and Maintenance Standards). FRA assigned the petition Docket Number FRA-2025-0136.

Specifically, MRSR seeks relief from § 230.17(a), *One thousand four hundred seventy-two (1472) service day*

inspection, which requires a steam locomotive's "entire boiler" to be inspected after 1,472 service days or 15 years, whichever is earlier. MRSR, a tourist railroad, seeks to extend for 62 operating days the deadline for its 15-year inspection, from September 7, 2025, to December 31, 2025, which would allow locomotive Polson No. 70 to continue operations during the fall and winter months, which MRSR states comprise more than 50% of its annual ridership. In its petition, MRSR explains that Polson No. 70 is "safe and structurally sound for continued operation," citing its annual inspection and hydrostatic test in April 2025, which was witnessed by FRA. MRSR further states that its tourist service is a "major regional driver of tourism and economic development" in its community, and, as MRSR's two other steam locomotives are not currently available for use, without this relief, MRSR faces "the real risk of closure."

A copy of the petition, as well as any written communications concerning the petition, is available for review online at www.regulations.gov.

Interested parties are invited to participate in these proceedings by submitting written views, data, or comments. FRA does not anticipate scheduling a public hearing in connection with these proceedings since the facts do not appear to warrant a hearing. If any interested party desires an opportunity for oral comment and a public hearing, they should notify FRA, in writing, before the end of the comment period and specify the basis for their request.

Communications received by September 2, 2025 will be considered by FRA before final action is taken. Comments received after that date will be considered if practicable.

Privacy Act

Anyone can search the electronic form of any written communications and comments received into any of FRA's dockets by the name of the individual submitting the comment (or signing the document, if submitted on behalf of an association, business, labor union, etc.). Under 5 U.S.C. 553(c), DOT solicits comments from the public to inform its processes. DOT posts these comments, without edit, including any personal information the commenter provides, to www.regulations.gov, as described in the system of records notice (DOT/ALL-14 FDMS), which can be reviewed at <https://www.transportation.gov/privacy>. See also <https://www.regulations.gov/privacy-notice> for the privacy notice of www.regulations.gov.

Issued in Washington, DC.

John Karl Alexy,

*Associate Administrator for Railroad Safety,
Chief Safety Officer.*

[FR Doc. 2025-14644 Filed 7-31-25; 8:45 am]

BILLING CODE 4910-06-P

DEPARTMENT OF TRANSPORTATION

Pipeline and Hazardous Materials Safety Administration

Pipeline Safety: 2025 Pipeline Data Public Meeting

AGENCY: Pipeline and Hazardous Materials Safety Administration (PHMSA), Department of Transportation (DOT).

ACTION: Notice of public meeting.

SUMMARY: This notice announces a public meeting to discuss how data collected from pipeline operators can be used to improve pipeline and public safety. Discussion topics include how data collected by PHMSA is currently used by stakeholders, displayed on the PHMSA website, and used to generate pipeline safety performance measures. PHMSA is also interested in identifying data that is collected but not used by any stakeholders, as well as data that should be collected but is not. The meeting will be recorded but there will not be a live webcast.

DATES: The public meeting on pipeline data will be held on Thursday, September 18, 2025, from 8:00 a.m. to 5:00 p.m. CST, and Friday, September 19, 2025, from 8:00 a.m. to 5:00 p.m. CST. Name badge pickup and onsite registration will be available starting at 7:30 a.m. on both days.

Registration: Please register at "2025 Pipeline Data Public Meeting"—PHMSA Public Meetings. Please note that the meeting will be recorded but will not be webcast. After the meeting, a link to the recording will be posted on the registration page. Anyone who would like to attend the meeting should register by September 11, 2025. Individuals requiring accommodations, such as sign language interpretation or other ancillary aids, should notify Janice Morgan by phone at 202-815-4507 or by email at janice.morgan@dot.gov by no later than August 24, 2025. For additional information, see the **ADDRESSES** section of this notice.

ADDRESSES: The public meeting will be held in Houston, Texas. Additional details about the location and an agenda will be posted to the registration page, "2025 Pipeline Data Public Meeting"—PHMSA Public Meetings, by August 17, 2025.

FOR FURTHER INFORMATION CONTACT:

Blaine Keener by phone at 202-366-0970 or by email at blaine.keener@dot.gov.

SUPPLEMENTARY INFORMATION: PHMSA will hold this public meeting to provide an open forum for exchanging information about how pipeline data can be used to improve pipeline and public safety. Discussion topics include what data is collected and how it is used by stakeholders as well as how performance measures could be improved. Various stakeholders—including Federal and state regulatory agencies, industry, advocacy groups, and the media—often use data collected and made public by PHMSA to describe the integrity of pipeline infrastructure, portray safety trends, or identify emerging safety concerns. This data is also often used to evaluate the safety performance of individual companies and the overall industry, as well as the effectiveness of the regulatory process. PHMSA uses operator submitted data to identify which pipeline systems will be inspected in a given year, and to develop inspection plans based on the system's and the company's apparent safety strengths and weaknesses. Operators use data to improve safety by identifying and mitigating threats and risks on their systems.

PHMSA regulations require integrity management program performance measures for gas distribution pipelines (49 Code of Federal Regulations (CFR) § 192.1007(e)), gas transmission pipelines (49 CFR 192.945), and hazardous liquids pipelines (49 CFR 195.452(k)). The information exchanged at this public meeting will help inform PHMSA as it considers improvements to integrity management performance measures. Information on potential key performance indicators for use within pipeline safety management systems (PSMSs) will also be presented.

The overall meeting objectives, subject to modification based on stakeholder input, are to:

1. Share with participants the types of data PHMSA collects and uses for inspection planning, rulemaking, and other activities.
2. Determine how stakeholders—including industry and the public—use the data.
3. Identify what data is not used by any stakeholders.
4. Identify data not currently collected that, if shared with PHMSA and other stakeholders, could improve safety.
5. Determine how industry and PHMSA measure performance and how these performance measures can be improved.

6. Identify opportunities to enhance the data PHMSA displays on its website.

7. Identify key performance indicators that could be used within a PSMS.

All presentations made during the meeting will be available on the registration page after the meeting.

Public Participation: The meeting will be open to the public. Members of the public who wish to attend must register on the meeting website, including their names and organizational affiliation. PHMSA is committed to providing all participants with equal access to these meetings. If you need disability accommodations, please contact Janice Morgan by email at janice.morgan@dot.gov.

PHMSA is not always able to publish a notice in the **Federal Register** quickly enough to provide timely notification of last-minute changes that impact scheduled meetings. Therefore, individuals should check the meeting registration page, “2025 Pipeline Data Public Meeting”—PHMSA Public Meetings, for any possible changes.

Issued in Washington, DC, on July 30, 2025, under authority delegated in 49 CFR 1.97.

Linda Daugherty,

Acting Associate Administrator for Pipeline Safety.

[FR Doc. 2025–14600 Filed 7–31–25; 8:45 am]

BILLING CODE P

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

Notice of OFAC Sanctions Actions

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Notice.

SUMMARY: The U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) is publishing the name of one person that has been placed on OFAC’s Specially Designated Nationals and Blocked Persons List (SDN List) based on OFAC’s determination that one or more applicable legal criteria were satisfied. All property and interests in property subject to U.S. jurisdiction of this person are blocked, and U.S. persons are generally prohibited from engaging in transactions with them.

DATES: This action was issued on July 30, 2025. See Supplementary Information section for relevant dates.

FOR FURTHER INFORMATION CONTACT: OFAC: Associate Director for Global Targeting, 202–622–2420; Assistant Director for Sanctions Compliance, 202–622–2490; or <https://ofac.treasury.gov/contact-ofac>.

SUPPLEMENTARY INFORMATION:

Electronic Availability

The SDN List and additional information concerning OFAC sanctions programs are available on OFAC’s website: <https://ofac.treasury.gov>.

Notice of OFAC Action

On July 30, 2025, OFAC determined that the property and interests in property subject to U.S. jurisdiction of the following person are blocked under the relevant sanctions authority listed below.

Individual

1. DE MORAES, Alexandre, Brazil; DOB 03 Dec 1968; POB Sao Paulo, Brazil; nationality Brazil; Gender Male; Passport DC000887 (Brazil); National ID No. 142262109 (Brazil) (individual) [GLOMAG].

Designated pursuant to section 1(a)(ii)(A) of Executive Order (E.O.) 13818 of December 20, 2017, “Blocking the Property of Persons Involved in Serious Human Rights Abuse or Corruption,” 82 FR 60839 (Dec. 26, 2017) for being a foreign person who is responsible for or complicit in, or has directly or indirectly engaged in, serious human rights abuse.

Lawrence M. Scheinert,

Acting Deputy Director, Office of Foreign Assets Control.

[FR Doc. 2025–14643 Filed 7–31–25; 8:45 am]

BILLING CODE 4810–AL–P

DEPARTMENT OF THE TREASURY

Agency Information Collection Activities; Submission for OMB Review; Comment Request; Multiple Alcohol and Tobacco Tax and Trade Bureau Information Collection Requests

AGENCY: Departmental Offices, U.S. Department of the Treasury.

ACTION: Notice.

SUMMARY: The Department of the Treasury will submit the following information collection requests 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. The public is invited to submit comments on these requests.

DATES: Comments should be received on or before September 2, 2025 to be assured of consideration.

ADDRESSES: Written comments and recommendations for the proposed information collection should be sent

within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function.

FOR FURTHER INFORMATION CONTACT:

Copies of the submissions may be obtained from Melody Braswell by emailing PRA@treasury.gov, calling (202) 622–1035, or viewing the entire information collection request at www.reginfo.gov.

SUPPLEMENTARY INFORMATION:

Alcohol and Tobacco Tax and Trade Bureau (TTB)

1. *Title:* Bond for Drawback Under 26 U.S.C. 5111.

OMB Control Number: 1513–0116.

TTB Form Number: TTB F 5154.3.

Abstract: The IRC authorizes drawback (refund) of all but \$1.00 per gallon of the Federal excise tax paid on distilled spirits subsequently used in the manufacture of certain nonbeverage products such as medicines, food products, flavors, and perfumes. Manufacturers making such products must file claims proving their eligibility for drawback, and respondents may file such claims either on a monthly or a quarterly basis. The IRC also authorizes the Secretary to require persons filing monthly nonbeverage product drawback claims to provide a bond. See 26 U.S.C. 5111–5114. The TTB regulations in 27 CFR parts 17 and 26 require monthly nonbeverage drawback claimants to file such a bond using form TTB F 5154.3. The required bond ensures repayment of paid claims later found to be ineligible for nonbeverage drawback in cases when the claimant is unable to repay the taxes due.

Current Actions: There are no program changes or adjustments associated with this information collection, and TTB is submitting it for extension purposes only.

Type of Review: Extension of a currently approved collection.

Affected Public: Businesses or other for-profits.

Estimated Number of Respondents: 10.

Estimated Average Responses per Respondent: 1 (one).

Estimated Number of Responses: 10.

Estimated Average per Response Burden: 24 minutes.

Estimated Total Burden: 4 hours.

2. *Title:* Certificate of Taxpaid Alcohol.

OMB Control Number: 1513–0131.

TTB Form Number: TTB F 5100.4.

Abstract: The IRC authorizes drawback (refund) of all but \$1.00 per

gallon of the Federal excise tax paid on distilled spirits subsequently used in the manufacture of certain nonbeverage products such as medicines, food products, flavors, and perfumes. See 26 U.S.C. 5111–5114. In addition, nonbeverage products produced in the United States and then exported are also eligible for drawback of all excise taxes paid on the distilled spirits used to make those products. See 19 U.S.C. 1313(d). Under the TTB regulations in part 17, a respondent may make an export drawback claim to U.S. Customs and Border Protection (CBP) for the full amount of tax paid if they have previously made no claim to TTB. Alternatively, a respondent may claim the remaining \$1.00 per proof gallon of excise tax paid if they have or will file a claim with TTB under 26 U.S.C. 5114. When a respondent wishes to make a full or partial export drawback claim to CBP, they first submit form TTB F 5100.4, Certificate of Taxpaid Alcohol, to TTB, listing the source and amount of distilled spirits eligible for drawback and the amount of excise taxes claimed. TTB verifies the provided information and certifies on the form that it has issued no previous certificate for the described distilled spirits. As such, the collected information is necessary to ensure that export drawback is provided consistent with the relevant statutory provisions.

Current Actions: There are no program changes or adjustments associated with this information collection, and TTB is submitting it for extension purposes only.

Type of Review: Extension of a currently approved collection.

Affected Public: Businesses or other for-profits.

Estimated Number of Respondents: 10.

Estimated Average Responses per Respondent: 1 (one).

Estimated Number of Responses: 10.

Estimated Average per Response Burden: 30 minutes.

Estimated Total Burden: 5 hours.
(Authority: 44 U.S.C. 3501 *et seq.*)

Melody Braswell,

Treasury PRA Clearance Officer.

[FR Doc. 2025–14622 Filed 7–31–25; 8:45 am]

BILLING CODE 4810–31–P

DEPARTMENT OF THE TREASURY

Agency Information Collection Activities; Submission for OMB Review; Comment Request; Assessment of Fees on Large Bank Holding Companies and Nonbank Financial Companies

AGENCY: Departmental Offices, U.S. Department of the Treasury.

ACTION: Notice.

SUMMARY: The Department of the Treasury will submit the following information collection requests 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. The public is invited to submit comments on these requests. The Department of the Treasury, as part of its continuing effort to reduce paperwork burdens, invites the general public and other Federal agencies to comment on an information collection that is due for extension approval by the Office of Management and Budget.

DATES: Comments should be received on or before September 2, 2025 to be assured of consideration.

ADDRESSES: Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function. Copies of the submissions may be obtained from Melody Braswell by emailing PRA@treasury.gov, calling (202) 622–1035, or viewing the entire information collection request at www.reginfo.gov.

SUPPLEMENTARY INFORMATION:

Title: Assessment of Fees on Large Bank Holding Companies and Nonbank Financial Companies.

OMB Control Number: 1505–0245.

Type of Review: Revision of a currently approved collection.

Description: The Financial Research Fund (FRF) Preauthorized Payment Agreement form will collect information with respect to the final rule (31 CFR part 150) on the assessment of fees on large bank holding companies and nonbank financial companies supervised by the Federal Reserve Board to cover the expenses of the FRF.

Form Number: TD F 105.1.

Affected Public: Businesses or other for-profits.

Estimated Number of Respondents: 21.

Frequency of Response: Once.
Estimated Total Number of Annual Responses: 21.

Estimated Time per Response: 15 minutes.

Estimated Total Annual Burden Hours: 5.25 hours.

Authority: 44 U.S.C. 3501 *et seq.*

Melody Braswell,

Treasury PRA Clearance Officer.

[FR Doc. 2025–14628 Filed 7–31–25; 8:45 am]

BILLING CODE 4810–AK–P

DEPARTMENT OF THE TREASURY

Agency Information Collection Activities; Submission for OMB Review; Comment Request; Multiple Internal Revenue Service (IRS) Information Collection Requests

AGENCY: Departmental Offices, U.S. Department of the Treasury.

ACTION: Notice.

SUMMARY: The Department of the Treasury will submit the following information collection requests 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. The public is invited to submit comments on these requests.

DATES: Comments should be received on or before September 2, 2025 to be assured of consideration.

ADDRESSES: Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function.

FOR FURTHER INFORMATION CONTACT:

Copies of the submissions may be obtained from Melody Braswell by emailing PRA@treasury.gov, calling (202) 622–1035, or viewing the entire information collection request at www.reginfo.gov.

SUPPLEMENTARY INFORMATION:

Internal Revenue Service (IRS)

1. *Title:* Opinion Letter Applications for Pre-Approved Plans (Forms 4461, 4461–A, 4461–B, and Form 4461–C).

OMB Number: 1545–0169.

Form Number: 4461, 4461–A, 4461–B, and 4461–C.

Abstract: The IRS uses these forms to determine from the information submitted whether the provider or mass

submitter of a pre-approved defined contribution plan qualifies under section 401(a) of the Internal Revenue Code for plan approval. The application is also used to apply for the approval of their employee benefit plans of standardized or nonstandardized pre-approval plans under section 403(b) and their related trust as exempt from federal income tax under Code section 501(a).

Current Actions: There are no changes being made to the forms and burden estimates at this time.

Type of Review: Extension of a currently approved collection.

Affected Public: Business or other for-profit organizations.

Estimated Number of Respondents: 2925.

Estimated Time per Respondent: 149 hours, 49 minutes.

Estimated Total Annual Burden Hours: 39,153 hours.

2. Title: Application for Determination for Terminating Plan and Distributable Benefits from Employee Pension Benefit Plans.

OMB Control Number: 1545–0202.

Form Number: Form 5310 and Form 6608.

Abstract: Employers who have qualified deferred compensation plans can take an income tax deduction for contributions to their plans. Form 5310 is used to request an IRS determination letter about the plan's qualification status (qualified or non-qualified) under Internal Revenue Code sections 401(a) or 403(a) of a pension. Form 6088 is used by the IRS to analyst an application for a determination letter on the qualification of the plan upon termination.

Current Actions: There is no change to the previously approved information collection.

Type of Review: Extension of a currently approved collection.

Affected Public: Businesses and other for-profit organizations.

Estimated Number of Responses: 935.

Estimated Time per Response: 105 hours, 8 minutes.

Estimated Total Annual Burden Hours: 65,323.

3. Title: Request for Discharge from Personal Liability Under Internal Revenue Code Section 2204 or 6905.

OMB Number: 1545–0432.

Form Number: 5495.

Abstract: Form 5495 provides guidance under sections 2204 and 6905 for executors of estates and fiduciaries of decedent's trusts. The form, filed after regular filing of an Estate, Gift, or Income tax return for a decedent, is used by the executor or fiduciary to request discharge from personal liability

for any deficiency for the tax and periods shown on the form.

Current Actions: There are no changes to the paperwork burden previously approved by OMB. This form is being submitted for renewal purposes only.

Type of Review: Extension of a currently approved collection.

Affected Public: Individuals or households.

Estimated Number of Respondents: 25,000.

Estimated Time per Respondent: 12 hrs. 16 min.

Estimated Total Annual Burden Hours: 306,500 hours.

4. Title: Allocation of Expenses by Real Estate Mortgage Investment Conduits.

OMB Control Number: 1545–1018.

Regulation Project Number: TD 8266 and 8431.

Abstract: Internal Revenue Code (IRC) sections 67 and 6049 and their regulations provide rules for certain deductions and income, as well as information disclosure requirements regarding the income and deductions. Treasury Regulations section 1.67–3(f)(4)(ii) requires single-class REMICs to provide certain IRC section 67 information to a person holding a regular interest in the single-class REMIC pursuant to section 1.6049–7(e). Treasury Regulations section 1.6049–7(e) requires the REMIC to provide certain information to brokers and middlemen who request the information to complete information returns. Treasury Regulations Section 1.6049–7(f)(7) requires brokers and middlemen to furnish certain information to corporations, non-calendar year taxpayers, and other specified persons who requests the information and for whom the broker or middleman holds as a nominee a REMIC regular interest or a collateralized debt obligation.

Current Actions: There is no change to the previously approve collection.

Type of Review: Extension of a currently approved collection.

Affected Public: Business or other for-profit organizations.

Estimated Number of Responses: 9,725.

Estimated Time per Respondent: 6,978 minutes.

Estimated Total Annual Burden Hours: 978.

5. Title: Notice of Plan Merger or Consolidation, Spinoff, or Transfer of Plan Assets or Liabilities, Notice of Qualified Separate Lines of Business.

OMB Number: 1545–1225.

Project Number: Form 5310–A.

Abstract: Internal Revenue Code section 6058(b) requires plan administrators to notify IRS of any plan

mergers, consolidations, spinoffs, or transfers of plan assets or liabilities to another plan. Code section 414(r) requires employers to notify IRS of separate lines of business for their deferred compensation plans. Form 5310–A is used to make these notifications.

Current Actions: There is no change in the paperwork burden previously approved by OMB. This form is being submitted for renewal purposes only.

Type of Review: Extension of a currently approved collection.

Affected Public: Businesses and other for-profit organizations.

Estimated Number of Respondents: 935.

Estimated Time per Respondent: 14 hrs. 56 min.

Estimated Total Annual Burden Hours: 7,631.

6. Title: Reporting Requirements for Widely Held Fixed Investment Trusts.

OMB Number: 1545–1540.

Regulation Project Number: TD 9308.

Abstract: Under regulation section 1.671–5, the trustee or the middleman who holds an interest in a widely held fixed investment trust for an investor will be required to provide a Form 1099 to the IRS and a tax information statement to the investor. The trust is also required to provide more detailed tax information to middlemen and certain other persons, upon request.

Current Actions: There are no changes to the paperwork burden previously approved by OMB.

Type of Review: Extension of a currently approved collection.

Affected Public: Businesses and other for-profit organizations.

Estimated Number of Respondents: 1,200.

Estimated Time per Respondent: 2 hours.

Estimated Total Annual Burden Hours: 2,400.

7. Title: Qualifying Advanced Coal Project Program.

OMB Number: 1545–2003.

Notice Number: Notice 2020–88.

Abstract: This notice updates and amplifies the procedures for the allocation of § 48A Phase III credits by announcing the beginning of Round 3 of the § 48A Phase III Program. To be considered in Round 3 of the § 48A Phase III Program, applications must be submitted to the Department of Energy (DOE) (Application for DOE Certification) and to the IRS (Application for § 48A Certification).

Current Actions: There are changes to the existing collection. The notice updates prior procedures to comply with the requirements of Round 3 of the § 48A Phase III Program.

Type of Review: Revision of a currently approved collection.

Affected Public: Businesses and other for-profit organizations.

Estimated Number of Responses: 5.

Estimated Time per Respondent: 110 hours.

Estimated Total Annual Burden Hours: 550 hours.

8. Title: S Corporation Shareholder Stock and Debt Basis Limitations.

OMB Number: 1545–2302.

Document Number: Forms 7203.

Abstract: Internal Revenue Code (IRC) Section 1366 determines the shareholder's tax liability from an S corporation. IRC Section 1367 details the adjustments to basis including the increase and decrease in basis, income items included in basis, the basis of indebtedness, and the basis of inherited stock. Shareholders will use Form 7203 to calculate their stock and debt basis, ensuring the losses and deductions are accurately claimed.

Current Actions: There are no changes in the form previously approved by OMB. However, updates in the burden computation will result in a burden decrease of 51,100 hours.

Type of Review: Revision of a currently approved collection.

Affected Public: Estates and Trusts.

Estimated Number of Respondents: 70,000.

Estimated Time per Respondent: 3 hrs., 3 min.

Estimated Total Annual Burden Hours: 214,200.

Authority: 44 U.S.C. 3501 *et seq.*

Melody Braswell,

Treasury PRA Clearance Officer.

[FR Doc. 2025–14630 Filed 7–31–25; 8:45 am]

BILLING CODE 4810–25–P

DEPARTMENT OF THE TREASURY

Agency Information Collection Activities; Submission for OMB Review; Comment Request; Multiple Bureau of Fiscal Service Information Collection Requests

AGENCY: Departmental Offices, U.S. Department of the Treasury.

ACTION: Notice of information collection; request for comment.

SUMMARY: The Department of the Treasury will submit the following information collection requests 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. The public is invited to submit comments on these requests.

DATES: Comments should be received on or before September 2, 2025 to be assured of consideration.

ADDRESSES: Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function.

FOR FURTHER INFORMATION CONTACT: Copies of the submissions may be obtained from Melody Braswell by emailing PRA@treasury.gov, calling (202) 622–1035, or viewing the entire information collection request at www.reginfo.gov.

SUPPLEMENTARY INFORMATION:

Bureau of the Fiscal Service (BFS)

1. Title: Trace Request for Electronic Funds Transfer (EFT) Payment; and Trace Request Direct Deposit.

OMB Number: 1530–0002.

Form Number: FS Form 150.1 and FS Form 150.2.

Abstract: These forms are used to notify the financial organization that a customer (beneficiary) has claimed non-receipt of credit for a payment. The forms are designed to help the financial organization locate any problems and to keep the customer (beneficiary) informed of any action taken.

Current Actions: Extension of a currently approved collection.

Type of Review: Regular.

Affected Public: Business or other for-profit.

Estimated Number of Respondents: 26,895.

Estimated Time per Respondent: 8 minutes.

Estimated Total Annual Burden Hours: 30,466.

2. Title: Voucher for Payment of Awards.

OMB Number: 1530–0012.

Form Number: FS Form 5135.

Abstract: Award certificates to the Department of the Treasury are paid annually as funds are received from foreign governments. Vouchers are mailed to award holders showing payments due. Award holders sign vouchers certifying that he/she is entitled to payment. Executed vouchers are used as a basis for payment.

Current Actions: Extension of a currently approved collection.

Type of Review: Regular.

Affected Public: Individuals and estates with a very small percentage of respondents coming from a business.

Estimated Number of Respondents: 114.

Estimated Time per Respondent: 30 minutes.

Estimated Total Annual Burden Hours: 57.

3. Title: Creditor's Request for Payment of Treasury Securities Belonging To A Decedent's Estate Being Settled Without Administration.

OMB Number: 1530–0027.

Form Number: FS Form 1050.

Abstract: The information is requested to obtain a creditor's consent to dispose of savings bonds/notes in settlement of a deceased owner's estate without administration.

Current Actions: Extension of a currently approved collection.

Type of Review: Regular.

Affected Public: Individuals or Households.

Estimated Number of Respondents: 2200.

Estimated Time per Respondent: 6 minutes.

Estimated Total Annual Burden Hours: 220.

4. Title: Disposition of Treasury Securities Belonging to a Decedent's Estate Being Settled Without Administration.

OMB Number: 1530–0055.

Form Number: FS Form 5336.

Abstract: The information is collected from a voluntary representative of a decedent's estate to support a request for disposition of United States Treasury Securities and/or related payments in the event that the estate is not being administered.

Current Actions: Extension of a currently approved collection.

Type of Review: Regular.

Affected Public: Individuals or Households.

Estimated Number of Respondents: 25,350.

Estimated Time per Respondent: 30 minutes.

Estimated Total Annual Burden Hours: 12,675.

(Authority: 44 U.S.C. 3501 *et seq.*)

Melody Braswell,

Treasury PRA Clearance Officer.

[FR Doc. 2025–14629 Filed 7–31–25; 8:45 am]

BILLING CODE 4810–AS–P

DEPARTMENT OF VETERANS AFFAIRS

[OMB Control No. 2900–0822]

Agency Information Collection Activity Under OMB Review: Camp Lejeune Family Member Program—Reimbursement of Certain Medical Expenses

AGENCY: Veterans Health Administration, Department of Veterans Affairs.

ACTION: Notice.

SUMMARY: In compliance with the Paperwork Reduction Act (PRA) of 1995, this notice announces that the Veterans Health Administration (VHA), 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 September 2, 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. 2900–0822.”

FOR FURTHER INFORMATION CONTACT: VA PRA information: Dorothy Glasgow, 202–461–1084, VAPRA@va.gov.

SUPPLEMENTARY INFORMATION:

Title: Camp Lejeune Family Member Program—Reimbursement of Certain Medical Expenses (VA Forms 10–10068, 10–10068a, 10–10068b and 10–10068c).

OMB Control Number: 2900–0822.
https://www.reginfo.gov/public/do/PRASearch.

Type of Review: Revision of a currently approved collection.

Abstract: Pursuant to 38 U.S.C. 1787, VA is required to furnish hospital care and medical services to the family members of certain veterans who were stationed at Camp Lejeune between 1953 and 1987 and have specified medical conditions. The specific hospital care and medical services that VA must provide are for a number of illnesses and conditions connected to exposure to contaminated drinking water while at Camp Lejeune. In order to furnish such care, VA must collect necessary information from the family members to ensure that they meet the requirements of the law.

The forms in this collection are VA Form 10–10068—Application, VA Form 10–10068a—Claim Form, VA Form 10–10068b—Treating Physician Report, and VA Form 10–10068c—Information Update Form. These forms will be used to determine eligibility and reimbursement for the covered medical care. Some minor changes to the wording in VA Form 10–10068b have been made to clarify the information being collected from the treating physician. Also, VA Form 10–10068b may now be used twice annually per patient rather than once annually. There is an associated increase in the estimated burden hours for the collection.

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 22832, May 29, 2025.

Affected Public: Individuals or Households.

Estimated Annual Burden: Total hours = 6,246 hours.

10–10068—815 hours.

10–10068a—4,480 hours.

10–10068b—815 hours.

10–10068c—136 hours.

Estimated Average Burden Per Respondent:

10–10068—30 minutes.

10–10068a—15 minutes.

10–10068b—15 minutes.

10–10068c—15 minutes.

Frequency of Response:

10–10068—Once annually.

10–10068a—11 times per year.

10–10068b—2 times per year.

10–10068c—Once annually.

Estimated Number of Responses:
Total Responses = 23,349.

10–10068—1,629.

10–10068a—17,919.

10–10068b—3,258.

10–10068c—543.

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. 2025–14570 Filed 7–31–25; 8:45 am]

BILLING CODE 8320–01–P



FEDERAL REGISTER

Vol. 90

Friday,

No. 146

August 1, 2025

Part II

Environmental Protection Agency

40 CFR Parts 85, 86, 600, et al.

Reconsideration of 2009 Endangerment Finding and Greenhouse Gas
Vehicle Standards; Proposed Rule

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Parts 85, 86, 600, 1036, 1037, and 1039

[EPA-HQ-OAR-2025-0194; FRL-12715-01-OAR]

RIN 2060-AW71

Reconsideration of 2009 Endangerment Finding and Greenhouse Gas Vehicle Standards

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: In this action, the U.S. Environmental Protection Agency (EPA) is proposing to repeal all greenhouse gas (GHG) emission standards for light-duty, medium-duty, and heavy-duty vehicles and engines to effectuate the best reading of Clean Air Act (CAA) section 202(a). We propose that CAA section 202(a) does not authorize the EPA to prescribe emission standards to address global climate change concerns and, on that basis, propose to rescind the Administrator's prior findings in 2009 that GHG emissions from new motor vehicles and engines contribute to air pollution which may endanger public health or welfare. We further propose, in the alternative, to rescind the Administrator's prior findings in 2009 because the EPA unreasonably analyzed the scientific record and because developments cast significant doubt on the reliability of the findings. Lastly, we propose to repeal all GHG emission standards on the alternative bases that no requisite technology for vehicle and engine emission control can address the global climate change concerns identified in the findings without risking greater harms to public health and welfare.

DATES:

Comments. Comments must be received on or before September 15, 2025. Comments on the information collection provisions submitted to the Office of Management and Budget (OMB) under the Paperwork Reduction Act (PRA) are best assured of consideration by OMB if OMB receives a copy of your comments on or before September 2, 2025.

Public Hearing. The EPA will announce information regarding the public hearing for this proposal in a supplemental **Federal Register** document. Please refer to the **SUPPLEMENTARY INFORMATION** section for additional information on the public hearing.

ADDRESSES: *Comments.* You may send comments, identified by Docket ID No. EPA-HQ-OAR-2025-0194, by any of the following methods:

- *Federal eRulemaking Portal:* <https://www.regulations.gov/> (our preferred method). Follow the online instructions for submitting comments.
- *Email:* a-and-r-Docket@epa.gov. Include Docket ID No. EPA-HQ-OAR-2025-0194 in the subject line of the message.
- *Mail:* U.S. Environmental Protection Agency, EPA Docket Center, OAR Docket, Mail Code 28221T, 1200 Pennsylvania Avenue NW, Washington, DC 20460.
- *Hand Delivery or Courier:* EPA Docket Center, WJC West Building, Room 3334, 1301 Constitution Avenue NW, Washington, DC 20004. The Docket Center's hours of operations are 8:30 a.m.–4:30 p.m., Monday–Friday (except Federal Holidays).

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

FOR FURTHER INFORMATION CONTACT:

Alan Stout, Assessment and Standards Division, Office of Transportation and Air Quality, Environmental Protection Agency, 2000 Traverwood Drive, Ann Arbor, MI 48105; telephone number: (734) 214-4805; email address: stout.alan@epa.gov.

SUPPLEMENTARY INFORMATION:

A. Public Participation

Written Comments. Submit your comments, identified by Docket ID No. EPA-HQ-OAR-2025-0194, at <https://www.regulations.gov/> (our preferred method), or the other methods identified in the **ADDRESSES** section. Once submitted, comments cannot be edited or removed from the docket. The EPA may publish any comment received to its public docket. Do not submit to the EPA's docket at <https://www.regulations.gov/> any information you consider to be Confidential Business Information (CBI), Proprietary Business Information (PBI), or other information whose disclosure is restricted by statute. If you choose to submit CBI or PBI as a comment to the EPA's docket, please send those materials to the person listed in the **FOR FURTHER INFORMATION CONTACT** section.

Multimedia submissions (audio, video, etc.) must be accompanied by a written comment. The written comment is considered an 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). Please visit <https://www.epa.gov/dockets/commenting-epa-dockets> for additional submission methods; the full EPA public comment policy; information about CBI, PBI, or multimedia submissions; and general guidance on making effective comments.

To facilitate comment on the portions of the rule on which the EPA is specifically soliciting comment, the EPA has indexed each comment solicitation with a unique identifier (e.g., “C-1”, “C-2”) in section VII of this preamble to provide a consistent framework for effective and efficient provision of comments. Accordingly, we ask that commenters include the corresponding identifier when providing comments relevant to that comment solicitation. We ask that commenters include the identifier either in a heading or within the text of each comment, to make clear which comment solicitation is being addressed. We note that we are not limiting comment to these identified areas.

Participation in Virtual Public Hearing. The EPA will announce information regarding the public hearing for this proposal in a supplemental document in the **Federal Register**. The hearing notice, registration information, and any updates to the hearing schedule will also be available at <https://www.epa.gov/regulations-emissions-vehicles-and-engines/proposed-rule-reconsideration-2009-endangerment-finding>. Please refer to this website for any updates regarding the hearings. The EPA does not intend to publish additional documents in the **Federal Register** announcing updates to the hearing schedule.

Docket. All documents in the docket are listed on the www.regulations.gov website. Although listed in the index, some information is not publicly available, e.g., CBI or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the internet and will be publicly available only in hard copy form through the EPA Docket Center at the location listed in the **ADDRESSES** section of this document.

B. Action Applicability

This action relates to companies that manufacture, sell, or import into the

United States light-, medium-, or heavy-duty motor vehicles and engines.

Potentially affected categories and entities include the following:

NAICS code ^a	NAICS title
336110	Automobile and Light-duty Motor Vehicle Manufacturing.
336120	Heavy Duty Truck Manufacturing.
336211	Motor Vehicle Body Manufacturing.
336213	Motor Home Manufacturing.
336310	Motor Vehicle Gasoline Engine and Engine Parts Manufacturing.
336390	Other Motor Vehicle Parts Manufacturing.
333618	Other Engine Equipment Manufacturing.
423110	Automobile and Other Motor Vehicle Merchant Wholesalers.
811198	All Other Automotive Repair and Maintenance.

^a NAICS Association. NAICS & SIC Identification Tools. Available online: <https://www.naics.com/search>.

This table is not intended to be exhaustive but rather provides a guide for readers regarding entities potentially affected by this action. This table lists the types of entities that the EPA is presently aware could potentially be affected by this action. Other types of entities not listed in the table could also be affected. To determine whether your entity is regulated by this action, you should carefully examine the applicability criteria found in Code of Federal Regulations (CFR) title 40, parts 85, 86, 600, 1036, and 1037. If you have questions regarding the applicability of this action to a particular entity, consult the person listed in the **FOR FURTHER INFORMATION CONTACT** section.

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I. Executive Summary**A. Introduction**

In this action, the EPA proposes to rescind all greenhouse gas (GHG) emission standards for light-duty, medium-duty, and heavy-duty vehicles and engines under CAA section 202(a). Upon review of the underlying actions and intervening legal and scientific developments, including recent decisions by the U.S. Supreme Court and the scientific information summarized in this preamble, the EPA no longer believes that we have the statutory authority and record basis required to maintain this novel and transformative regulatory program. We seek comment on all aspects of this proposal, including on the legal and scientific developments that are being subject to public comment for the first time in this rulemaking.

In 2009, the EPA took the unprecedented step of asserting authority to regulate GHG emissions in a standalone action titled "Endangerment and Cause or Contribute Finding for Greenhouse Gases Under Section 202(a) of the Clean Air Act," 74 FR 66496 (Dec. 15, 2009) (Endangerment Finding). In that action, we interpreted CAA section 202(a) for the first time to authorize regulation of domestic emissions from new motor vehicles and engines based on global climate change concerns rather than air pollution that endangers public health or welfare through local or regional exposure. 74 FR 66526–27. We also asserted that because the statute is "silent on [the] issue," CAA section 202(a) grants "procedural discretion" to issue standalone findings that trigger a duty to regulate without considering the standards that must issue in response.

74 FR 66501–02. The Administrator exercised this newfound discretion to make separate findings that elevated global concentrations in the upper atmosphere of six “well-mixed GHGs”—carbon dioxide (CO₂), methane, nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF₆)—constitute “air pollution” that may reasonably be anticipated to endanger public health and welfare, 74 FR 66516–36, and that GHG emissions from all potential classes of motor vehicles and engines contribute to such elevated global concentrations of GHGs in the upper atmosphere and therefore to air pollution that endangers public health and welfare, 74 FR 66536–45.

With respect to endangerment, the Administrator found that global concentrations of GHGs from all foreign and domestic sources “constitute the largest anthropogenic driver of climate change” and attributed climate change impacts to global GHG concentrations. 74 FR 66517. Next, the Administrator summarized literature reviews finding that climate change “can increase the risk of morbidity and mortality” indirectly through increased global temperature, air quality effects, and changes in extreme weather events and can impact welfare indirectly through net impacts on food production, forestry, water resources, sea level rise, energy infrastructure, and ecosystems. 74 FR 66522–35. On that basis, the Administrator found that global concentrations of GHGs constitute “air pollution” that endangers public health and welfare. 74 FR 66516. For purposes of this preamble, we use the phrase global climate change concerns to refer to the risks the Administrator associated with climate change in 2009.

With respect to causation or contribution, the Administrator used emissions data for existing motor vehicles and engines to project that all potential classes of new motor vehicles and engines would emit four GHGs—CO₂, methane, N₂O, and HFCs—that would collectively amount to 4.3 percent of global GHG emissions. 74 FR 66543. The Administrator acknowledged that more would usually be required to support contribution “when addressing a more typical local or regional air pollution problem.” 74 FR 66539. Nevertheless, asserting discretion to interpret the ambiguous term “contribute,” the Administrator found that the “unique” nature of global climate change meant that “contributors must do their part even if their contributions to the global climate change problem, measured in terms of percentage, are smaller than typically

encountered when tackling solely regional or local environmental issues.” 74 FR 66542–43.

The EPA subsequently relied on the Endangerment Finding to impose increasingly stringent GHG emission standards for new motor vehicles and engines and to attempt, largely without success, to extend its GHG initiative into additional CAA programs. In *Utility Air Regulatory Group v. EPA*, 573 U.S. 302 (2014) (*UARG*), the Supreme Court rejected our attempt to extend GHG emission standards to stationary sources subject to Title I and Title V requirements, including after we admitted that applying the statutory scheme as written to GHG emissions from most covered stationary sources would be unworkable. And in *West Virginia v. EPA*, 597 U.S. 697 (2022), the Court vacated our attempt to shift the power grid away from using fossil fuels through GHG standards for existing power plants under CAA section 111(d). The Court held in both cases that the agency actions at issue implicated the major questions doctrine, and that Congress must clearly authorize agencies to take actions that decide major questions of policy. Nevertheless, the EPA continued to retain and expand GHG emission standards for new motor vehicles and engines that impose billions of dollars in compliance costs on American businesses and consumers. Meanwhile, global GHG concentrations in the upper atmosphere have continued to rise, driven primarily by increased emissions from foreign sources,¹ all without producing the degree of adverse impacts to public health and welfare in the United States that the EPA anticipated in the 2009 Endangerment Finding.

The EPA now proposes to rescind the Endangerment Finding and all resulting GHG emission standards for new motor vehicles and engines, including the light-duty, medium-duty, and heavy-duty vehicle and engine standards for model years (MY) 2012 to 2027 and beyond. The remainder of this section describes the need for regulatory action and the scope of the proposed action, including rescission of the Endangerment Finding, repeal of related GHG emission standards, and minor conforming adjustments to unrelated emission standards for new motor vehicles and engines that we are not proposing to alter as part of this rulemaking.

Section II of this preamble sets out relevant background, including the

events leading up to the Endangerment Finding, the approach taken in the Endangerment Finding to analyzing the scientific record, and the regulations issued since 2009 in reliance on the Endangerment Finding. We also summarize the premises, assumptions, and conclusions in the Endangerment Finding and the scientific information, including empirical data, peer-reviewed studies, and real-world developments since 2009 that led the Administrator to develop concerns sufficient to initiate reconsideration of the ongoing validity and reliability of the Endangerment Finding.

Section III of this preamble describes our legal authority to rescind the Endangerment Finding and repeal the resulting GHG standards issued under CAA section 202(a). Because this proposed action would not impact fuel economy standards and emission standards for criteria pollutants and hazardous air pollutants regulated under the CAA, we explain the relationship between these regulations to set the outer bounds of amendments at issue in this rulemaking.

Section IV.A of this preamble describes our proposal to rescind these prior actions because the Endangerment Finding exceeded our statutory authority under CAA section 202(a). As explained further below, we propose that the term “air pollution” as used in CAA section 202(a) is best read in context as referring to local or regional exposure to dangerous air pollution, consistent with our longstanding practice before 2009. We further propose that CAA section 202(a) does not grant the Administrator “procedural discretion” to issue standalone findings that trigger a duty to regulate, or, conversely, to prescribe standards, without making the requisite findings for the particular air pollutant emissions and class or classes of new motor vehicles or engines at issue. We also propose that CAA section 202(a) does not authorize the Administrator to make separate findings for endangerment and causation or contribution. Rather, we propose that CAA section 202(a) requires the Administrator to find that the relevant air pollutant emissions from the class or classes of new motor vehicles or engines at issue cause, or contribute to, air pollution which endangers public health or welfare, without relying on emissions from stationary or other sources regulated by distinct CAA provisions. As the Supreme Court made clear in *Loper Bright Enterprises v. Raimondo*, 603 U.S. 369 (2024), we can no longer rely on statutory silence or ambiguity to expand our regulatory power. And

¹ Crippa, M. et al. (2023). GHG emissions of all world countries. Publications Office of the European Union: <https://doi.org/10.2760/953322>.

because the Nation's response to global climate change concerns is an issue of significant importance that Congress did not clearly address in CAA section 202(a), we propose that the major questions doctrine further reinforces and provides an additional basis for our proposed interpretations and actions. The Agency did not have the benefit of the Court's decisions in *Loper Bright* and *West Virginia*, among other applicable precedents, when issuing the Endangerment Finding in 2009. Finally, we explain that the EPA reached contrary conclusions in the Endangerment Finding by misconstruing the Supreme Court's decision in *Massachusetts v. EPA*, 549 U.S. 497 (2007), which vacated our denial of a petition for rulemaking on distinct grounds. Read on its own terms, *Massachusetts* did not require the Agency to find that GHGs are subject to regulation under CAA section 202(a) and does not support our implementation of the statute since 2009.

Section IV.B of this preamble describes our alternative proposal to rescind these prior actions even if CAA section 202(a) authorizes the EPA to address GHG emissions based on global climate change concerns by concluding that the Administrator exercised that authority unreasonably in the Endangerment Finding. Specifically, we propose that the EPA misapplied the statutory standard for regulation to the scientific record by severing the analysis into separate parts without considering whether all parts of the analysis, taken as a whole, supported the findings and regulatory determinations required by the statute. We further propose that empirical data, peer-reviewed studies, and real-world developments since 2009 have cast significant doubt on many of the critical premises, assumptions, and conclusions in the Endangerment Finding such that it would be unreasonable to retain the decision and the resulting regulatory framework. In proposing this alternative, we note that the Supreme Court has continued to emphasize that agencies have significant discretion when making complex judgments within the bounds of an authorizing statute.² We propose that the Administrator may now exercise the

discretion expressly delegated to him by Congress in the text of CAA section 202(a) by rescinding the Endangerment Finding.

Section V of this preamble proposes additional bases for repealing the EPA's GHG emission standards for new motor vehicles and engines under CAA section 202(a) even if the Endangerment Finding were to remain in place. We propose that there is no "requisite technology" responsive to the global climate change concerns identified in the Endangerment Finding given evidence that reducing GHG emissions from new motor vehicles and engines to zero would not have a scientifically measurable impact on global GHG concentrations and climate trends. We also propose that, on balance, and contrary to the core objectives of CAA section 202(a), GHG emission standards harm public health and welfare by increasing prices, decreasing consumer choice, and slowing the replacement of older vehicles that are less safe and emit a greater volume and variety of air pollutants than new motor vehicles and engines.

Section VI of this preamble details the scope of the proposed repeal, including its relationship to distinct regulatory programs and federal preemption, the revisions to 40 CFR parts 85, 86, 600, 1036, 1037, and 1039 required to effectuate repeal of all GHG emission standards, and conforming adjustments to regulatory provisions that we are not proposing to reopen or substantively revise. Specifically, in this NPRM we are not proposing to change at this time elements of the regulations that are necessary for programs unrelated to the Endangerment Finding, including emission standards for criteria pollutants and air hazards and the EPA's statutory role in vehicle standards administered by the National Highway Traffic Safety Administration (NHTSA).

Section VII of this preamble specifically requests comment on key aspects of this proposed action and indexes comment solicitation to promote public participation and facilitate our review of public comments. Note that we are not limiting public participation to the issues raised in this section and will respond to all comments within the scope of this proposal. Rather, we are highlighting aspects of the proposal for which public input would be particularly helpful in determining whether and in what respects to finalize this proposed action.

B. Need for Regulatory Action

Immediately upon taking office, President Trump established new Executive Branch priorities for energy,

transportation, and consumer choice and committed to ensuring regulations remain within constitutional and statutory bounds. On January 20, 2025, the President issued an Executive Order titled "Unleashing American Energy" to address the burdens placed by unnecessary regulations on energy affordability, job creation, and national security.³ As relevant here, the President directed the EPA Administrator to submit recommendations to the Director of OMB on the legality and continuing applicability of the 2009 Endangerment Finding.⁴ On February 19, 2025, the President issued an Executive Order titled "Ensuring Lawful Governance and Implementing the President's 'Department of Government Efficiency' Deregulatory Initiative" that further instructed agencies, including the EPA, to review existing regulations for consistency with the Constitution and the best reading of the authorizing statute.⁵

Upon confirmation by the Senate, Administrator Lee Zeldin committed the EPA to prioritizing its core statutory mission and ensuring that all regulatory actions are clearly grounded in statutory authority and the best reading of the law. As part of these efforts, and consistent with the "Unleashing American Energy" Executive Order, the Administrator initiated a review of the legality and applicability of the Endangerment Finding. On February 19, 2025, the Administrator submitted a memorandum to the OMB Director recommending that the EPA reconsider the Endangerment Finding to address legal and scientific developments that appear to undermine the bases for that action and subsequent regulations.⁶ The Administrator noted that recent Supreme Court decisions, including *Loper Bright*, *West Virginia*, *UARG*, and *Michigan v. EPA*, 576 U.S. 743 (2015), provided new guidance on how we should interpret and apply the statutes Congress entrusted us to administer.⁷ The Administrator further noted that the Endangerment Finding recognized significant uncertainties in its conclusions and assumptions that should be evaluated in light of more recent empirical data and scientific

³ Executive Order 14154, 90 FR 8353 (Jan. 29, 2025).

⁴ *Id.* § 6(f).

⁵ Executive Order 14219, 90 FR 10583 (Feb. 25, 2025).

⁶ Memorandum from Lee Zeldin, Administrator, Environmental Protection Agency, to Russell Vought, Director, Office of Management and Budget (Feb. 19, 2025) (Feb. 19, 2025 Memo), available in the docket for this rulemaking.

⁷ *Id.* at 1.

² *Seven Cnty. Infrastructure Coal. v. Eagle Cnty.*, 145 S. Ct. 1497, 1511–15 (2025); *FDA v. Wages & White Lion Invs., L.L.C.*, 145 S. Ct. 898, 917 (2025); *Baltimore Gas & Elec. Co. v. NRDC, Inc.*, 462 U.S. 87, 103 (1983); see also *Huntsman Petrochemical LLC v. EPA*, 114 F.4th 727, 735 (D.C. Cir. 2024) ("In the case of EPA's evaluation of scientific data within its area of expertise, [courts] accord an extreme degree of deference." (quotation marks omitted)).

evidence.⁸ Accordingly, the Administrator announced on March 12, 2025, that the EPA would reconsider the Endangerment Finding and subsequent actions to determine whether our GHG regulations have an adequate statutory basis and to seek public input on developments since 2009.⁹

As part of this reconsideration, the EPA closely examined applicable law, including judicial precedents and interpretive aids bearing on the meaning of CAA section 202(a) and related statutory provisions. We also reviewed actions taken to regulate GHG emissions from new motor vehicles and new motor vehicle engines since 2009, assessed the costs and non-cost adverse impacts of these GHG emission standards, and evaluated the effectiveness of these GHG emission standards in reducing the dangers identified in the Endangerment Finding, that is, in mitigating the impacts anticipated to result from elevated global GHG concentrations in the upper atmosphere.

Furthermore, the Administrator reviewed available information, including the most recently available science, bearing on the assumptions and conclusions in the Endangerment Finding, the impacts of global GHG concentrations on public health and welfare in the United States, and the relative contribution of domestic emissions from new motor vehicles and engines to global GHG concentrations. As part of that review, the Administrator received and evaluated the draft report submitted by the U.S. Department of Energy (DOE) Climate Working Group (CWG) to Secretary of Energy Christopher Wright on May 27, 2025, titled “Impacts of Carbon Dioxide Emissions on the U.S. Climate” (2025 CWG Draft Report). The 2025 CWG Draft Report analyzes empirical data, peer-reviewed studies, and available scientific information bearing on direct human influence on ecosystems and climate, climate response to CO₂ emissions, and impacts on ecosystems and society.¹⁰ The Administrator also

considered available assessments by the U.S. Government and relevant international bodies, including the Third, Fourth, and Fifth National Climate Assessments (NCAs) reported by the U.S. Global Change Research Program (USGCRP)¹¹ and the Fifth Assessment Report (AR5) and Sixth Assessment Report (AR6) by the United Nations Intergovernmental Panel on Climate Change (IPCC).¹² As discussed in section IV.B of this preamble, the Administrator also considered critiques of the NCAs, and the Fifth NCA in particular, and reviewed these analyses for consistency with OMB information quality guidelines¹³ and the transparency and reliability requirements of Executive Order 14303, “Restoring Gold Standard Science.”¹⁴

The Administrator’s review of the relevant information, including scientific literature, gave rise to serious concerns that our actions taken to regulate GHG emissions from new motor vehicles and engines exceed our statutory authority under CAA section 202(a) and are otherwise inappropriate. Continuing to impose billions of dollars in regulatory costs on American businesses and consumers without an adequate legal basis would threaten to undermine public confidence in our activities and commitment to fulfilling the Agency’s core mission: protecting human health and the environment. The EPA has expended significant resources implementing the GHG regulatory program for mobile sources and attempting to expand its GHG regulatory program to stationary sources with limited success in the courts and no apparent real-world results, often at the expense of programs that fall squarely within our statutory authority. Prompt

efforts through the docket available at <https://www.energy.gov/topics/climate>.

¹¹ Created by the Global Change Research Act of 1990, Public Law 101–606, 104 Stat. 3096, the USGCRP reports an NCA at least every four years to Congress and the President that must (1) integrate, evaluate, and interpret the findings of the Program and discuss the scientific uncertainties with such findings; (2) analyze the effects of global change on the natural environment, agriculture, energy production and use, land and water resources, human health and welfare, human social systems, and biological diversity; and (3) analyze current trends in global change, both human-induced and natural, and project major trends for the subsequent 25 to 100 years. See 15 U.S.C. 2936.

¹² The IPCC invites participation by members of the United Nations and World Meteorological Organization and summarizes available literature on climate science but does not conduct its own research. See United Nations Intergovernmental Panel on Climate Change, About the IPCC, available online at <https://www.ipcc.ch/about/>.

¹³ “Guidelines for Ensuring and Maximizing the Quality, Objectivity, Utility, and Integrity of Information Disseminated by Federal Agencies; Republication,” 67 FR 8452 (Feb. 22, 2002).

¹⁴ 90 FR 22601 (May 29, 2025).

action is needed to address these concerns with the benefit of public participation.

Relatedly, the Administrator has serious concerns that many of the scientific underpinnings of the Endangerment Finding are materially weaker than previously believed and contradicted by empirical data, peer-reviewed studies, and scientific developments since 2009. This proposal seeks public comment on these developments for the first time. Prompt action is needed to address these concerns, and the Administrator requests stakeholder input on the continuing vitality of the assumptions, predictions, and conclusions animating the Endangerment Finding.

C. Summary of the Major Provisions in This Proposed Action

If finalized, this action would rescind the 2009 Endangerment Finding for GHGs emitted by new motor vehicles and new motor vehicle engines under CAA section 202(a) (74 FR 66496). If finalized, this action would also rescind denials of petitions for reconsideration of the Endangerment Finding in 2022 and 2010 entitled “Endangerment and Cause or Contribute Findings for Greenhouse Gases Under Section 202(a) of the Clean Air Act; Final Action on Petitions,” 87 FR 25412 (Apr. 29, 2022), and “EPA’s Denial of the Petitions to Reconsider the Endangerment and Cause or Contribute Finding for Greenhouse Gases Under Section 202(a) of the Clean Air Act,” 75 FR 49556 (Aug. 13, 2010).¹⁵ Although the 2022 and 2010 petition denials have no prospective legal effect, we propose to rescind them for the sake of consistency and to ameliorate potential confusion regarding the EPA’s proposed action. As explained later in this preamble, the denials reflect many of the same legal and scientific flaws we propose to correct by rescinding the Endangerment Finding. We seek comment on the impact of the denials, if any, and on whether the denials were legally flawed for additional reasons not explicitly explored in this proposal. In addition, as a result of these proposed changes, we would no longer have a basis for issuing or retaining GHG emission standards for new motor vehicles and new motor vehicle engines, including

¹⁵ The 2022 petition denials included a notice of decision in the **Federal Register** (87 FR 25412), brief letters communicating the denials to the petitioners, and a decision document entitled “EPA’s Denial of Petitions Relating to the Endangerment and Cause or Contribute Findings for Greenhouse Gases Under Section 202(a) of the Clean Air Act” (Apr. 21, 2022) (2022 Denial), available online at https://www.epa.gov/system/files/documents/2022-04/decision_document.pdf.

⁸ *Id.* at 8.

⁹ “Trump EPA Kicks Off Formal Reconsideration of Endangerment Finding with Agency Partners” (Mar. 12, 2025), available at <https://www.epa.gov/newsreleases/trump-epa-kicks-formal-reconsideration-endangerment-finding-agency-partners>.

¹⁰ The 2025 CWG Draft Report was provided to the EPA on May 27, 2025, and was reviewed and relied upon in formulating this proposal. The EPA understands that DOE is releasing an updated version of the CWG draft report and seeking public comment on the updated report, which includes additional information and typographical corrections that the EPA did not rely upon in formulating this proposal. Interested parties may review and comment on the updated version of the CWG draft report for consideration as part of DOE’s

for MYs that have completed manufacture but are subject to ongoing obligations. As discussed elsewhere in this preamble, the EPA is reconsidering additional endangerment findings and GHG emission standards issued under distinct provisions of the CAA in separate rulemakings and is not reopening or proposing to modify those additional findings and standards in this proceeding.

In connection with the proposed rescission of the Endangerment Finding, if finalized, this action would remove all existing regulations that require new motor vehicle and new motor vehicle engine manufacturers to measure, report, or comply with GHG emission standards. Specifically, the EPA proposes to remove regulations in 40 CFR parts 85, 86, 600, 1036, and 1037 pertaining to the control of GHG emissions from light-, medium-, and heavy-duty vehicles and engines, including emission standards, test procedures, averaging, banking, and trading requirements (ABT), reporting requirements, and fleet-average emission requirements.¹⁶ As a result of these proposed changes, motor vehicle and engine manufacturers would no longer have future or current obligations for the measurement, control, or reporting of GHG emissions for any vehicle or engine, including for previously manufactured MYs. However, we are not proposing to reopen or modify any regulations necessary for criteria pollutant and air toxic measurement and standards, Corporate Average Fuel Economy (CAFE) testing, and associated fuel economy labeling requirements. We seek comment on whether any elements of the regulations, test procedures, or GHG emission models that are proposed for removal should remain to support programs unrelated to the GHG

emission standards and why the preservation of such an element is necessary to support the unrelated program or programs.

II. Background

A. The EPA's Historical Approach to CAA Section 202(a)

Congress originally enacted the language that became CAA section 202(a) as part of the Motor Vehicle Pollution Control Act of 1965, which required the Secretary of Health, Education, and Welfare to “prescribe . . . standards, applicable to the emission of any kind of substance, from any class or classes of new motor vehicles or new motor vehicle engines, which in his judgment cause or contribute to, or are likely to cause or contribute to, air pollution which endangers the health or welfare of any persons.”¹⁷ Congress retained this language, while adding additional requirements for the content of emission standards, in the Air Quality Act of 1967,¹⁸ and, later, incorporated it into the Clean Air Act of 1970, which transferred the Secretary's regulatory authority to the newly created EPA.¹⁹ Separately, the 1970 CAA addressed emissions from existing vehicles and engines, stationary sources, and aircraft engines.²⁰ As subsequently amended, CAA section 202(a) has remained a critical part of the comprehensive national framework for regulating air pollution from mobile sources, and new motor vehicles and new motor vehicle engines in particular, under Title II of the CAA.²¹

In its first four decades administering the statute, the EPA applied CAA section 202(a) to local and regional air pollution problems through rulemakings that prescribed standards and set forth the Administrator's findings that the relevant air pollutant emissions cause, or contribute to, air pollution which may reasonably be anticipated to endanger public health or welfare.²² As explained in the following subsections, the EPA maintained this approach through 2008 and never sought to invoke CAA section 202(a) to regulate in

response to global climate change concerns.

B. Petitions for Rulemaking and *Massachusetts v. EPA*

In October 1999, a coalition of 19 environmental organizations petitioned the EPA to regulate the emission of four GHGs—CO₂, methane, N₂O, and HFCs—from new motor vehicles and engines under CAA section 202(a)(1). Petitioners claimed that these four GHGs were “air pollutant[s]” under CAA section 302(g), significantly contributed to global climate change, and met the statutory standard for regulation under CAA section 202(a)(1). Thus, petitioners claimed that the EPA had the authority and obligation to find that GHG emissions from new motor vehicles and engines cause, or contribute to, air pollution which may reasonably be anticipated to endanger public health or welfare and to prescribe standards in response.

In September 2003, after receiving and responding to nearly 50,000 public comments on the relevant issues, the EPA denied the 1999 petitions in a final action titled “Control of Emissions from New Highway Vehicles and Engines,” 68 FR 52922 (Sept. 8, 2003) (2003 Denial). The 2003 Denial asserted three primary reasons for denying the petitions. First, after “examin[ing] the fundamental issue of whether the CAA authorizes the imposition of control requirements” to “reduce the risk of global climate change,” we concluded that “CO₂ and other GHGs cannot be considered ‘air pollutants’ subject to the CAA’s regulatory provisions for any contribution they may make to global climate change.” 68 FR 52925. Citing the Supreme Court’s decision in *FDA v. Brown & Williamson Tobacco Corp.*, 529 U.S. 120 (2000), we noted that the CAA does not address GHGs as a regulatory matter, including in recent amendments, and that “EPA has used these provisions to address air pollution problems that occur primarily at ground level or near the surface of the earth.” 68 FR 52926. On this basis, we concluded that GHGs “are not air pollutants under the CAA’s regulatory provisions, including sections 108, 109, 111, 112, and 202” because they categorically are not “air pollutant[s]” under the Act-wide definition in CAA section 302(g). 68 FR 52928. Second, we concluded that regulating GHG emissions from motor vehicles and engines under the CAA would interfere with NHTSA’s separate authority to implement fuel economy standards. 68 FR 52929. Finally, we asserted that regulating GHG emissions from motor vehicle engines under the CAA would

¹⁶ “Light-Duty Vehicle Greenhouse Gas Emission Standards and Corporate Average Fuel Economy Standards,” 75 FR 25324 (May 7, 2010); “Greenhouse Gas Emissions Standards and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines and Vehicles,” 76 FR 57106 (Sept. 15, 2011); “2017 and Later Model Year Light-Duty Vehicle Greenhouse Gas Emissions and Corporate Average Fuel Economy Standards,” 77 FR 62624 (Oct. 15, 2012); “Greenhouse Gas Emissions and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines and Vehicles-Phase 2,” 81 FR 73478 (Oct. 25, 2016); “The Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule for Model Years 2021–2026 Passenger Cars and Light Trucks,” 85 FR 24174 (Apr. 30, 2020); “Revised 2023 and Later Model Year Light-Duty Vehicle Greenhouse Gas Emissions Standards,” 86 FR 74434 (Dec. 30, 2021); “Multi-Pollutant Emissions Standards for Model Years 2027 and Later Light-Duty and Medium-Duty Vehicles,” 89 FR 27842 (Apr. 18, 2024); “Greenhouse Gas Emissions Standards for Heavy-Duty Vehicles-Phase 3,” 89 FR 29440 (Apr. 22, 2024).

¹⁷ Public Law 89–272, 202(a), 79 Stat. 992, 992–93 (1965).

¹⁸ Public Law 90–148, 202(a), 81 Stat. 485, 499 (1967).

¹⁹ Public Law 91–604, 84 Stat. 1690 (1970).

²⁰ *Id.*

²¹ In the Clean Air Act Amendments of 1977, Congress replaced the phrase “which endangers the public health or welfare” with “which may reasonably be anticipated to endanger public health or welfare.” Public Law 95–95, 401(d)(1), 91 Stat. 685, 791 (1977).

²² See 74 FR 66501, 66527, 66538, 66543 (acknowledging this regulatory history).

undermine the President's overall policy approach of addressing global climate change through voluntary actions and incentives, the promotion of further research and technologies, and international negotiations. 68 FR 52930–31.

In *Massachusetts*, the Supreme Court narrowly reversed the D.C. Circuit's decision to uphold the EPA's denial of the 1999 petitions for rulemaking.²³ The Court took particular issue with the EPA's reading of the Act-wide definition in CAA section 302(g), ruling that "[t]he Clean Air Act's sweeping definition of 'air pollutant' . . . embraces all airborne compounds of whatever stripe" and provided no textual basis for excluding CO₂ or the three other GHGs raised in the petitions for rulemaking. 549 U.S. at 528–29. The Court also addressed EPA's reliance on *Brown & Williamson*, which the majority construed as having found no congressional intent to ban the sale of tobacco products outright because such an application of the relevant statute would have been highly unlikely and because the Food and Drug Administration (FDA) had expressly refused to assert such authority in the past. *Id.* at 530–31. In contrast, in *Massachusetts*, the Court found that the CAA did not reflect a congressional intent to categorically exclude GHGs and, citing several Agency memoranda, that we had not similarly foresworn all authority to regulate GHGs as a categorical matter. *Id.* Notably, the Court expressly declined to decide whether the EPA was required to issue an affirmative endangerment finding as to GHG emissions under the standard set out in CAA section 202(a). *Id.* at 534 ("We need not and do not reach the question whether on remand EPA must make an endangerment finding."). Nor did the Court address "whether policy concerns can inform EPA's actions in the event that it makes such a finding." *Id.* at 534–35. Rather, the Court held that we must respond to the petitions by deciding whether GHG emissions from new motor vehicles and engines meet the standard for regulation in CAA section 202(a) or whether the science was too uncertain to make any determination, and that, in doing so, we

must "ground [our] reasons for action or inaction in the statute." *Id.* at 535.²⁴

C. The 2009 Endangerment Finding

The EPA responded to the Supreme Court's decision in *Massachusetts* by issuing an advanced notice of proposed rulemaking titled "Regulating Greenhouse Gas Emissions Under the Clean Air Act," 73 FR 44354 (July 30, 2008) (2008 ANPRM). The Administrator began by noting it was "clear that if EPA were to regulate [GHG] emissions from motor vehicles under the Clean Air Act," the interplay between CAA section 202(a) and similarly worded statutory provisions "could result in an unprecedented expansion of EPA authority that would have a profound effect on virtually every sector of the economy and touch every household in the land." 73 FR 44355. The Administrator cautioned that because the CAA was "originally enacted to control regional pollutants that cause direct health effects," invoking authority to regulate GHG emissions "would inevitably result in a very complicated, time-consuming, and, likely, convoluted set of regulations" that "would be relatively ineffective at reducing [GHG] concentrations" and have a "potentially damaging effect on jobs and the U.S. economy." *Id.*

The 2008 ANPRM echoed the Administrator's concerns by seeking public comment on invoking CAA section 202(a) to regulate new motor vehicle and engine emissions in response to global climate change concerns. We acknowledged that the CAA "was not specifically designed to address GHGs," 73 FR 44397, and that the EPA had historically interpreted and applied its CAA regulatory authorities to address local and regional air pollution, 73 FR 44408. We further noted that Congress was considering legislation to address the Nation's response to global climate change concerns and that, since *Massachusetts*, Congress had passed and the President had signed into law the Energy Independence and Security Act (EISA), which amended provisions applicable to the EPA's Renewable Fuels Standard

(RFS) program and NHTSA's CAFE standards program. 73 FR 44398. Finally, we noted that the EPA had received additional petitions to regulate stationary sources and additional GHGs, including water vapor, all of which suggested that GHG emission regulations could not readily be limited to new motor vehicles and engines. 73 FR 44399 & n.26.

As to CAA section 202(a), the 2008 ANPRM set out a framework for determining whether "GHG emissions from new motor vehicles cause or contribute to air pollution that may reasonably be anticipated to endanger public welfare" under CAA section 202(a)(1) or for "explain[ing] why scientific uncertainty is so profound that it prevents making a reasoned judgment on such a determination." 73 FR 44398, 44421. We reviewed available information for CO₂, methane, and N₂O emissions and noted that HFCs, PFCs, and SF₆ are "often grouped together" and separately from the rest "because they contain fluorine, typically have large global warming potentials, and are produced only through human activities." 73 FR 44401–02.²⁵ With respect to endangerment, we sought comment on whether GHGs could properly be considered dangerous air pollution because the potential health effects are indirect and the potential welfare effects may be positive on balance. 73 FR 44427. In addition, we sought comment on whether "the unique characteristics and properties of each GHG . . . as well as current and projected emissions" meant that each GHG should be analyzed individually or whether certain GHGs other than CO₂ were amenable to grouping. 73 FR 44428. With respect to causation or contribution, we presented motor vehicle and engine emissions data for each GHG separately and noted that emission trends had diverged between pollutants, with CO₂ emissions, for example, generally increasing since 1990 and N₂O emissions, for example, increasing from 1990 to 1995 and then falling substantially from 1995 to 2006 because of fuel and technology changes. 73 FR 44430. We also presented extensive information on potential regulatory approaches that could be triggered by a positive finding under CAA section 202(a), including

²³ The D.C. Circuit majority had upheld the denial on the merits because "the EPA Administrator properly exercised his discretion under § 202(a)(1) in denying the petition for rulemaking." *Massachusetts v. EPA*, 415 F.3d 50, 58 (D.C. Cir. 2005). The dissent argued that CAA section 202(a)'s breadth provided the EPA sufficient authority to regulate GHGs, that more specific authorization was not required, and that the EPA's policy justifications were inadequate reasons to deny the petitions. *Id.* at 67–82 (Tatel, J., dissenting).

²⁴ Writing for four members of the Court, Chief Justice Roberts would have dismissed the petitions for review for lack of Article III standing. 549 U.S. at 535 (Roberts, C.J., joined by Scalia, Thomas, and Alito, J.J., dissenting). Writing for the same four members of the Court, Justice Scalia would have denied the petitions on the grounds that the Administrator reasonably exercised judgment in declining to regulate and that CAA section 302(g)'s definition of "air pollutant" does not clearly encompass CO₂ and other GHGs that naturally occur in the ambient air. 549 U.S. at 549 (Scalia, J., joined by Roberts, C.J., and Thomas and Alito, J.J., dissenting).

²⁵ In the 2008 ANPRM, the EPA noted that the most recently available IPCC analysis concluded that "[t]he anthropogenic combined heating effect (referred to as forcing) of [methane], N₂O, HFCs, PFCs and SF₆ is about 40% as large as the CO₂ cumulative heating effect since pre-industrial times." 73 FR 44423.

approaches specific to particular GHGs. 73 FR 44438–63.

Following a change in administration, however, the EPA proposed in April 2009 and finalized in December 2009 a much different approach to analyzing GHG emissions from new motor vehicles and engines under CAA section 202(a). In the Endangerment Finding, the Administrator found that “the science [was] sufficiently certain” to compel an affirmative determination and interpreted *Massachusetts* as “allow[ing] for the consideration only of science.” 74 FR 66501. Relatedly, the Administrator did not consider any of the implementation challenges or options discussed in the 2008 ANPRM, asserting instead that CAA section 202(a) confers “procedural discretion” to issue standalone findings without considering a regulatory response because the statute “is silent on this issue.” *Id.* The Administrator also defined all six “well-mixed” GHGs collectively as the relevant “air pollutants” and “air pollution” for purposes of endangerment and causation or contribution, meaning the Endangerment Finding did not need to address the different characteristics or emission trends of any particular GHG. 74 FR 66516–21, 66536–57.

With respect to endangerment, the Administrator began by excluding adaptation—human responses that reduce potential adverse impacts—and mitigation—-independent measures that reduce the causes of potential adverse impacts—from the analysis of global climate change concerns. 74 FR 66513. The Administrator acknowledged that “some level of autonomous adaptation will occur” and that “this separation means this approach may not reflect the actual conditions in the real world in the future, because adaptation and/or mitigation may occur and change the risks.” *Id.* Nevertheless, the Administrator reasoned that “it would be extremely hard to make a reasoned projection of human and societal adaptation and mitigation responses” because they are “largely political” or “individual personal judgments.” *Id.* Next, the Administrator relied on IPCC Assessment Report 4 (AR4) projections to find that global temperatures would likely increase between 1.8 to 4 degrees Celsius by 2100, with an uncertainty range of 1.1 to 6.4 degrees Celsius. 74 FR 66519. Operating within this analytical framework, the Administrator found that elevated global concentrations of GHGs from all foreign and domestic sources were responsible for increased global temperatures that were responsible in turn for indirect health risks driven by (1) more frequent

heat waves; (2) air quality effects, including increased formation of ozone, and (3) broader societal impacts related to increased frequency and severity of certain extreme weather events. 74 FR 66525.²⁶ The Administrator also found that GHG emissions could lead to welfare effects related to (1) food production and agriculture; (2) forestry; (3) water resources; (4) sea level rise; and (5) energy infrastructure and settlements, although the evidence was uncertain for several categories that may see near-term benefits. 74 FR 66531–35.²⁷ Importantly, the Administrator acknowledged that the understanding of public health and welfare in the Endangerment Finding was atypical, particularly with respect to considering indirect effects, but asserted the approach was necessary given the “unique” challenge presented by global climate change. 74 FR 66527.

With respect to contribution, the Administrator asserted broad authority to interpret the statutory standard because “[t]he language of CAA section 202(a) is silent regarding how the Administrator is to make her contribution analysis.” 74 FR 66544. Exercising that putative interpretive authority, the Administrator concluded that “it is reasonable to consider that lower percentages contribute than one may consider when looking at a local or regional problem involving fewer sources of emissions,” 74 FR 66545, because “all contributors must do their part” to avoid “a tragedy of the commons, whereby no country or source category would be accountable for contributing to the global problem of climate change,” 74 FR 66543. Next, the Administrator relied on data showing that existing motor vehicles and engines emitted four GHGs—CO₂, methane, and N₂O from engines, as well as HFCs from air conditioning units—that accounted for 4.3 percent of global GHG emissions at the time. On that basis, the Administrator found that GHG emissions from new motor vehicles and engines “contribute to the air pollution” consisting of the six “well-mixed” GHGs previously identified as a danger to public health or welfare. 74 FR 66537–39.

Crucially, the Endangerment Finding made clear that the EPA was acting

independently from any new congressional mandate. Rather, the Administrator interpreted CAA section 202(a) as setting out a standalone authority to issue findings that establish jurisdiction without considering implementation concerns and purported to rest the Endangerment Finding solely on a scientific judgment informed by the record as assembled by the Agency in 2009.

D. Implementation of the 2009 Endangerment Finding

In the years since issuing the Endangerment Finding, the EPA has promulgated GHG emission standards for various classes of new motor vehicles and engines in reliance on the Endangerment Finding and, as anticipated in the 2008 ANPRM, sought to expand the same analytical framework to regulatory provisions governing existing vehicles, stationary sources, aircraft, and oil and gas operations. For a full accounting of GHG emission standards adopted since 2009 under CAA section 202(a), see sections VI.B and VI.C of this preamble.

Following the Endangerment Finding, the EPA received multiple petitions for reconsideration from industry groups, States, and various organizations arguing that our approach in 2009 was legally and scientifically flawed and that external assessments by the IPCC, among others, had not adequately addressed recent criticisms of climate change science. The EPA denied these consolidated petitions in 2010 without notice and comment. Reiterating the scientific assertions from the technical support document (TSD) used in 2009, we emphasized that we had conducted an independent review of outside assessments in issuing the Endangerment Finding and asserted that the core conclusions of the Endangerment Finding remained valid notwithstanding the flaws raised by the petitioners. The EPA also issued a volume of response documents defending the methodologies and experts relied upon and concluded that no new information warranted reconsideration. 75 FR 49556.

In April 2022, the EPA denied, again without notice and comment, a new round of petitions for reconsideration and rulemaking asserting that the Endangerment Finding was legally and scientifically flawed and undermined by more recent scientific assessments. We acknowledged that several recent studies contradicted assessments by the USGCRP and IPCC but reaffirmed our earlier position that such assessment reports are entitled to greater weight

²⁶ The Administrator also noted that increased global temperatures could lead to changes in certain food- and water-borne pathogens and allergens (including increases in pollen resulting from increased plant growth at higher concentrations of CO₂) but did “not plac[e] primary weight on these factors.” 74 FR 66498, 66526.

²⁷ The Administrator relied on welfare impacts to water resources and sea level rise as providing “the clearest and strongest support for an endangerment finding.” 74 FR 66534.

than dissenting views.²⁸ We also considered criticisms of the EPA's Social Cost of Carbon (SCC) methodology out of scope because "the social cost of carbon played no role in the 2009 Endangerment Finding."²⁹ We further acknowledged that severing the endangerment and cause or contribute analysis from the development of subsequent regulations had impacted the EPA's approach to GHG emission standards, including because the Science Advisory Board (SAB) did not have the opportunity to review the Endangerment Finding as would otherwise have been required by the CAA.³⁰ Nevertheless, we reaffirmed our position that CAA section 202(a) grants "procedural discretion" to issue findings and emission standards separately and "decline[d] to exercise that discretion" differently.³¹

E. Reconsideration of the 2009 Endangerment Finding

Since the EPA published the 2009 Endangerment Finding, there have been developments in innovation, science, economics, and mitigation, as well as significant Supreme Court decisions that provide new guidance on how federal agencies should interpret the statutory provisions that Congress has tasked them with administering.³² Accordingly, the Administrator has now determined that the Endangerment Finding should be reconsidered to address legal and scientific developments that present reason to question the ongoing validity and reliability of its conclusions and to subject these important issues to public comment for the first time since 2009.

In initiating reconsideration, the Administrator explored all findings, support, questions, and ambiguities contained within the science relied upon by the Endangerment Finding. As acknowledged in the Endangerment Finding and recent reports, there are significant questions and ambiguities presented by both the observable realities of the past nearly two decades and the recent findings of the scientific community, including those summarized in the 2025 CWG Draft Report. There may also be as-yet-unidentified issues or discrepancies present in the underlying TSD and scientific justifications offered in the

Endangerment Finding. When confronted with science offering a diverse array of conclusions, methodologies, and explanations, the Administrator strove to inform his judgment to the most impartial extent possible. A more detailed discussion of the available climate science can be found in section IV.B.

III. Legal Framework for Proposed Action

A. Proposed Rescission of the Endangerment Finding

The statutory authority for this proposed action is the same as that relied upon in the prior actions at issue: CAA section 202(a)(1), which requires the Administrator to "prescribe" and "from time to time revise . . . standards" for certain air pollutants emitted by new motor vehicles and new motor vehicle engines "in accordance with the provisions of this section."³³ Unless provided otherwise by statute, an agency may revise or rescind prior actions so long as it acknowledges the change in position, provides a reasonable explanation for the new position, and considers legitimate reliance interests in the prior position.³⁴

The EPA proposes that nothing in the language of the statute prohibits or conditions our general authority to rescind prior actions. CAA section 202(a)(1) grants the Administrator discretion to "revise" standards prescribed "in accordance with the provisions of this section" and does not require retaining the same level of stringency when revising or rescinding existing standards. Moreover, the statute neither authorizes the Administrator to issue standalone findings that trigger a duty to regulate nor prohibits the Administrator from rescinding such findings. Rather, CAA section 202(a)(1) requires the Administrator to prescribe standards for emissions of any air pollutant by classes of new motor vehicles or engines when, in his judgment, emissions of such air pollutant by such classes of new motor vehicles or engines "cause, or contribute to, air pollution which may reasonably be anticipated to endanger public health or welfare." Notably, the EPA has consistently assumed that it has the statutory authority to rescind the Endangerment Finding in reviewing the merits of petitions for reconsideration

since 2009 and did not state that we lack such reconsideration authority.³⁵

The EPA acknowledges that rescinding the Endangerment Finding as proposed would involve significant changes to the legal interpretations adopted in the Endangerment Finding and retained in subsequent actions. For example, if finalized, the interpretation of CAA section 202(a) proposed in this action would preclude the EPA from issuing standalone endangerment and contribution findings and would instead require the Agency to make findings for particular air pollutant emissions and classes of new motor vehicles and engines as an integral step in a rulemaking to prescribe standards for such emissions and classes, consistent with our decades-long practice prior to 2009 in regulating non-GHG air pollutants. Furthermore, if finalized, the interpretation of CAA section 202(a) proposed in this action would reverse the basis for the Endangerment Finding by concluding that global climate change concerns cannot satisfy the statutory standard for regulation under CAA section 202(a). For discussion of our proposed interpretation of CAA section 202(a) and related statutory provisions, see section IV.A of this preamble. For discussion of our alternative proposal to rescind the Endangerment Finding because the EPA exercised its authority under CAA section 202(a) unreasonably and because the Administrator no longer has confidence in the assumptions, methodology, and conclusions in the Endangerment Finding in light of the scientific record, see section IV.B of this preamble.

The EPA is also proposing additional statutory and policy rationales for repealing the GHG emission standards currently in effect for new motor vehicles and engines separate and apart from the proposed rescission of the Endangerment Finding. If finalized, these alternative rationales would change the novel position taken in rulemakings since 2009 to prescribe and revise GHG emission standards under CAA section 202(a).³⁶ For example, if finalized, our proposal to determine that there is no "requisite technology" for

²⁸ 2022 Denial at 15–17.

²⁹ *Id.* at 30.

³⁰ *Id.* at 36 (noting that 42 U.S.C. 4365(c)(1) requires SAB consultation for a "standard" promulgated under CAA section 202(a) but asserting that requirement does not extend to "findings" issued under the same provision).

³¹ *Id.* at 39.

³² See Feb. 19, 2025 Memo at 1.

³³ 42 U.S.C. 7521(a)(1).

³⁴ See *Wages & White Lion*, 145 S. Ct. 898; *FCC v. Fox Television Stations, Inc.*, 556 U.S. 502 (2009); *Motor Vehicle Mfrs. Ass'n v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29 (1983); *Clean Air Council v. Pruitt*, 862 F.3d 1, 8 (D.C. Cir. 2017) ("Agencies obviously have broad discretion to reconsider a regulation at any time.").

³⁵ See, e.g., 2022 Denial at 7–10 (denying mandatory reconsideration under CAA section 307(d) and reviewing the petitions on the merits as rulemaking petitions under APA section 553(e)); 75 FR 49560–63 (denying mandatory reconsideration under CAA section 307(d) without asserting that the EPA lacked statutory authority to rescind or revise the Endangerment Finding).

³⁶ 75 FR 25324 (May 7, 2010); 76 FR 57106 (Sept. 15, 2011); 77 FR 62624 (Oct. 15, 2012); 81 FR 73478 (Oct. 25, 2016); 85 FR 24174 (Apr. 30, 2020); 86 FR 74434 (Dec. 30, 2021); 89 FR 27842 (Apr. 18, 2024); 89 FR 29440 (Apr. 22, 2024).

vehicle emission control capable of having a measurable impact on the dangers identified in the Endangerment Finding would preclude any GHG emission standards from going into effect. Furthermore, if finalized, our proposal to determine that the GHG emission standards harm public health and welfare on balance would make it unreasonable and contrary to the objectives of the statute to issue and retain such standards. See section V of this preamble for further discussion of these additional rationales and the Agency's prior positions.

The EPA acknowledges that repealing the GHG emission standards based on the proposed rescission of the Endangerment Finding would depart from our position in rulemakings since 2009 that prescribed and revised GHG emission standards for light- and medium-duty vehicles and heavy-duty vehicles and engines under CAA section 202(a). If finalized as proposed, the rescission would eliminate the statutory basis for those standards because we relied on the Endangerment Finding in each rulemaking to invoke our authority under CAA section 202(a) without making the required findings for GHGs emitted by the class or classes of new motor vehicles or engines at issue in each rulemaking. See section VI of this preamble for further discussion of each prior rulemaking and the regulatory changes that would be necessary to repeal all GHG emission standards currently in effect for new motor vehicles and engines on any of the bases proposed in this action.

As discussed throughout this preamble, the EPA is proposing these changes to comply with limits on our statutory authority under the best reading of CAA section 202(a), respond to legal and scientific developments that undermine the conclusions and assumptions of the Endangerment Finding, and realign Agency resources to prioritize core statutory responsibilities. Importantly, the Nation's policy response to global climate change concerns was a major issue in the 2024 presidential election, in which voters were presented with distinct legal and policy approaches and elected a candidate promising a change in policy. Under these circumstances, the election of a new Administration is an independent and sufficient basis for changing legal interpretation and policy within the boundaries set by statute.³⁷

³⁷ See *State Farm*, 463 U.S. at 59 (Rehnquist, J., concurring in part and dissenting in part); *PETA v. USDA*, 918 F.3d 151, 158 (D.C. Cir. 2019) ("new administrations are entitled to reevaluate and modify agency practices, even longstanding ones"); *Nat'l Ass'n of Home Builders v. EPA*, 682 F.3d

Democratic accountability is essential to the exercise of delegated authority by administrative agencies,³⁸ and retaining the Endangerment Finding without clear statutory authority would frustrate, not promote, constitutional values and the rule of law. If the EPA lacks authority to retain the Endangerment Finding under the best reading of CAA section 202(a), the statute controls regardless of policy preferences.

The EPA seeks comment on the nature and extent of any reliance interests that may have arisen from our assertion of regulatory authority over GHG emissions from new motor vehicles and engines and is committed to assessing any such interests, determining whether they are significant, and weighing such interests against competing rationales, as required by law.³⁹

Specifically, we seek comment on whether regulated parties have any significant reliance interests in our GHG emission standards for new motor vehicles and new motor vehicle engines. We are aware that manufacturers, importers, and sellers have already expended resources complying with GHG emission standards for MYs 2012 through 2026, and that consumer prices for vehicles in these MYs reflect the costs of such compliance. Because many compliance costs are incurred as part of research and development and during manufacturing, with the notable exception of the need to purchase compliance credits, this proposed action would have limited impacts on MYs 2012 to 2024, greater impacts for MYs 2024–2026, and would entirely relieve future regulatory obligations for MY 2027 and beyond. As discussed in sections VI.B and VI.C of this preamble, we are confident that the Agency has adequate regulatory tools to address transitional compliance concerns and note that this proposed action would not, if finalized, mandate any particular response by regulated parties. We are also aware that regulated parties may have reliance interests in national uniformity and CAA preemption with respect to emission standards for new motor vehicles and engines. As discussed in section VI.A of this preamble, CAA section 209(a) and other applicable sources of federal

1032, 1043 (D.C. Cir. 2012) ("the inauguration of a new President and the confirmation of a new EPA Administrator" went "a long way toward explaining why EPA" changed policy).

³⁸ See, e.g., *U.S. Telecom Ass'n v. FCC*, 855 F.3d 381 (D.C. Cir. 2017) (Brown, J., dissenting from denial of rehearing en banc); Elena Kagan, Presidential Administration, 114 Harv. L. Rev. 2245, 2252–53, 2332–34 (2001).

³⁹ See, e.g., *DHS v. Regents of Univ. of Cal.*, 591 U.S. 1, 33 (2020).

preemption would continue to apply, and we would retain our authority to regulate emissions, including emissions of the six "well-mixed" GHGs addressed in the Endangerment Finding, under circumstances that meet the standard for regulation under CAA section 202(a). We seek comment on each of these rationales, including on whether any reliance interests in national uniformity and preemption would support finalizing or not finalizing the proposed action, or adopting certain rationales and not finalizing other rationales. We further seek comment on the continued preemptive effect of the CAA in the event that the EPA finalizes the proposed rescission or any of the alternatives discussed herein (or in the event that the Agency determines that it lacks authority at the present time to regulate GHG emissions under one or more provisions of the CAA for any reason). As a general matter, we also seek comment on how we should repeal the Endangerment Finding and regulations if the decision is made to proceed with the proposed repeals, including under any of the options set out in this proposal or any additional grounds and means.

In addition, the EPA seeks comment on whether regulated parties and other stakeholders have significant reliance interests in GHG emission standards for new motor vehicles and engines. This proposed action would make only minor conforming adjustments to regulatory provisions for criteria pollutants and air toxics, thereby leaving most emission standards for new motor vehicles and engines in place. Nor would this proposed action impact separate economy and fuel-efficiency standards that have the effect of reducing GHG emissions per mile traveled from new motor vehicles and engines, including standards issued by NHTSA. As explained in section IV.A.1 of this preamble, we now believe that regulating GHG emissions based on global climate change concerns exceeds our statutory authority under CAA section 202(a) and, as such, propose that reliance interests alone would not justify retaining the GHG emission standards that we lacked authority to prescribe. As discussed in section IV.A.2 of this preamble, potential dangers from local or regional exposure to the six "well-mixed" GHGs covered by the Endangerment Finding are regulated separately under specific grants of statutory authority. And as discussed in section V of this preamble, we now believe that GHG emission standards for new motor vehicles and engines may harm public health and

welfare without having any measurable impact on the global climate change concerns identified in the Endangerment Finding. We seek comment on potential reliance interests in GHG emission standards for global climate change concerns under CAA section 202(a), including on whether such reliance justifies retaining standards in the absence of statutory authority and the extent to which potential dangers are addressed, or could be addressed, under more specific authorities.

The EPA recognizes that we have relied in part on the Endangerment Finding in issuing subsequent endangerment findings and GHG regulations under other CAA provisions, including for certain stationary sources and aircraft engines. The Supreme Court has since vacated several of these actions, including GHG regulations for existing sources in the fossil-fuel fired power plant source category under CAA section 111(d) and for permitted sources under CAA Title V.⁴⁰ For those actions that remain in effect, we have initiated or intend to initiate separate rulemakings that will address any overlapping issues.

Among other concerns with the Endangerment Finding, we believe that severing consideration of endangerment and causation or contribution from the appropriate regulatory response under CAA section 202(a) resulted in broad statements that did not account for the statutory language in CAA section 202(a)(1) on which the Endangerment Finding purported to rely. Congress used different authorizing language to address distinct issues for stationary sources regulated under CAA section 111 and aircraft engines regulated under CAA section 231. In reconsidering actions taken under these authorities, we intend to address prior findings and standards in light of the particular statutory language, policy concerns, and scientific information relevant to each context. In this proposed action, we seek comment on reliance interests in the Endangerment Finding and GHG emission standards issued under CAA section 202(a) and reserve the right to direct out of scope comments to the appropriate rulemaking docket for the applicable regulatory action.

B. Proposed Amendments to New Motor Vehicle and Engine Regulations

As noted above, CAA section 202(a)(1) directs the Administrator to prescribe “standards applicable to the emission of any air pollutant from any

class or classes of new motor vehicles or new motor vehicle engines, which in his judgment cause, or contribute to, air pollution which may reasonably be anticipated to endanger public health or welfare.” This core directive has remained substantially the same since Congress enacted the Motor Vehicle Pollution Control Act of 1965.⁴¹ Thus, a necessary condition to regulating emissions from new motor vehicles and engines is a finding—an “endangerment finding”—that emissions of an air pollutant from a class or classes of new motor vehicles or engines cause or contribute to air pollution which may reasonably be anticipated to endanger public health or welfare.

For the reasons discussed in section IV of this preamble, we are proposing to rescind the Endangerment Finding for GHG emissions from new motor vehicles and new motor vehicle engines and, on that basis, to repeal all existing GHG emission standards for passenger cars, light-duty trucks, motorcycles, buses, medium-duty vehicles, and heavy-duty vehicles and engines. The Endangerment Finding has served as the EPA’s basis for regulating GHG emissions from new motor vehicles and new motor vehicle engines since 2009. Absent findings of endangerment and causation or contribution, the EPA lacks statutory authority to prescribe standards for those emissions under CAA section 202(a)(1). We propose that when the EPA rescinds an endangerment finding for an air pollutant, it must cease prescribing and enforcing standards applicable to the emission of that pollutant from new motor vehicles or new motor vehicle engines and should rescind existing standards no longer authorized by statute.

For the reasons discussed in section V of this preamble, we are also proposing additional bases to repeal GHG emission standards even if the Endangerment Finding were to remain in place. We propose that regardless of whether GHG emissions trigger the standard for regulation in CAA section 202(a)(1), our authority to prescribe and enforce emission standards for GHGs is limited by the language of CAA section 202(a)(2) and must be exercised in a reasonable manner that furthers, rather than burdens, the health and welfare of all Americans.

Accordingly, the EPA is proposing to repeal all standards and associated test procedures adopted to limit the emission of GHGs under CAA section 202(a) for highway light-, medium-, and heavy-duty vehicles and engines. The

EPA notes that, for light-duty vehicles, the Energy Policy and Conservation Act of 1975 (EPCA) and the 2007 EISA authorize NHTSA to administer the CAFE program and fuel economy labeling program. These statutes also direct the EPA to determine compliance values for manufacturers subject to the CAFE program and the fuel economy labeling program. Importantly, these statutory obligations are distinct from the EPA’s authority under CAA section 202(a) and from the EPA’s decisions since 2009 to regulate GHG emissions under CAA section 202(a). As explained in section VI of this preamble, we are retaining and not proposing to reopen regulatory provisions related to our statutory roles in these NHTSA programs. Likewise, we are retaining and not proposing to reopen any criteria pollutant and air toxics standards for highway light-, medium-, and heavy-duty vehicles and engines under CAA section 202(a).

IV. Proposed Rescission of the Endangerment Finding

In this section, the EPA proposes to rescind the Endangerment Finding by concluding, based on multiple, independent alternative legal rationales, that the Agency’s unprecedented foray into regulating GHG emissions from new motor vehicles and engines is inconsistent with the best reading of CAA section 202(a). Under any proposed alternative, the EPA would lack authority to retain existing GHG emission standards for new motor vehicles and engines and proceed to repeal the relevant provisions of Title 40 of the CFR as proposed in section VI of this preamble.

Section IV.A of this preamble describes our primary proposal to rescind the Endangerment Finding by concluding that CAA section 202(a) does not authorize the EPA to prescribe standards for GHG emissions based on global climate change concerns or to issue standalone findings that do not apply the statutory standard for regulation as a cohesive whole. If finalized, this proposal would require rescinding the Endangerment Finding and resulting regulations because we lacked statutory authority to issue them in the first instance. We begin by proposing the best reading of CAA section 202(a) and related provisions, as informed by the Supreme Court’s decisions in *Loper Bright* and *UARG*. Next, we propose that the Nation’s response to global climate change concerns generally, and specifically whether that response should include regulating GHG emissions from new motor vehicles and engines, is an

⁴⁰ See *West Virginia*, 597 U.S. 697; *UARG*, 573 U.S. 302.

⁴¹ Public Law 89–272, 79 Stat. 992–93.

economically and politically significant issue that triggers the major questions doctrine under *UARG* and *West Virginia*, and that Congress did not clearly authorize the EPA to decide it by empowering the Administrator to “prescribe . . . standards” under CAA section 202(a). Throughout this section, we propose that the Endangerment Finding relied on various forms of *Chevron* deference⁴² to depart from the best reading of the statute and exceeded the EPA’s authority in several fundamental respects, any one of which would independently require rescission to conform to the best reading of the law.

Section IV.B of this preamble describes the EPA’s alternative proposal that regardless of whether CAA section 202(a) authorizes regulating GHG emissions based on global climate change concerns, we would rescind the Endangerment Finding by concluding that the Administrator analyzed endangerment and contribution in an unreasonable manner. We begin by recounting the interpretation of CAA section 202(a) adopted in the Endangerment Finding, which asserted “procedural discretion” to issue standalone findings without prescribing the standards required by such findings and to sever the analysis of endangerment from the analysis of contribution. Next, we propose that the Administrator exercised that discretion unreasonably by adopting an approach that papered over substantial uncertainties in the scientific record and failed to draw the required connection between GHG emissions from a class or classes of new motor vehicles and global climate change concerns. We further propose that developments since 2009 demonstrate the uncertainties acknowledged in the Endangerment Finding are more significant than previously believed, including because many of its predictive judgments involve ranges of assumptions that largely fail to satisfy the statutory standard for regulation and because the more pessimistic assumptions have not been borne out in empirical data and peer-reviewed studies through 2025. Finally, we propose that the Administrator would exercise any discretion conferred by CAA section 202(a) differently to ensure a legally and scientifically sound approach and that, under that approach, the Endangerment

Finding and resulting GHG emission standards must be rescinded.

We seek comment on every aspect of the primary and alternative proposal, including the key issues on which we specifically request comment as set out in section VII of this preamble.

A. Primary Rationale for Proposed Rescission

The Endangerment Finding announced an interpretation of CAA section 202(a) that permitted the EPA to prescribe standards in response to global climate change concerns rather than local or regional exposures, granted “procedural discretion” to issue standalone findings without considering regulatory response, and severed the finding of endangerment from the finding of contribution to that endangerment. At the time, we assumed that statutory silence granted discretion to construe the scope of our authority and asserted or implied that the Supreme Court’s decision in *Massachusetts* required us to read the statute as authorizing the regulation of GHG emissions in response to global climate change concerns.

In important respects, the Endangerment Finding and the Supreme Court’s decision in *Massachusetts* straddled a transitional period regarding the standards for statutory interpretation and understandings of agency authority. The breadth of agency discretion, and the question whether Congress reserves major policy questions for itself, were sharply disputed. Judicial decisions in the intervening fifteen years have significantly clarified the law in both respects. In *Loper Bright*, the Supreme Court expressly overturned the doctrine of deference to agency statutory interpretation, ruling that statutes “have a single, best meaning” that is informed, but not dictated, by Executive Branch practice. 603 U.S. at 400–01. And in *West Virginia*, the Supreme Court built upon its decisions in *UARG* and *Brown & Williamson*, among others, by confirming that an agency must have more than “a colorable textual basis” to claim authority to decide major questions of policy that Congress would generally reserve for itself in the first instance. 597 U.S. at 723.

In this subsection, we propose that the best reading of CAA section 202(a), as informed by *Loper Bright* and principles of statutory interpretation, does not authorize the EPA to assert jurisdiction over GHG emissions based on global climate change concerns in a standalone endangerment finding. Regardless whether GHGs are properly considered “agents of air pollution” under the general, Act-wide definition

of “air pollutant” at CAA section 302(g), the EPA cannot regulate under CAA section 202(a) unless the emissions of the air pollutant by a class or classes of new motor vehicles “cause, or contribute to, air pollution which may reasonably be anticipated to endanger public health or welfare.” Because the text, structure, and history of CAA section 202(a) and related provisions demonstrate that this language targets air pollution that threatens public health or welfare through local or regional exposure, “air pollution” defined as six “well-mixed” GHGs raising global climate change concerns that adversely impact a subset of regions globally cannot satisfy this standard. We further propose that this reading is independently confirmed and strengthened by the major questions doctrine. Specifically, we propose that the major questions doctrine applies and precludes the EPA from asserting authority to regulate in response to global climate change concerns under CAA section 202(a). At a minimum, Congress did not clearly authorize the EPA to decide the Nation’s response to global climate change concerns by empowering the Agency to “prescribe . . . standards” for certain air pollutants emitted by new motor vehicles and engines. On these bases, and on account of the additional procedural and analytical errors set out below, we propose that the Endangerment Finding exceeded the EPA’s authority and must be rescinded.

1. Best Reading of CAA Section 202(a)

Congress originally enacted the language of CAA section 202(a) in the Motor Vehicle Pollution Control Act of 1965 and retained it, with minor revisions, in the 1970 CAA and all subsequent statutory amendments. The key language in CAA section 202(a)(1) provides:

The Administrator shall by regulation prescribe (and from time to time revise) in accordance with the provisions of this section, standards applicable to the emission of any air pollutant from any class or classes of new motor vehicles or new motor vehicle engines, which in his judgment cause, or contribute to, air pollution which may reasonably be anticipated to endanger public health or welfare.⁴³

Since 1977, CAA section 302(g) has defined the term “air pollutant” throughout the statute as “any air pollution agent or combination of such agents . . . which is emitted into or otherwise enters the ambient air.”⁴⁴

⁴³ 42 U.S.C. 7521(a)(1).

⁴⁴ 42 U.S.C. 7602(g). Notably, the statute does not separately define “air pollution.”

⁴² *Chevron U.S.A., Inc. v. NRDC, Inc.*, 467 U.S. 837 (1984), overruled by *Loper Bright*, 603 U.S. 369; see 74 FR 66501, 66502, 66544 (asserting discretion based on statutory ambiguity, including that created by silence); 74 FR 66528, 66542, 66543 (asserting discretion based on statutory ambiguity).

CAA section 302(h) also provides that any reference to “effects on welfare includes, but is not limited to, effects on” the environment, property, transportation hazards, and “on economic values and on personal comfort and well-being.”⁴⁵

The EPA proposes that this statutory language is best read as authorizing the Agency to identify and regulate, as an integral part of a rulemaking prescribing emissions standards, air pollutants that cause or contribute to air pollution that itself endangers public health and welfare through local or regional exposures. This proposed interpretation is consistent with the text and structure of the statute, our decades-long implementation of the statute prior to 2009, and background principles of statutory interpretation, including default rules for proximate cause. This proposed interpretation is also consistent with the Supreme Court’s decision in *Massachusetts*, which addressed distinct issues and must, as a matter of *stare decisis*, be read in harmony with the Supreme Court’s subsequent decisions bearing on the EPA’s authority and statutory interpretation in *UARG*, *West Virginia*, and *Loper Bright*.⁴⁶

Dangerous Air Pollution. The EPA proposes that CAA section 202(a) is best read as authorizing the Agency to regulate air pollutant emissions that cause or contribute to air pollution that endangers public health or welfare through local or regional exposure. For the purposes of this proposed action, we use the phrase local or regional exposure to distinguish air pollution that impacts public health and welfare by its presence in the ambient air from “air pollution” consisting of six “well-mixed” GHGs that, as conceptualized in the Endangerment Finding, impacts public health and welfare only indirectly and not by its mere presence in the ambient air. As discussed below, this proposal would effectively return the EPA to its interpretation of CAA section 202(a) prior to 2009.

We propose that the terms “air pollutant” and “air pollution” as used in CAA section 202(a)(1) should be construed in accordance with the specific air pollutants identified for other purposes in the remainder of CAA section 202. Each of these listed air

pollutants share the common quality of causing or contributing to air pollution that adversely impacts public health or welfare through local or regional exposure to the air pollution itself. CAA section 202 specifically addresses hydrocarbons (HCs), carbon monoxide (CO), oxides of nitrogen (NO_x), and particulate matter (PM), all of which harm health and the environment through exposure (e.g., inhalation and dermal contact) or by causing or contributing to air pollution that harms health and the environment through exposure (e.g., smog and acid rain).⁴⁷ That pattern holds for the criteria pollutants identified in the CAA—CO, lead, ground-level ozone (O₃), nitrogen dioxide (NO₂), PM, and sulfur dioxide (SO₂)—as well as the initial list of hazardous air pollutants in CAA section 112(b)(1).⁴⁸ We find it significant that in subjecting a number of air pollutants emitted by new motor vehicles and engines to regulation under CAA section 202, Congress did not include substances that are potentially indirectly harmful to public health or welfare based on elevated global concentrations in the upper atmosphere. That conspicuous omission supports the conclusion that the air pollutants subject to regulation under CAA section 202(a) are those that cause or contribute to air pollution which itself endangers public health or welfare through local or regional exposure.⁴⁹

Put another way, we propose that the air pollutants identified in CAA section 202 and throughout relevant provisions of the CAA are those that cause or contribute to air pollution for which the air pollution *itself*, through local or regional exposure to humans and the environment, endangers public health or welfare.⁵⁰ For certain regulated air pollutants, the air pollutants are themselves the dangerous air pollution, *i.e.*, the air pollutants are the air

pollution with adverse health and welfare impacts. An example is CO, which can be harmful, and even fatal, to humans at sufficient localized concentrations.⁵¹ For other regulated air pollutants, the air pollutants contribute to dangerous air pollution by interacting with other airborne chemicals or environmental factors such as sunlight to create the dangerous air pollution, *i.e.*, the air pollutants are ingredients that create the dangerous air pollution in combination. An example is acid rain, in which air pollutants such as SO₂ interact locally and regionally with additional airborne chemicals to form acidic precipitation.⁵²

The definition of “air pollutant” in CAA section 302(g) and the meaning of the undefined terms pollutant, pollution, and air pollution support this reading. As a matter of ordinary language, a pollutant is “[a] poisonous or noxious substance that contaminates the environment,” and pollution is “[t]he harmful addition of a substance or thing into an environment.”⁵³ Definitions of air pollution similarly emphasize the emission of “[c]ontaminants into the atmosphere.”⁵⁴ The central concept is the addition of a contaminant, something, that “make[s] impure or unclean by contact or mixture.”⁵⁵ CAA section 302(g) is consistent with these definitions, adding only that an “air pollutant” is any “air pollution agent or combination of such agents” that “is emitted into or otherwise enters the ambient air.”⁵⁶ Read together with CAA section 202(a)—as the Supreme Court held we must in *UARG*—the underlying concept of dangerousness and contamination reinforces the conclusion that air pollution which endangers public health or welfare is air pollution (caused or contributed to by air pollutants) that itself endangers public health or welfare through local or regional exposures.

The “air pollution” addressed in the Endangerment Finding is different in kind. In that decision, the Administrator defined the relevant “air pollutants” as six “well-mixed GHGs” and the relevant “air pollution” as “the combined mix of” these GHGs “which together,

⁴⁷ See, e.g., 42 U.S.C. 7521(a)(3)(A)(i), (b), (g), (h), (j), (k).

⁴⁸ 42 U.S.C. 7412(b)(1).

⁴⁹ As discussed in section IV.A.2 of this preamble, the only references to GHGs in the CAA are in non-regulatory contexts in which Congress authorized funding for various forms of research and grant programs. The choice to limit such references to non-regulatory solutions further supports the conclusion that the CAA section 202(a) regulatory authority for responding to endangerment does not encompass GHG emissions on the basis of global climate change concerns.

⁵⁰ For example, unlike other regulated air pollutants, “CO₂ is odorless, does not affect visibility and has no toxicological effects at ambient levels.” Additionally, the Permissible Exposure Limit established by the U.S. Occupational Safety and Health Administration or which diminished performance on cognitive tasks are “far larger than any plausible ambient outdoor value through the end of the 22nd century.” Add 2025 CWG Draft Report at 2.

⁵¹ U.S. Environmental Protection Agency. (Last updated Apr. 11, 2025). Carbon Monoxide’s Impact on Indoor Air Quality: <https://www.epa.gov/indoor-air-quality-iaq/carbon-monoxides-impact-indoor-air-quality>.

⁵² U.S. Environmental Protection Agency. (Last updated Mar. 4, 2025). What is Acid Rain?: <https://www.epa.gov/acidrain/what-acid-rain>.

⁵³ Black’s Law Dictionary 1403 (11th ed. 2019).

⁵⁴ *Id.*

⁵⁵ Am. Heritage Dictionary (5th ed. 2022).

⁵⁶ 42 U.S.C. 7602(g).

⁴⁵ 42 U.S.C. 7602(h).

⁴⁶ See *Hohn v. United States*, 524 U.S. 236, 252–53 (1998) (Supreme Court decisions “remain binding precedent until [the Supreme Court] see[s] fit to reconsider them, regardless of whether subsequent cases have raised doubts about their continuing vitality.”); *Rodriguez de Quijas v. Shearson/Am. Exp., Inc.*, 490 U.S. 477, 484 (1989) (similar).

constitute the root cause of human-induced climate change and the resulting impacts on public health and welfare.” 74 FR 66516. In contrast to the air pollution addressed expressly in CAA section 202 and elsewhere in the statute, GHGs do not endanger public health or welfare through local or regional exposure. Rather, the Endangerment Finding asserted that GHG “air pollution” would *lead to* increases in global temperature and change to ocean pH that, in turn, would *lead to* environmental phenomena, in combination with an open-ended universe of additional factors, which would potentially have adverse public health and welfare impacts of varying severity in certain regions. Regulating GHG emissions based on global climate change concerns requires reading an additional instance of “cause, or contribute” into the statute, such that CAA section 202(a) encompasses the ‘emission of air pollutants that cause, or contribute to, dangerous air pollution that causes, or contributes to, endangerment of public health or welfare.’

This proposed interpretation is also supported by the best reading of the terms “cause” and “contribute.” In enacting and amending CAA section 202(a), Congress legislated against background legal principles, including principles of causation and proximate cause.⁵⁷ These “default rules” are “presumed to have [been] incorporated, absent an indication to the contrary in the statute itself,”⁵⁸ and nothing in the text of CAA section 202(a) indicates that Congress intended to depart from ordinary legal meaning. As a general matter, there is a point at which harm no longer has a sufficiently close connection to the relevant conduct to reasonably draw a causal link. We propose that emissions from new motor vehicles and new motor vehicle engines in the United States do not have a sufficiently close connection to the adverse impacts identified in the Endangerment Finding to fit within the legal meaning of “cause” or “contribute.” The Endangerment Finding largely avoided addressing this problem by severing the question whether GHG emissions from new motor vehicle engines contribute to GHG concentrations in the atmosphere from the question whether GHG concentrations in the atmosphere

endanger public health and welfare. As discussed in further detail in section IV.A.1 of this preamble, we propose that there is no basis in the statute for severing the inquiry in that way. Nevertheless, even with respect to endangerment and contribution in isolation, we propose that global climate change concerns involve analyzing causal relationships that are too uncertain, too remote, and too confounded by intervening and confounding factors to fit within the terms “cause” and “contribute” as used in CAA section 202(a). This understanding follows from the position discussed above that CAA section 202(a) and the statute more generally were designed to regulate air pollution with harmful impacts from local and regional exposure that are analyzable by ordinary causation standards.

In proposing this interpretation, we note that a limiting construction is necessary to avoid absurd results and potential conflict with the nondelegation doctrine. Because Congress cannot delegate legislative powers to the Executive Branch, statutes granting an agency regulatory authority must provide an intelligible principle to guide its exercise.⁵⁹ Our authority under CAA section 202(a) to “prescribe . . . standards” for air pollutant emissions by a class or classes of new motor vehicles and engines is limited by the requirement that the Administrator find such air pollutants cause or contribute to air pollution that may reasonably be anticipated to endanger public health and welfare. We propose that the best reading of the statute circumscribes this authority to air pollution that itself causes or contributes to endangerment of public health or welfare. Under the interpretation adopted in the Endangerment Finding, however, our authority under CAA section 202(a) would have no readily discernible limiting principle, particularly in combination with the authority asserted to sever the analysis of endangerment and causation or contribution. Following the logic of the Endangerment Finding, any “air pollutant” emitted at more than *de minimis* volumes would trigger our authority, and the statutory obligation, to prescribe standards so long as the emission contributes to “air pollution” that, in turn, potentially contributes to phenomena with predicted adverse impacts on public health and welfare broadly defined. As discussed further below, under this logic, the release of water vapor (H₂O) would meet the

standard for regulation because water can be said to result in significant harms and because motor vehicles and engines can be said to “contribute” to that harm by emitting non-*de minimis* quantities of water vapor into the upper atmosphere. The EPA would have the authority, and statutory duty, to prescribe standards for water vapor emissions because water vapor is a recognized GHG emitted by motor vehicles and engines as well as the vast majority of other mobile and stationary sources. Because that reading effectively converts CAA section 202(a)(1) into a roaming license to “prescribe . . . standards,” we believe the reading proposed herein is more faithful to the governing principles of statutory interpretation.

We further emphasize that this proposed interpretation would effectively return the EPA to its longstanding practice prior to 2009 of applying CAA section 202(a) and related statutory endangerment provisions to air pollution that adversely impacts public health and welfare through local or regional exposure. As noted above, we historically utilized this authority to prescribe standards for pollutants identified in the CAA itself, including NO_x, PM, HC, and CO. The distinction between air pollution that harms public health and welfare through local and regional exposure and global “air pollution” consisting of GHG concentrations without any such direct impacts has also played a role in our evaluation of waiver requests under CAA section 209.⁶⁰ Even in the Endangerment Finding, the Administrator recognized that we had previously applied CAA section 202(a) to “a *more typical* local or regional air pollution problem.” 74 FR 66538 (emphasis added). We propose that in adopting a novel analytical approach in the Endangerment Finding, the EPA failed adequately to address its prior practice and improperly relied on the Supreme Court’s decision in *Massachusetts* for the proposition that CAA section 202(a) authorizes emission standards in response to air pollution raising global climate change concerns. As discussed below, *Massachusetts* did not construe the scope of the EPA’s authority to regulate under CAA section

⁵⁷ See, e.g., *Bank of Am. Corp. v. City of Miami*, 581 U.S. 189, 201 (2017); *Lexmark Int’l, Inc. v. Static Control Components, Inc.*, 572 U.S. 118, 132 (2014); *Univ. of Tex. Sw. Med. Ctr. v. Nassar*, 570 U.S. 338, 347 (2013); *City of Oakland v. Wells Fargo & Co.*, 14 F.4th 1030 (9th Cir. 2021) (en banc).

⁵⁸ *Nassar*, 570 U.S. at 347.

⁵⁹ See, e.g., *Gundy v. United States*, 588 U.S. 128 (2019).

⁶⁰ See, e.g., “California State Motor Vehicle Pollution Control Standards; Notice of Decision Denying a Waiver of Clean Air Act Preemption for California’s 2009 and Subsequent Model Year Greenhouse Gas Emission Standards for New Motor Vehicles,” 73 FR 12156, 12161 (Mar. 6, 2008) (denying California’s waiver request for GHG emission standards on the ground that “the different, and global, nature of the pollution at issue” requires a different conceptual approach).

202(a), and the Court has since made clear in *UARG* and *West Virginia* that our authority to regulate air pollutants that fit within the Act-wide definition turns on the particular statutory provision that confers authority to regulate.

In *Massachusetts*, the Supreme Court rejected the argument that GHGs are not “air pollutants” under the Act-wide definition, reasoning that CAA section 302(g)’s use of the word “any” in connection with “air pollutant agent or combination of such agents, including any physical [or] chemical . . . substance” was sufficiently broad to encapsulate the combination of GHGs at issue. 549 U.S. at 530. On this basis, the Court stated that the EPA “has the statutory authority to regulate the emission of such gases from new motor vehicles.” *Id.* at 532. The Court did not, however, decide whether including GHGs within the definition of “air pollutant” meant that we must find that GHGs meet the statutory standard for regulation under CAA section 202(a) because they cause or contribute to air pollution which endangers the public health or welfare. Rather the Court concluded its opinion by clarifying that it “need not and do[es] not reach the question whether on remand EPA must make an endangerment finding.” *Id.* at 534.

Consistent with *Massachusetts*, we propose to interpret the CAA as setting out a broad, threshold definition of “air pollutant” on an Act-wide basis that must be interpreted in the context of each applicable, particular provision granting regulatory authority in order to determine whether that provision authorizes the EPA to regulate an air pollutant under that particular authority. For purposes of CAA section 202(a), that means that even if GHGs are “air pollutant[s]” as defined on an Act-wide basis, they must meet the statutory standard for regulating emissions from new motor vehicles and engines before we may invoke our regulatory authority. Put simply, regardless whether GHGs are “air pollutants” as defined in CAA section 302(g), they must still satisfy the same standard as any other “air pollutant” by causing or contributing to air pollution which may reasonably be anticipated to endanger public health or welfare.

This understanding is confirmed by *UARG*, in which the Supreme Court distinguished between “the Act-wide definition” of air pollutant and the application of that definition to the Act’s regulatory provisions. 573 U.S. at 320. The Court specifically addressed the holding in *Massachusetts*, adopting the argument that “while *Massachusetts*

rejected EPA’s categorical contention that [GHGs] could not be air pollutants for any purposes of the Act, it did not embrace EPA’s [then] current, equally categorical position that [GHGs] must be air pollutants for all purposes regardless of the statutory context.” *Id.* (cleaned up).

In sum, we propose that CAA section 202(a) does not provide authority to regulate GHGs based on global climate change concerns because that provision authorizes regulating only air pollutants that “cause, or contribute to, air pollution which may reasonably be anticipated to endanger public health or welfare.” The EPA must “ground its reasons for action or inaction in the statute,” *Massachusetts*, 549 U.S. at 535, and “possess[es] only the authority that Congress has provided,” *NFIB v. DOL*, 595 U.S. 109, 117 (2022). In proposing this interpretation, we note that our actions must be consistent with “the single, best meaning” of the statute and cannot expand our authority in response to pressing concerns based on statutory silence or ambiguity. *Loper Bright*, 603 U.S. at 400, 411. We seek comment on this proposed interpretation, including the rationales articulated above and any further rationales that commenters believe support, or detract from, this interpretation.

Findings and Standards. The EPA further proposes that CAA section 202(a) requires issuing emission standards together with the findings necessary to invoke our regulatory authority, rather than severing the regulatory action into separate endangerment and standards-setting proceedings. The statute begins by providing that the Administrator “shall prescribe . . . standards applicable to the emission of any air pollutant from any class or classes of new motor vehicles or new motor vehicle engines,” and follows this requirement by describing the scope of the duty to regulate air pollutant emissions “which, in his judgment cause, or contribute to, air pollution which may reasonably be anticipated to endanger public health or welfare.” We propose that the best reading of the statute requires the Administrator, when prescribing any emission standard for new motor vehicles or engines, to find that the air pollutant or air pollutants emitted by the class or classes of new motor vehicles or engines subject to the standard cause or contribute to air pollution that may reasonably be anticipated to endanger public health or welfare.

The Endangerment Finding severed this statutory language by finding endangerment and contribution in the

abstract for all potential CAA section 202(a) sources with respect to GHGs. In so doing, the Administrator vastly increased the Agency’s authority by removing the restrictions Congress placed on the issuance of emission standards. As a result of this new conception of authority, the EPA may issue a single endangerment finding in the abstract with respect to emissions from all sources potentially subject to CAA section 202(a) (and their existing-source counterparts) without addressing the danger posed by any particular source category or the causal role of that particular source category in any identified danger. The EPA has since relied on the Endangerment Finding to prescribe emission standards for various classes of new motor vehicles and engines, as well as a variety of other sources under distinct statutory authorities, without making the requisite findings or assessment of factors necessary to regulate the sources in question.⁶¹ We propose that Congress enacted CAA section 202(a) as an integrated regulatory provision for a reason, and that giving effect to the language of the statute requires the issuance of emission standards only when the Administrator has made an integrated finding of both endangerment and cause or contribution. Put another way, we propose that it is impermissible for the Administrator to make an endangerment finding without prescribing the emission standards required in response to such a finding, and conversely, that it is impermissible to prescribe emission standards without making the source- and air-pollutant specific findings required by the statute.

This proposed interpretation is consistent with the EPA’s implementation of CAA section 202(a) and similar provisions of the CAA prior to 2009. In the Endangerment Finding, the Administrator acknowledged that “typically endangerment and cause or contribute findings have been proposed concurrently with proposed standards under various sections of the CAA, including CAA section 201(a).” 74 FR 66501. We propose that our historical practice under CAA section 202(a) reflects the better reading of the statute and is entitled to greater weight. As the Supreme Court recently explained, such weight is “especially warranted when an Executive Branch interpretation was issued roughly contemporaneously with enactment of the statute and remained consistent over time.” *Loper Bright*, 603 U.S. at 386.

⁶¹ See sections II.C, VI.B, and VI.C of this preamble for a summary of the EPA’s rulemaking activities in response to the Endangerment Finding.

In departing from the EPA's historical practice in the Endangerment Finding, the Administrator reasoned that "[t]he text of CAA section 202(a) is silent on this issue" and "invoked the procedural discretion that is provided by CAA section 202(a)'s lack of specific direction." 74 FR 66501. We propose that CAA section 202(a) is not silent on the issue because the statute sets out an integrated process that requires the EPA to prescribe standards when the Administrator finds certain conditions are met. When Congress intends a multi-step inquiry in the environmental context, it typically says so expressly. In the National Ambient Air Quality Standards (NAAQS) program, for example, the CAA separates our authority to establish and revise the NAAQS under CAA section 108 and 109 from our duties to implement the NAAQS by reviewing State Implementation Plans (SIPs) or promulgating Federal Implementation Plans (FIPs) under CAA section 110 and related statutory provisions.⁶² A particularly relevant analogy is Clean Water Act section 303(c)(4), which pairs the Administrator's authority to "determin[e] that a revised or new [water quality standard] is necessary to meet the requirements of this chapter" with the requirement that the Administrator "shall promptly prepare and publish proposed regulations" after making such a determination and "promulgate any revised or new standard . . . not later than ninety days after he publishes such proposed standards."⁶³ We further propose that even if CAA section 202(a) were ambiguous or silent in this respect, the Supreme Court recently held in no uncertain terms that "statutory ambiguity . . . is not a reliable indicator of actual delegation of discretionary authority to agencies." *Loper Bright*, 603 U.S. at 411.

Severing the EPA's standards-setting authority from the findings that trigger a duty to exercise that authority shaped the analysis in the Endangerment Finding in a manner that we propose ran counter to the statute. Recall that the Endangerment Finding first projected adverse public health and welfare impacts of global climate change and attributed those adverse impacts to all manmade sources of GHG emission around the world and then, separately,

used data from existing CAA section 202(a) sources in the United States to find that new motor vehicles and engines in the United States contributed to global GHG air pollution. The Administrator treated adaptation (adjustments to the effect of climate change that lessen impacts) and mitigation (reductions in emissions and global GHG concentrations unrelated to CAA section 202(a) regulation) as outside the scope. 74 FR 66512. Moreover, the Administrator declined to consider cost, asserting that the Endangerment Finding imposed no regulatory requirements as a standalone action and relying on the Supreme Court's decision in *Whitman v. American Trucking Association*, 531 U.S. 457 (2001), that the EPA cannot consider cost in setting and revising the NAAQS under CAA section 109. 74 FR 66515. Nor did the Administrator consider potential beneficial impacts from climate change with respect to whether and which standards would be appropriate. *See* 74 FR 66524 (purporting to compare "risks and benefits" only with respect to endangerment).

Severance also shaped all subsequent standards prescribed and revised in reliance on the Endangerment Finding in a manner we propose to conclude was unlawful. The EPA asserted in subsequent rulemakings that there was no need to make particularized findings for the relevant source category because the Endangerment Finding identified public health and welfare dangers and contribution for all CAA section 202(a) source categories. Nor did we consider the impacts of adaptation or mitigation or consider when prescribing standards whether, in light of more recent empirical data, the Endangerment Finding's analysis of endangerment and contribution remained accurate with respect to the source category at issue. As a result, the decision to sever meant that the EPA has never meaningfully considered or invited public comment on the cost, effectiveness, and continued propriety of its GHG regulatory program.

We propose that these considerations should have been taken into account when the 2009 Endangerment Finding intentionally triggered a duty to regulate by invoking our CAA section 202(a) authority. CAA section 202(a)(2) expressly provides that "[a]ny regulation prescribed under paragraph (1) of this subsection . . . shall" provide adequate time for "the development and application of the requisite technology, giving appropriate consideration to the cost of compliance within such

period."⁶⁴ CAA section 202(a)(1) authorizes the Administrator to "by regulation prescribe" standards "in accordance with the provisions of this section" and does not separately authorize standalone findings, meaning any action taken "under paragraph (1) of this subsection" is subject to the considerations in paragraph (2). That statutory language aside, the Supreme Court explained in *Michigan* that "agency action is lawful only if it rests 'on a consideration of the relevant factors,'" 576 U.S. at 750 (quoting *State Farm*, 463 U.S. at 43), including "at least some attention to cost," *id.* at 752. We propose that the Administrator erred in analogizing to the NAAQS program and the Supreme Court's decision in *Whitman* to avoid considering costs in the Endangerment Finding. Unlike CAA section 202(a), the language in CAA section 109(b) makes no reference to cost or implementation and focuses solely on safety and an adequate margin to protect public health. Nor does CAA section 109(b) include the lead time and technical feasibility concepts embedded in CAA section 202(a). And whereas CAA section 202(a) sets out an integrated authority to prescribe emission standards when the provision's triggering condition is satisfied, CAA section 109(b) uses mandatory language requiring the EPA to establish certain standards, the content and implementation of which are specified in various provisions throughout Title I of the Act. We further propose that the Supreme Court's decision in *Massachusetts* did not address the question whether the EPA could issue standalone findings or bar the Administrator from taking cost and implementation concerns into account when exercising CAA section 202(a) authority. Rather, *Massachusetts* must be read together with *Michigan*, and the language of CAA section 202(a)(1) must be read in context to "produc[e] a substantive effect that is compatible with the rest of the law." *UARG*, 573 U.S. at 321 (quoting *United Sav. Ass'n of Tex. v. Timbers of Inwood Forest Assocs.*, 484 U.S. 365, 371 (1988)).

Endangerment and Cause or Contribute. The EPA also proposes that CAA section 202(a) requires the Agency to evaluate whether source emissions cause or contribution to air pollution and whether that air pollution poses endangerment in a single causal chain, rather than considering these issues in isolation by severing the inquiries. The relevant inquiry is whether "the emission of any air pollutant from any class or classes of new motor vehicles or

⁶² See 42 U.S.C. 7408, 7409, 7410.

⁶³ 33 U.S.C. 1313(c)(4), (c)(4)(B). Various provisions of the Safe Drinking Water Act (SDWA) and Toxic Substances Control Act (TSCA) similarly articulate multi-step processes for determining risk and addressing risk through regulation using language that Congress did not include in CAA section 202.

⁶⁴ 42 U.S.C. 7521(a)(2).

new motor vehicle engines,” in the judgment of the Administrator, “cause, or contribute to, air pollution which may reasonably be anticipated to endanger public health or welfare.” As explained in this section, the emission must cause or contribute to the danger posed by the air pollution to a sufficient extent to satisfy the standard for regulation.

In the Endangerment Finding, the Administrator made two distinct findings based on two distinct sets of assumptions. In the first, the Administrator found that the “air pollution,” defined as the combined elevated global concentrations in the upper atmosphere of six “well-mixed GHGs,” CO₂, methane, NO_x, HFCs, PFCs, and SF₆, endangered public health or welfare by playing a causal role in global temperature increases and ocean pH changes, which, in turn, were then asserted to play a causal role in environmental phenomena with adverse impacts on public health and welfare. 74 FR 66516. In the second, the Administrator found that the “air pollutant” (defined as the combination of same six “well-mixed GHGs”) emitted by new motor vehicles and engines contributed to the “air pollution.” 74 FR 66536. Nowhere in the Endangerment Finding did the Administrator consider the extent to which emissions from CAA section 202(a) sources have a more than *de minimis* effect on the danger identified with respect to elevated concentrations of GHGs in the upper atmosphere—let alone whether emissions from any particular class or classes of sources that EPA intended to regulate had such an effect.

Upon review, we no longer believe that the approach taken in the Endangerment Finding was consistent with the language of CAA section 202(a) and the structure of the CAA, which requires making distinct findings for regulating distinct types of emission sources and authorizes different regulatory tools when such standards are met. For example, CAA section 111(b)(1)(A) authorizes the EPA to regulate emissions from listed categories of stationary sources if the Administrator determines those sources emit air pollutants that “significantly contribute” to dangerous air pollution.⁶⁵ When that standard is met, CAA section 111(b)(1)(B) requires the EPA to regulate such emissions from such sources by setting standards of performance that, among other things, reflect the best system of emission reduction that has been adequately demonstrated in

practice.⁶⁶ The CAA similarly sets out distinct standards for regulating and distinct modes of regulation for additional major source categories, including vehicles in use, aircraft engines, and separately addresses when and how to respond to international emissions that impact the United States. The Endangerment Finding effectively attributed the total GHG emissions coming from all of these various distinct sources within the United States, as well as from all international sources, to the mobile sources regulated under CAA section 202(a) without having made the requisite determinations for any of those sources and without considering the different regulatory tools Congress authorizes for those sources as compared to CAA section 202(a) sources. The Administrator defined the relevant “air pollution” as the combination of six “well-mixed GHGs” but found that CAA section 202(a) sources emitted only four of them: CO₂, methane, NO_x, and HFCs. 74 FR 66538. As a result, the “air pollution” identified as endangering public health or welfare included PFCs and SF₆, and the “air pollution” used to conclude that CAA section 202(a) sources satisfy the regulatory standard did not. Contrary to the EPA’s conclusion at the time, 74 FR 66541, that difference is material, as PFCs and SF₆ are asserted to have many times the global warming potential of CO₂.⁶⁷ Severing the endangerment and cause-or-contribute analysis allowed the Agency to compare apples and oranges in a manner the statute does not authorize.

The Endangerment Finding also did not limit its analysis of contribution to “new motor vehicles or new motor vehicle engines” in the United States, which are the only sources covered by the EPA’s CAA section 202(a) authority.⁶⁸ Because the Administrator considered all sources in analyzing the danger posed by elevated concentrations of GHGs in the upper atmosphere, the endangerment analysis necessarily included emissions from foreign and domestic vehicles that had been in use for years or decades and were not “new.” Even when analyzing contribution, the Administrator used emission estimates from “the entire fleet

of motor vehicles in the United States for a certain calendar year” rather than projecting emissions from new motor vehicles and engines over time. 74 FR 66543. That decision increased the absolute contribution figure by orders of magnitude, including because newer vehicles and engines tend to be more efficient and emit less.⁶⁹ Difficulties in disaggregating emission data from emission sources, however reasonable, do not license us to read the term “new” out of the statutory text.

We are also concerned that severing the endangerment and cause or contribution findings leads to untenable results and lacks any limiting principle. To illustrate the problem, the same logic would allow the EPA to issue emission standards for water vapor (H₂O), another substance emitted by new motor vehicles and engines that is also considered a powerful GHG. Considered in isolation, H₂O concentrations in the atmosphere can be said to endanger public health or welfare by resulting in rain that leads to slip-and-fall injuries, drownings, and damage to crops, livestock, and property, including through pools, rivers, and floodwater, although water vapor is not itself harmful and is necessary to sustain life. Also considered in isolation, CAA section 202(a) sources can be said to “contribute” to elevated H₂O concentrations in the atmosphere from all anthropogenic sources, and these emissions of water vapor would thereby assertedly “contribute” to global climate effects similar to those attributed to other GHGs. CAA section 202(a) does not contemplate prescribing emission standards for such an omnipresent, naturally occurring, and essential component of the ambient air, and stakeholders have not petitioned for such regulation, because the text requires analyzing the extent to which emissions contribute to the danger. The logic of regulating water vapor would appear to be absurd, but it is the same logic required to regulate GHGs under CAA section 202(a).

We further propose that the decision to sever the analysis of endangerment from the analysis of contribution, combined with the decision to sever the Administrator’s findings from any standards prescribed as a result, produced an analysis that is incompatible with the statute. In the Endangerment Finding, the Administrator concluded that anything more than a trivial or *de minimis*

⁶⁵ 42 U.S.C. 7411(a)(1), (b)(1)(B). CAA section 111 also differentiates between new and existing stationary sources in a listed source category and limits the EPA’s role with respect to existing sources by authorizing only emission guidelines implemented by the States. 42 U.S.C. 7411(d).

⁶⁷ U.S. Environmental Protection Agency. (Last updated Jan. 16, 2025). Understanding Global Warming Potentials: <https://www.epa.gov/ghgemissions/understanding-global-warming-potentials>.

⁶⁸ 42 U.S.C. 7521(a)(1) (emphases added).

⁶⁹ For additional discussion of improvements in new motor vehicles and engines relative to older vehicles and engines, see section V of this preamble.

⁶⁵ 42 U.S.C. 7411(b)(1)(A).

contribution to elevated global GHG concentrations by CAA section 202(a) sources was sufficient to trigger regulation because the “unique, global aspects of the climate change problem tend to support contribution at lower percentage levels of emissions than might otherwise be considered appropriate when addressing a more typical local or regional air pollution problem.” 74 FR 66538. Because the Endangerment Finding did not consider the standards that the statute requires when the Administrator makes such a finding, we did not consider whether emission standards for new motor vehicles would be futile as a means to address the identified dangers of GHG emissions from all anthropogenic sources. As discussed in sections IV.A and IV.B of this preamble, reducing GHG emissions from all vehicles and engines in the United States to zero would not have a scientifically measurable impact on GHG emission concentrations or global warming potential (2025 CWG Draft Report at 130).⁷⁰ It was foreseeable at the time that issuing the Endangerment Finding would trigger a duty to regulate, and that extraordinarily stringent measures would be necessary under *all* of the EPA’s separate statutory authorities, and not just CAA section 202(a), to have *any* potentially measurable impact on the identified harm. Additionally, the EPA did not consider “carbon leakage,” which “refers to the situation that may occur if, for reasons of costs related to climate policies, businesses were to transfer production to other countries with laxer emission constraints . . . [and] could lead to an increase in their total emissions.”⁷¹ Foreign governments have recognized that carbon leakage can mitigate or even lead to an increase in total emissions which would significantly impact the claimed benefits of the regulatory actions.⁷² Accordingly, we propose that refusing to consider these foreseeable consequences was inconsistent with the statutory scheme and, as explained further below, arbitrary and capricious and an abuse of discretion.

Finally, we propose that the Administrator did not adequately consider the meaning in context of the statutory term “endanger” and failed to identify with sufficient rigor the purported danger linked to GHG

emissions from new motor vehicles and engines. We propose that “endanger” as used in CAA section 202(a) cannot mean merely any predicted negative impact to any public health or welfare value, as that interpretation would render the constraint placed on the EPA’s authority to prescribe standards essentially meaningless, thereby violating ordinary principles of statutory interpretation and raising constitutional nondelegation concerns. We further propose that severing the endangerment and contribution inquiries improperly allowed the Administrator to avoid this concern by concluding that new motor vehicle and engine emissions included more than *de minimis* GHG emissions, even if those emissions did not themselves contribute to a danger in any meaningful sense. *See* 74 FR 66543 (asserting that “contributors must do their part even if their contributions to the global problem, measured in terms of percentage, are smaller than typically encountered”). We therefore seek comment on whether this aspect of EPA’s interpretation and application of the statutory provision in 2009 was defective and whether, either on its own or in combination with the other bases and rationales presented here, this issue provides additional grounds for rescinding the Endangerment Finding and resulting GHG emission standards for new motor vehicles and engines.

2. Lack of Clear Congressional Authorization

The EPA further proposes that, at a minimum and in addition to the interpretation set out above, we lack the “clear congressional authorization” required under the major questions doctrine to decide the Nation’s response to global climate change concerns. *West Virginia*, 597 U.S. at 723 (quoting *UARG*, 573 U.S. at 324). In this subsection, we propose that the major questions doctrine applies to the Endangerment Finding because the global climate change concerns addressed in that action, and the mandatory duty to regulate triggered by that action, present a major question of undeniable political and economic significance. Next, we propose that Congress did not clearly authorize the EPA to decide this question when it empowered the Administrator to “prescribe . . . standards” for new motor vehicle and engine emissions under CAA section 202(a). On that basis, we propose to conclude that the Endangerment Finding and resulting GHG emission standards exceeded our statutory authority and should be rescinded. That conclusion follows from

the Supreme Court’s decisions in *UARG* and *West Virginia* and is consistent with *Massachusetts*, which held that GHGs fell within the definition of “air pollutant” but did not interpret the scope of our authority to regulate air pollutants that cause, or contribute to, air pollution which may reasonably be anticipated to endanger public health or welfare.

Applicability of the Major Questions Doctrine. In recent decisions construing the scope of the EPA’s statutory authority to regulate GHGs, the Supreme Court has emphasized that the “‘history and breadth of the authority’” asserted by an agency and “‘the ‘economic and political significance’ of that assertion” provide “‘a reason to hesitate before concluding that Congress’ meant to confer such authority.” *West Virginia*, 597 U.S. at 721 (quoting *Brown & Williamson*, 529 U.S. at 159–60); *accord UARG*, 573 U.S. at 324. Whether viewed as an ordinary tool of statutory interpretation that looks to the structure of the regulatory scheme⁷³ or a clear statement rule that implements nondelegation and separation of power principles,⁷⁴ the major questions doctrine requires us to identify “more than a merely plausible textual basis” when asserting authority to decide a significant policy issue on Congress’ behalf. *Id.* at 723.

In *UARG*, the Supreme Court applied the major questions doctrine to reject our attempt to regulate GHG emissions from stationary sources subject to the CAA’s prevention of significant deterioration (PSD) and Title V permitting requirements based on the global climate change concerns identified in the Endangerment Finding. 573 U.S. at 311–13.⁷⁵ The Court held that the EPA had “exceeded its statutory authority when it interpreted the Clean Air Act to require PSD and Title V permitting for stationary sources based on their greenhouse gas emissions” and “may not treat greenhouse gases as a pollutant” in the PSD and Title V contexts. *Id.* at 333. In reaching this conclusion, the Court found that our interpretation of the statute and related “tailoring rule” that exempted many sources to address workability concerns was “unreasonable because it would bring about an enormous and transformative expansion in EPA’s regulatory authority without clear congressional authorization.” *Id.* at 324. Citing earlier major questions doctrine

⁷⁰ *See* Lomborg, B. (2016). Impact of Current Climate Proposals. *Global Policy*, 7(1) 109–118: <https://doi.org/10.1111/1758-5899.12295>.

⁷¹ Carbon leakage. (2019). *European Commission*: https://climate.ec.europa.eu/eu-action/eu-emissions-trading-system-eu-ets/free-allocation/carbon-leakage_en.

⁷² *See, e.g., id.*

⁷³ *Biden v. Nebraska*, 600 U.S. 477, 507–21 (2023) (Barrett, J., concurring).

⁷⁴ *West Virginia*, 597 U.S. at 735–51 (Gorsuch, J., concurring).

⁷⁵ *See* 42 U.S.C. 7470–92, 7661 *et seq.*

precedents, the Court noted that “a measure of skepticism” is required when “an agency claims to discover in a long-extant statute an unheralded power to regulate ‘a significant portion of the American economy,’ ” *id.* (quoting *Brown & Williamson*, 529 U.S. at 159), and that “[w]e expect Congress to speak clearly if it wishes to assign to an agency decisions of vast ‘economic and political significance,’ ” *id.* (quoting *Brown & Williamson*, 529 U.S. at 160).

In *West Virginia*, the Supreme Court again applied the major questions doctrine to reject our attempt to shift the power grid away from using fossil fuels through GHG emission guidelines for existing power plants under CAA section 111(d). 597 U.S. at 711–15.⁷⁶ The Court noted that when interpreting a grant of regulatory authority, the inquiry includes the question “whether Congress in fact meant to confer the power the agency has asserted.” *Id.* at 721. The Court explained that the major questions doctrine applies when “the ‘history and breadth of the authority that [the agency] has asserted,’ and the ‘economic and political significance’ of that assertion, provide ‘a reason to hesitate before concluding that Congress’ meant to confer such authority.’ ” *Id.* (quoting *Brown & Williamson*, 529 U.S. at 159–60). In such cases, “both separation of powers principles and a practical understanding of legislative intent make us ‘reluctant to read into ambiguous statutory text’ the delegation claimed to be lurking there,” and “[t]he agency instead must point to ‘clear congressional authorization’ for the power it claims.” *Id.* at 723 (quoting *UARG*, 573 U.S. at 324). Applying that standard, the Court held that our statutory authority to establish emission limits under CAA section 111(a)(1) and (d) “is not close to the sort of clear authorization required by our precedents.” *Id.* at 732.

We propose that the Endangerment Finding implicates the major questions doctrine for the same reasons the Supreme Court applied it in *UARG* and *West Virginia*. By asserting jurisdiction to regulate in response to global climate change concerns, the EPA “‘claim[ed] to discover in a long-extant statute an unheralded power’ representing a ‘transformative expansion in [its] regulatory authority.’ ” *West Virginia*, 597 U.S. at 724 (quoting *UARG*, 573 U.S. at 324). We note that the regulatory

actions reviewed in *UARG* and *West Virginia* were predicated in part on the Endangerment Finding and propose that the PSD and Title V rules in *UARG* and existing source emission guidelines in *West Virginia* are similar in scope, approach, and economic impact as the GHG emission standards for new motor vehicles and engines promulgated to fulfill the mandatory duty triggered by the Endangerment Finding. As a consequence of the novel approach taken in the Endangerment Finding to endangerment and contribution, our GHG emission standards mandate an increased and faster shift from gasoline-fueled vehicles to electric vehicles on the theory that a substantial reduction in GHG emissions is necessary to address global climate change concerns.⁷⁷ We propose that mandating a shift in the national vehicle fleet from one type of vehicle to another is indistinguishable from the emission guidelines at issue in *West Virginia*, which were calculated to force a shift from one means of electricity generation to another.

We further propose it is “‘highly unlikely that Congress would leave’ to ‘agency discretion’ the decision” of how much gasoline should be used by vehicles and engines in the United States. *West Virginia*, 597 U.S. at 729 (quoting *MCI Telecomms. Corp. v. AT&T Co.*, 512 U.S. 218, 231 (1994)). As the Supreme Court noted with respect to coal-based electricity generation, such a policy decision involves “basic and consequential tradeoffs,” and “Congress certainly has not conferred a like authority upon EPA anywhere else in the Clean Air Act.” *Id.* Until the Endangerment Finding, moreover, we had never invoked CAA section 202(a) or any other CAA authority to regulate in response to global climate change concerns, whether through a fuel-shifting strategy or any other means. That history is telling because although CAA section 202(a) has existed in substantially similar form since 1967, “the EPA had never regulated in that manner, despite having issued many prior rules governing” vehicle and engine emissions. *Id.*

When Congress has addressed GHGs individually or collectively, it has not granted the EPA broad regulatory authority comparable to our authority to “‘prescribe . . . standards” under CAA section 202(a). With respect to HFCs, Congress enacted a comprehensive phaseout scheme in the 2020 American Innovation and Manufacturing (AIM) Act, which includes detailed instructions, timelines, and

requirements for implementation and allows some uses to continue under certain conditions.⁷⁸ With respect to CO₂, Congress opted for a carrot rather than a stick by authorizing a tax credit to incentivize underground sequestration that mitigates emissions.⁷⁹ With respect to methane, Congress amended the CAA in 2021 through the Inflation Reduction Act of 2022 (IRA) to require us to establish a waste emissions charge for certain sources structured to incentivize emissions reductions over time.⁸⁰ When addressing GHGs more generally, Congress has used non-regulatory tools that incentivize, rather than mandate, changes in private ordering, including through additional funding provisions in the IRA.⁸¹ We propose that multiple instances of recent legislation addressing GHGs individually and through distinct regulatory approaches suggests that Congress views such policy decisions as economically and politically significant and not adequately addressed by general statutory authorities enacted in response to different problems.

The EPA notes that Congress has continued to revise these air pollutant-specific measures and nonregulatory tools as part of an ongoing national debate over the appropriate response to global climate change concerns. On July 4, 2025, President Trump signed into law significant new legislation enacted by Congress, the One Big Beautiful Bill Act (OBBA),⁸² which repealed a number of relevant measures adopted in the IRA and rescinded the EPA’s appropriations to carry out a number of funding programs related to GHG emissions. Among other things, Congress prohibited the Agency from collecting the waste emission charge for methane for ten years beyond the original statutory collection date, rescinded funding to administer grant programs in CAA sections 132 and 135–38, and repealed CAA section 134, which had included a section-specific definition of “greenhouse gas” applicable to the grant

⁷⁸ Public Law 116–260, Div. S, codified at 42 U.S.C. 7675 *et seq.*

⁷⁹ 26 U.S.C. 45Q. In 2020, Congress also instructed us to recommend improvements to SDWA permitting procedures for injection wells used in carbon sequestration and appropriated additional fundings for the “Class VI” permitting process. Public Law 116–260, Div. G, Title II.

⁸⁰ Public Law 117–169, codified at 42 U.S.C. 7436.

⁸¹ See, e.g., Public Law 117–169, codified at 42 U.S.C. 7432–7438. We also note that CAA section 211(o)(2)(B)(ii) requires the EPA to consider “the impact of the production and use of renewable fuels on the environment, including on . . . climate change,” among many other factors, in setting volumes under the RFS program. 42 U.S.C. 7545(o)(2)(B)(ii).

⁸² Public Law 119–21.

⁷⁶ See 42 U.S.C. 7411(d). The EPA had also issued GHG performance standards for new and modified fossil fuel-fired power plants under CAA section 111(b) that triggered the Agency’s authority to issue guidelines for existing sources under CAA section 111(d). The new source standards were not before the Supreme Court in *West Virginia*.

⁷⁷ 89 FR 27842, 27844.

program set out in that section.⁸³ We propose that this legislation, which was the product of substantial national debate and revised and rescinding funding for provisions of the IRA that were themselves the product of substantial national debate, indicates that the EPA erred in attempting to resolve significant policy issues on its own accord in the Endangerment Finding.

Congress has also recently disapproved several actions taken by the EPA with respect to GHG emissions. On May 19, 2025, President Trump signed into law a resolution adopted by Congress under the Congressional Review Act (CRA) to void our final rule implementing the waste emission charge added to the CAA in 2021.⁸⁴ And on June 12, 2025, President Trump signed into law three resolutions adopted by Congress under the CRA to void waivers we granted under CAA section 209 that allowed California and participating States to enforce GHG emission regulations for motor vehicles and engines, up to and including zero-emissions standards that mandated a shift to electric vehicles.⁸⁵ We propose that these disapproval resolutions further demonstrate the economic and political significance of the EPA's GHG emission regulations and reinforce the understanding that Congress intends to reserve such major questions of policy for itself. See *West Virginia*, 597 U.S. at 731–32.

Proposed Conclusion. Under our proposal that the major questions doctrine applies, we propose to conclude that the EPA lacks the “clear congressional authorization” required for the novel approach taken in the Endangerment Finding and resulting GHG emission standards and must rescind these actions. *West Virginia*, 597 U.S. at 723 (quoting *UARG*, 573 U.S. at 324). We propose that our statutory authority under CAA section 202(a) to “prescribe . . . standards” does not clearly authorize the EPA to regulate in response to global climate change concerns or, in issuing such regulations, to mandate a shift from gasoline-powered vehicles to electric vehicles.

In *West Virginia*, the Supreme Court held that our authority “to establish emission caps at a level reflecting ‘the application of the best system of

emission reduction . . . adequately demonstrated’” did not clearly authorize the EPA to issue emission guidelines that addressed global climate change concerns by mandating a shift away from coal-generated electricity. 597 U.S. at 732. Similarly, in *UARG*, the Court held that our PSD and Title V authorities could not be extended to GHG emissions because those provisions “are designed to apply to, and cannot rationally be extended beyond, a relative handful of large sources capable of shouldering heavy substantive and procedural burdens.” 573 U.S. at 303.

We propose that these cases control the analysis of our authority under CAA section 202(a). As in *West Virginia*, our statutory authority and the findings required to invoke that authority do not clearly authorize the approach taken in the Endangerment Finding and subsequent regulations. And as in *UARG*, our statutory authority to “prescribe . . . standards” for emissions of certain air pollutants does not clearly authorize using the CAA’s vehicle-emission control scheme to address global climate change. As discussed above, the Endangerment Finding did not limit itself to considering the impacts of GHG emissions from new motor vehicles and engines. Rather, the Endangerment Finding reviewed the totality of adverse impacts from climate change attributed to all anthropogenic sources of GHG emissions worldwide and asserted jurisdiction over CAA section 202(a) sources by finding they contributed to such impacts by emitting more than *de minimis* quantities of GHGs. That understanding has permeated our GHG emission rulemakings since 2009, and we have attempted to apply that framework to our distinct regulatory authorities for stationary sources and aircraft.

In *Massachusetts*, the Supreme Court disagreed with the EPA’s argument that GHGs were not “air pollutants” because Congress had not revisited CAA section 202(a) in amending the CAA in 1990. 549 U.S. at 512–13. The Court found that our reliance on *Brown & Williamson* to support that argument was misplaced because unlike the ban on tobacco products at issue in that case, “EPA jurisdiction would lead to no such extreme measures.” *Id.* at 531. The Court also found that unlike the Food and Drug Administration’s earlier statements on tobacco products, “EPA had never disavowed the authority to regulate greenhouse gases” and had issued a memorandum in 1998 suggesting that we had such authority. *Id.*

We propose that *Massachusetts* did not consider or have reason to interpret the scope of the EPA’s authority under CAA section 202(a) given our position in the 2003 Denial that GHGs are not “air pollutant[s]” under any provision of the statute. Rather, we propose *Massachusetts* rejected our position that GHGs are “categorically” excluded from the CAA and remanded for the Administrator to determine whether four GHGs met the standard in CAA section 202(a). *UARG*, 573 U.S. at 320. We further propose that *Massachusetts* must be read together with the Supreme Court’s decisions in *West Virginia* and *UARG*, which applied the major questions doctrine to statutory provisions similar to CAA section 202(a). To that end, we seek comment on whether *Massachusetts* applied the major questions doctrine in the first instance,⁸⁶ and, if it did, whether that analysis informs the meaning of CAA section 202(a) on its own terms and in light of *UARG* and *West Virginia*. Finally, we propose that the EPA’s course of rulemaking has not been limited to emission standards as anticipated in *Massachusetts*. We seek comment on whether a new major questions doctrine analysis is required because the EPA’s rulemakings in response to the Endangerment Finding have included electric vehicle mandates that require shifting the national vehicle fleet from one type of vehicle and vehicle fuel to another.

B. Alternative Rationale for Proposed Rescission

In the alternative, the EPA proposes that even if CAA section 202(a) could be read to authorize prescribing GHG emission standards for new motor vehicles and engines, the Endangerment Finding unreasonably applied the statutory standard for regulation to the scientific record and should be rescinded on that basis. This subsection proposes several reasons that the Administrator would exercise his discretionary judgment differently today in light of intervening legal and scientific developments that appear to undermine the assumptions, methodologies, and conclusions of the Endangerment Finding.

1. Climate Science Discussion

The Administrator reviewed available information, including the most recently available scientific information, bearing on the assumptions and conclusions in

⁸³ 42 U.S.C. 7434(c)(2) (2022).

⁸⁴ Public Law 119–2; see 90 FR 21225 (May 19, 2025).

⁸⁵ H.J. Res. 87; H.J. Res. 88; H.J. Res. 89; see also *Diamond Alt. Energy, LLC v. EPA*, No. 24–7, slip op. at 4 n.1 (U.S. June 20, 2025); Statement by the President (June 12, 2025); <https://www.whitehouse.gov/briefings-statements/2025/06/statement-by-the-president/>.

⁸⁶ We note that recent Supreme Court decisions have not cited *Massachusetts* as a precedent applying, or declining to apply, the major questions doctrine. See, e.g., *Nebraska*, 600 U.S. 477; *West Virginia*, 597 U.S. 697.

the Endangerment Finding, the impacts of global GHG concentrations on public health and welfare in the United States, and the relative contribution of domestic emissions from new motor vehicles and engines to global GHG concentrations. As previously explained, this review included the 2025 CWG Draft Report, which analyzes empirical data, peer-reviewed studies, and available scientific information bearing on direct human influence on ecosystems and climate, climate response to CO₂ emissions, and impacts on ecosystems and society.⁸⁷ The Administrator also considered available assessments by the U.S. Government and relevant international bodies, including the Third, Fourth, and Fifth NCAs reported by the USGCRP and AR5 and AR6 by the United Nations IPCC. The Administrator also considered critiques of the NCAs, and the Fifth NCA in particular, and reviewed these analyses for consistency with OMB information quality guidelines⁸⁸ and the transparency and reliability requirements of Executive Order 14303, “Restoring Gold Standard Science.”⁸⁹

The Endangerment Finding itself acknowledged significant uncertainties related to climate change and its potential impacts when it stated that the “inherent uncertainty in the direction, magnitude and/or rate of certain future climate change impacts opens up the possibility that some changes could be more or less than expected, and the possibility of unanticipated outcomes.” 74 FR 66524. Specifically, the Endangerment Finding identified uncertainties including, but not limited to: the net health impacts of a temperature increase due to decreases in cold-related mortality, 74 FR 66497, 66526; increases in allergenic illnesses and pathogen borne disease vectors, 74 FR 66498; food production and crop yields, including the scope of potential beneficial impacts from climate change, 74 FR 66498, 66535; temperature at the end of the 21st Century, 74 FR 66519; records of temperature before 1600 A.D., 74 FR 66523; estimates and future projections of anthropogenic aerosols

and their respective heating or cooling effects, 74 FR 66519; the extent to which human-induced climate change affects the intensity and frequency of extreme weather events, 74 FR 66531; and emissions from future fleet motor vehicles, which could be impacted by a number of technological, economic, and independent regulatory factors, 74 FR 66543.

With respect to projected increases in GHG concentrations and global temperatures, the projections relied upon in the Endangerment Finding appear unduly pessimistic in light of empirical observations made after it was finalized in 2009 through 2024. The Endangerment Finding relied primarily on IPCC AR4 to predict global temperature increases between 1.8 and 4 degrees Celsius by 2100, an extremely wide and variable range that necessarily impacts the existence, extent, and severity of anticipated dangers to public health and welfare. 74 FR 66519. However, as previously noted, IPCC scenarios depicting worst-case, “business as usual” assessments have been criticized as misleading (2025 CWG Draft Report at 16),⁹⁰ and empirical data suggest that actual GHG emission concentration increase and corresponding warming trends through 2025 have tracked the IPCC’s more optimistic scenarios (2025 CWG Draft Report at 18).⁹¹ Recent scientific analyses propose that this divergence may be explained by greater capacity for the climate to reuptake GHGs in the atmosphere through natural processes. Terrestrial ecosystems have demonstrated a greater than anticipated sensitivity to elevated CO₂ concentrations in the form of enhanced plant growth, which results in greater

removal of CO₂ from the atmosphere as plants take up CO₂ and return it to the soil through natural life cycles. Similarly, the oceans have demonstrated a greater capacity to take up and process CO₂ (including through aquatic plant life) without resulting in the anticipated negative impacts on pH and ocean ecosystems, including coral reefs (2025 CWG Draft Report at 6–9, 18–20).⁹²

Relatedly, recent empirical data and analyses suggest that the Endangerment Finding was unduly pessimistic in attributing health risks from heat waves to increases in global temperature. Notwithstanding increased public attention to heat waves, the data suggest that domestic temperatures peaked in the 1930s and have remained more or less stable, in relative terms, since those highs (2025 CWG Draft Report at 57–60). Moreover, increased urbanization trends contribute to localized changes in temperature, including because an urban footprint traps heat and frustrates natural heat-cycling capacity at a localized and low-atmospheric level (2025 CWG Draft Report at 21–22). Contrary to the Endangerment Finding’s assumptions, data continue to suggest that mortality risk from cold temperatures remains by far the greater threat to public health in the United States and around the world at the aggregate level (2025 CWG Draft Report at 112).⁹³ Although the risk of heat waves featured prominently in the Endangerment Finding, the Administrator acknowledged at the time that significant uncertainties existed about the relative benefits and risks in the United States, and the data since 2009 suggest that the balance of climate change as a whole appears to skew

⁹² See also Browman, H.I. (2016). Applying organized skepticism to ocean acidification research. *ICES Journal of Marine Science*, 73(3), 529.1–536: <https://doi.org/10.1093/icesjms/fsw010>; Clements, J.C. et al. (2022). Meta-analysis reveals an extreme “decline effect” in the impacts of ocean acidification on fish behavior. *PLOS Biology*, 20(2), e3001511: <https://doi.org/10.1371/journal.pbio.3001511>; Friedlingstein, P. et al. (2024). Global Carbon Budget 2024. *Earth System Science Data*, 14(4): <https://essd.copernicus.org/preprints/essd-2024-519>; Haverd, V. et al. (2020). Higher than expected CO₂ fertilization inferred from leaf to global observations. *Global Change Biology*, 26, 2390–2402: <https://doi.org/10.1111/gcb.14950>; Zeng, Z. et al. (2017). Climate mitigation from vegetation biophysical feedbacks during the past three decades. *Nature Climate Change*, 7, 432–436: <https://doi.org/10.1038/nclimate3299>.

⁹³ See also Zhao, Q. et al. (2021). Global, regional, and national burden of mortality associated with non-optimal ambient temperatures from 2000 to 2019: a three-stage modelling study. *The Lancet Planetary Health*, 5(7): [https://doi.org/10.1016/s2542-5196\(21\)00081-4](https://doi.org/10.1016/s2542-5196(21)00081-4); Gasparini, A. et al. (2015). Mortality risk attributable to high and low ambient temperature: a multicounty observational study. *The Lancet*, 386(9991), 369–375: [https://doi.org/10.1016/S0140-6736\(14\)62114-0](https://doi.org/10.1016/S0140-6736(14)62114-0).

⁸⁷ As stated earlier, the 2025 CWG Draft Report was provided to the EPA on May 27, 2025, and was reviewed and relied upon in formulating this proposal. The EPA understands that DOE is releasing an updated version of the CWG draft report and seeking public comment on the updated report, which includes additional information and typographical corrections that the EPA did not rely upon in formulating this proposal. Interested parties may review and comment on the updated version of the CWG draft report for consideration as part of DOE’s efforts at <https://www.energy.gov/topics/climate>.

⁸⁸ 67 FR 8452 (Feb. 22, 2002).

⁸⁹ Executive Order 14303, 90 FR 22601 (May 29, 2025).

⁹⁰ See also Hausfather, Z. & Peters, G.P. (2020). Emissions—the ‘business as usual’ story is misleading. *Nature*, 577, 618–620: <https://doi.org/10.1038/d41586-020-00177-3>; Burgess, M.G. et al. (2021). IPCC baseline scenarios have over-projected CO₂ emissions and economic growth. *Environmental Research Letters*, 16, 014016: <https://doi.org/10.1088/1748-9326/abcd22>; Pielke, R., & Ritchie, J. (2020). Systemic Misuse of Scenarios in Climate Research and Assessment Social Sciences Research Network. SSRN: <http://doi.org/10.2139/ssrn.3581777>.

⁹¹ See also Hausfather, Z. et al. (2019). Evaluating the Performance of Past Climate Model Projections. *Geophysical Research Letters*, 47(1): <https://doi.org/10.1029/2019GL085378>; Scaffeta, N. (2023). CMIP6 GCM ensemble members versus global surface temperatures. *Climate Dynamics*, 60, 3091–3120: <https://doi.org/10.1007/s00382-022-06493-w>; McKittrick, R. & Christy, J. (2020). Pervasive Warming Bias in CMIP6 Tropospheric Layers. *Earth and Space Science*, 7(9), e2020EA001281: <https://doi.org/10.1029/2020EA001281>; Karl, T.R. et al. (2006). *Temperature Trends in the Lower Atmosphere: Steps for Understanding and Reconciling Differences*. U.S. Climate Change Science Program, Subcommittee on Global Change Research.

substantially more than previously recognized by the EPA in the direction of net benefits, or is at least too uncertain to establish a credible and reliable finding of actionable risk, as discussed further below.

With respect to extreme weather events, the Endangerment Finding projected adverse health impacts from increased frequency and severity of hurricanes, flooding, and wildfires. *E.g.*, 74 FR 66498. Recent data and analyses suggest, however, that despite increased public attention and concern, such extreme weather events have not demonstrably increased relative to historical highs (2025 CWG Draft Report at 65–72, 111).⁹⁴ In reviewing the assumptions and conclusions regarding extreme weather events in the Endangerment Finding, the empirical bases asserted appear to be more generalized and unsupported than previously believed and no longer inspire the same degree of confidence. The Administrator further notes that the risks anticipated in the Endangerment Finding resulted, in part, from the Agency's decision at the time to categorically exclude consideration of adaptation and mitigation that should have been incorporated into the analysis as credible and relevant information. We propose that the data on weather events, coupled with the Agency's decision to exclude mitigation and adaptation information from the analysis, fatally undermines the Endangerment Finding's conclusions in this respect.

The Endangerment Finding also identified public health and welfare impacts from projected increases in sea level and related weather and climatic events. However, on this issue, too, recent data and analyses suggest that aggregate sea level rise has been minimal, at least with respect to impacts

on the United States, and that sea level has risen in some domestic localities while falling in others (2025 CWG Draft Report at 75–80). The Administrator also questions whether it was appropriate for the Endangerment Finding to exclude any analysis of adaptation with respect to sea level rise in particular. Population growth, infrastructure development, and local and regional planning decisions have been dynamic in coastal areas since 2009, with different trends in different coastal areas and different choices made independently of the EPA's regulatory actions by state and local governments and private entities. The lack of analysis of adaptation generally, and particularly with respect to sea level rise, reduces confidence in the reasonableness, accuracy, and reliability of the assumptions and conclusions in the Endangerment Finding.

The difficulties with parsing the scientific record continue, and they go to the root of what methodologies should be given most credence in making any scientific determinations. The Endangerment Finding consistently cites climate models as showing or predicting warming trends, melting ice, anthropogenic droughts, shrinking snowpack, damage to aquatic systems of life, and increased ocean temperature and acidity. *E.g.*, 74 FR 66523, 66532. However, the data relied upon as inputs to these models may be based on inaccurate assumptions. (2025 CWG Draft Report at 14–22).⁹⁵ To name but a few instances: the Northern hemispheric winter snow cover has not decreased in line with the models used in the Endangerment Finding; aquatic life is largely adapted for and has undergone oceanic pH changes throughout the Earth's history, and the data used by the Endangerment Findings and predictions of coral decline has not been supported by empirical data showing an unexpected growth in coral reef ecosystems (2025 CWG Draft Report at 7–12, 40–41).⁹⁶ In addition, the models relied upon by the Endangerment Finding may be incorrect with regard to warming in the U.S. Corn Belt given the

divergence of recent empirical data from projected trends (2025 CWG Draft Report at 32–47).

The Administrator is also troubled by the Endangerment Finding's seemingly inconsistent treatment of the nature and extent of the role human action with respect to climate change. The Endangerment Finding attributes the entirety of adverse impacts from climate change to increased GHG concentrations, and it attributes virtually the entirety of increased GHG concentrations to anthropogenic emissions from all sources. But the causal role of anthropogenic emissions is not the exclusive source of these phenomena, and any projections and conclusions bearing on the issue should be appropriately discounted to reflect additional factors. Moreover, recent data and analyses suggest that attributing adverse impacts from climate change to anthropogenic emissions in a reliable manner is more difficult than previously believed and demand additional analysis of the role of natural factors and other anthropogenic factors such as urbanization and localized population growth (2025 CWG Draft Report at 14–22, 82–92).⁹⁷

In addition, and as noted in particular contexts above, the Administrator is concerned that the Endangerment Finding did not adequately balance the projected adverse impacts attributed to global climate change with the potential benefits to the United States of increased GHG concentrations, and increased CO₂ concentrations in particular. Unlike virtually every other gas regulated under the CAA, CO₂ is necessary for human, animal, and plant life, and advances public health and welfare by directly impacting plant growth and therefore the price and availability of food, the success of American agricultural and related

⁹⁴ See also Masson-Delmotte, V. et al. (2021) Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. Cambridge University Press: <https://doi.org/10.1017/9781009157896>; Klotzbach, P.J. et al. (2018). Continental U.S. Hurricane Landfall Frequency and Associated Damage: Observations and Future Risks. *Bulletin of the American Meteorological Society*, 99(7), 1359–1376: <https://doi.org/10.1175/BAMS-D-17-0184.1>; Hodgkins, G.A. et al. (2017). Climate-driven variability in the occurrence of major floods across North America and Europe. *Journal of Hydrology*, 552, 704–717: <https://doi.org/10.1016/j.jhydrol.2017.07.027>; Wuebbles, D.J. et al. (2017). Climate Science Special Report: Fourth National Climate Assessment, Volume I. U.S. Global Change Research Program: <http://doi.org/10.7930/J0J964J6>; Hodgkins, G.A. et al. (2017). Climate-driven variability in the occurrence of major floods across North America and Europe. *Journal of Hydrology*, 552, 704–717: <https://doi.org/10.1016/j.jhydrol.2017.07.027>.

⁹⁵ See also McKittrick, R. et al. (2012). Long-Term Forecasting of Global Carbon Dioxide Emissions: Reducing Uncertainties Using a Per Capita Approach. *Journal of Forecasting*, 32(5), 435–451: <https://doi.org/10.1002/for.2248>.

⁹⁶ See also Connolly, R. et al. (2019). Northern Hemisphere Snow-Cover Trends (1967–2018): A Comparison between Climate Models and Observations. *Geosciences*, 9(3), 135: <https://doi.org/10.3390/geosciences9030135>; Annual Summary Report of Coral Reef Condition 2021/22. Continued coral recovery leads to 36-year highs across two-thirds of the Great Barrier Reef. (2022). Australian Institute of Marine Science: <https://www.aims.gov.au/monitoring-great-barrier-reef/gbr-condition-summary-2021-22>.

⁹⁷ McKittrick, R. (2013). Encompassing tests of socioeconomic signals in surface climate data. *Climatic Change*, 120(1–2), 95–107: <https://doi.org/10.1007/s10584-013-0793-5>; McKittrick, R. & Nierenberg, N. (2010). Socioeconomic Patterns in Climate Data. *Journal of Economic and Social Measurement*, 35(3–4), 149–175: <https://doi.org/10.3233/JEM-2010-0336>; McKittrick, R. (2021). Checking for model consistency in optimal fingerprinting: a comment. *Climate Dynamics*, 58(1–2), 405–411: <https://doi.org/10.1007/s00382-021-05913-7>; McKittrick, R. (2023). Total least squares bias in climate fingerprinting regressions with heterogeneous noise variances and correlated explanatory variables. *Environmetrics*, 35(2), e2835: <https://doi.org/10.1002/env.2835>; McKittrick, R. (2022). On the choice of TLS versus OLS in climate signal detection regression. *Climate Dynamics*, 60, 359–374: <https://doi.org/10.1007/s00382-022-06315-z>; Connolly, R. et al. (2021). How much has the sun influenced Northern Hemisphere temperature trends? An ongoing debate. *Research in Astronomy and Astrophysics*, 21(6), 131: <https://doi.org/10.1088/1674-4527/21/6/131>.

industries, and the traditional capacity of the United States to export significant food supplies around the world for economic and humanitarian purposes. Recent data and analysis show that even marginal increases in CO₂ concentrations have substantial beneficial impacts on plant growth and agricultural productivity, and that this benefit has been significantly greater than previously believed (2025 CWG Draft Report at 6–7, 104–09).

The Administrator also questions the decision in the Endangerment Finding to consider together all six “well-mixed” GHGs rather than analyzing the properties and impacts of each on an individual basis. 74 FR 66537. As noted in the 2008 ANPRM, new motor vehicle and engine emissions of the four GHGs they actually emit have fluctuated and diverged over time, and each has different interactions with the climate and natural environment. Nevertheless, the Endangerment Finding did not undertake individual analyses of these four GHGs and, in fact, aggregated them together along with two additional GHGs not emitted by motor vehicles or motor vehicle engines, thereby undermining the transparency, reliability, and usefulness of the findings. We propose that each of the collectively treated GHGs demonstrates different chemical properties, exhibits different interactions with the natural environment, and present different emissions profiles. The Agency did not analyze, for example, whether the three GHGs other than CO₂ emitted by new motor vehicles and engines could be addressed separately in a manner that would impact the ultimate conclusions of endangerment and contribution. Nor did the Agency analyze whether HFCs, which are emitted not by engines but by air conditioning units, could be addressed separately under CAA section 202(a) or another authority in a manner that would impact the ultimate conclusions of endangerment and contribution.

Finally, the Administrator notes that the analyses relied upon in the Endangerment Finding, including the assessment reports of the IPCC and USGCRP that were available at the time and the subsequent iterations of those reports that have been published since 2009, have been criticized on process and quality grounds. Recently, several public watchdog organizations have raised concerns related to the process and quality of the Fifth NCA, which shares the underlying assumptions and conclusions of prior NCAs and IPCC reports. The groups state that NCA5 does not meet the requirements under Executive Order 14303 and deviated

from OMB guidelines on quality, objectivity, utility, and integrity of information disseminated by Federal agencies.

The Administrator takes each of these concerns seriously and seeks public comment on the validity of these concerns and how they should be taken into account when determining whether to finalize any of the alternatives proposed in this action.

2. Proposed Conclusions

Based on this review of the Endangerment Finding and the most recently available scientific information, data, and studies, the Administrator proposes to find, in an exercise in discretionary judgment, that there is insufficient reliable information to retain the conclusion that GHG emissions from new motor vehicles and engines in the United States cause or contribute to endangerment to public health and welfare in the form of global climate change. This proposed conclusion is animated both by the Administrator’s commitment to analyzing the statutory standard as a cohesive whole and by the scientific record, which includes too many analytical gaps, uncertainties, and speculative predictions to reach an affirmative endangerment finding and promulgate corresponding emission standards based on such a finding.

As explained above, the Administrator previously asserted in the Endangerment Finding that CAA section 202(a) grants “procedural discretion” to sever the findings that trigger regulation from consideration of the resulting regulations and to sever the endangerment analysis from the causation or contribution analysis. We propose that the Administrator would now exercise such discretion differently to ensure greater reliability, transparency, and public accountability in the EPA’s invocation of regulatory authority. We note that as a result of the approach taken in the Endangerment Finding, the Administrator’s conclusions with respect to new motor vehicles and engines were never subject to SAB review as required by the CAA, and that the public never had the opportunity to participate in a rulemaking that paired the consideration of risk with discussion of the regulatory response, including the effectiveness and cost of potential regulatory approaches. We propose that CAA section 202(a) operates as an integrated whole, and that the EPA’s administration of that provision should reflect a reasoned consideration of all relevant factors that is not artificially

severed into distinct findings and rulemakings across time.

In addition, we propose that even if intervening legal developments have not foreclosed the regulation of GHG emissions from new motor vehicles and engines under CAA section 202(a), they provide a reasonable basis for the Administrator to approach the inquiry with greater caution today than was applied in the Endangerment Finding. At a minimum, *Loper Bright* confirms that the EPA can no longer rely on statutory silence or ambiguity to imply authorities and discretion not expressly conferred by statute. In exercising the judgment required by CAA section 202(a), the Administrator would choose to adhere as closely as possible to the statutory language, prior Agency implementation of that language, and the initial approach set out in the 2008 ANPRM. We propose that the Administrator’s new approach requires rescinding the Endangerment Finding as fundamentally inconsistent with the framework set out in this proposed alternative.

Moreover, we propose that the Administrator would not now find, in light of the ongoing uncertainties in relevant scientific data and analyses bearing on the question, that the evidence is sufficiently reliable to determine that GHG emissions from new motor vehicles and engines meet the standard for regulation in CAA section 202(a). As discussed in the preamble, the Administrator reviewed the scientific record as part of the reconsideration process and no longer has the degree of confidence previously expressed in the analyses relied upon in the Endangerment Finding, the attribution decisions made in the Endangerment Finding, and the balance of projected adverse impacts and beneficial impacts of climate change struck in the Endangerment Finding.

The EPA seeks comment, for the first time since the 2009 Endangerment Finding was proposed, on whether, due to new scientific information and developments since the 2009 Endangerment Finding, there is a strong enough scientific record to support an affirmative finding that GHG emissions from section 202(a) sources cause or contribute to air pollution which may reasonably be anticipated to endanger public health or welfare. Prompt action is needed to address these concerns, and the Administrator looks forward to stakeholder input on the continuing vitality of the assumptions, predictions, and conclusions animating the 2009 Endangerment Finding.

Additionally, the EPA seeks comment on, if the EPA were to make such a

finding, whether a new comment period would be required and what information would be necessary to provide such a finding. To aid in the EPA's decision making, we also seek comment on the breadth of the Administrator's discretion to exercise judgment by rejecting the approach taken in the Endangerment Finding and the results of adopting a different approach. We also seek comment on any additional aspects of the Endangerment Finding that may have fallen short of the administrative law requirement that agency action be reasonable and reasonably explained. Conversely, we seek comment on why the approach taken in the Endangerment Finding remains reasonable given the legal and scientific developments discussed in this proposal, and the impact, if any, of the EPA's denial of rulemaking petitions in 2022 and 2010 on this alternative proposal. As previously noted, we are also seeking comment on whether the denials in 2022 and 2010 were unlawful for any additional reasons not explored explicitly in this proposal.

V. Separate Bases for Proposed Repeal of GHG Emission Standards

In this section, the EPA proposes repealing existing GHG emission standards for reasons unrelated to the decision to rescind or retain the Endangerment Finding. CAA section 202(a) requires us to consider additional factors before emission standards issued in response to an endangerment finding may go into effect, including cost, the useful life of the vehicles or engines, and the availability of "requisite technology."⁹⁸ Consistent with the language and structure of the statute and the Supreme Court's express reservation of this question in *Massachusetts*, we propose to conclude that policy considerations may be taken into account, at a minimum, when setting standards in response to an endangerment finding or, as here, when determining whether to maintain standards already established.⁹⁹

Specifically, we are proposing that there is no "requisite technology" for emission control for light- and medium-duty vehicles because reducing GHG emissions from such vehicles to zero would not measurably impact GHG concentrations in the atmosphere or the rate of global climate change. Relatedly, we are proposing that there is no "requisite technology" for emission

control for heavy-duty vehicles and engines, even if considered in combination with light- and medium-duty vehicle standards. Finally, we are proposing that GHG emission standards may harm, rather than advance, public welfare as defined in the CAA by reducing fleet turnover that improves air quality, safety, consumer choice, and economic opportunity.

Each of these proposals would, if finalized, serve as an independent and sufficient basis for repealing the relevant GHG emission standards as proposed in section VI of this preamble. The EPA seeks comment on all aspects of these alternative proposed bases for repeal of the GHG emission standards as indicated in the remainder of this section.

A. There Is No Requisite Technology for Light- and Medium-Duty Vehicles That Meaningfully Addresses the Identified Dangers of the Six "Well-Mixed" GHGs

The EPA proposes to repeal GHG emission standards for light- and medium-duty vehicles because no technology for this source category is capable of preventing or controlling the "air pollution" identified as a danger to public health and welfare in the Endangerment Finding, *i.e.*, global concentrations of GHGs in the upper atmosphere. CAA section 202(a)(1) provides that new motor vehicles and engines may comply with emission standards "as complete systems" or by "incorporat[ing] devices to prevent or control" the air pollution that endangers public health or welfare.¹⁰⁰ CAA section 202(a)(2) further provides that emission standards cannot go into effect until "after such period as the Administrator finds necessary to permit the development and application of the requisite technology, giving appropriate consideration to the cost of compliance within such period."¹⁰¹

As noted elsewhere in this preamble, GHG emissions from the United States were 11 percent of global GHG emissions in 2022,¹⁰² down from 23.5 percent in 2005.¹⁰³ The U.S. transportation sector accounted for 28 percent of domestic GHG emissions in 2022, and light- and medium-duty vehicles accounted for 57 percent of U.S. transportation sector GHG emissions.¹⁰⁴ Taken together, the best

available data indicate that GHG emissions from light- and medium-duty vehicles in the United States amounted to approximately 1.8 percent of global GHG emissions in 2022. Reducing GHG emissions from light- and medium-duty vehicles in the United States to zero would result in a 1.8 percent decrease in global GHG emissions, which corresponds to an approximate 3 percent reduction in predicted warming trends (2025 CWG Draft Report at 130).¹⁰⁵ To note, these percentages do not account for trends demonstrating that the United States has been decreasing absolute GHG emissions while other countries like China are significantly increasing their GHG emissions.¹⁰⁶

Global warming trends from 1979 to 2023, the period with the best available data, were determined to a precision (or margin of error) of plus or minus 15 percent total (*id.*). An estimated 3 percent reduction in global warming trends is well below the scientific threshold for measurability and is not a reliable measure for regulatory purposes.

By defining global GHG concentrations in the upper atmosphere as the relevant threat to public health and welfare in the United States, the Endangerment Finding identified a problem that the regulatory tools Congress provided under CAA section 202(a) are simply unable to meaningfully address. Notably, that action defined the relevant "air pollution" as six "well-mixed" GHGs, meaning the combination of GHGs rather than an individual air pollutant that could be emitted by certain sources at greater or lesser levels and would be more amenable to effective prevention and control. 74 FR 66537. To qualify as a "requisite technology" with any measurable impact on the identified danger, an engine design or device would need to *remove* GHGs already present in the atmosphere and would no longer qualify as an *emission* standard for the new motor vehicle or motor vehicle engine.

Additionally, the "requisite technology" to meet the identified danger would, at minimum, require a complete change from internal

Gas Emissions and Sinks: <https://www.epa.gov/ghgemissions/inventory-us-greenhouse-gas-emissions-and-sinks>.

¹⁰⁵ See also U.S. Transportation Sector Greenhouse Gas Emissions 1990–2022. (2024). United States Environmental Protection Agency 89 FR 11275 (Feb. 14, 2024); Statistical Review of World Energy. (2024). Energy Institute: <https://www.energyinst.org/statistical-review>.

¹⁰⁶ Crippa, M. et al. (2023). GHG emissions of all world countries. Publications Office of the European Union: <https://doi.org/10.2760/953322>.

¹⁰⁰ 42 U.S.C. 7521(a)(1).

¹⁰¹ 42 U.S.C. 7521(a)(2).

¹⁰² U.S. Environmental Protection Agency. (Last updated Mar. 31, 2025). Global Greenhouse Gas Overview: <https://www.epa.gov/ghgemissions/global-greenhouse-gas-overview>.

¹⁰³ 74 FR 66539.

¹⁰⁴ U.S. Environmental Protection Agency. (Last updated July 1, 2025). Inventory of U.S. Greenhouse

⁹⁸ See 42 U.S.C. 7521(a)(1)–(2), (a)(3)(B).

⁹⁹ See *Massachusetts*, 549 U.S. at 534–35 ("We need not and do not reach the question whether on remand EPA must make an endangerment finding, or whether policy concerns can inform EPA's actions in the event that it makes such a finding.").

combustion engines to EVs or another zero-emissions technology. We propose that this form of fuel switching is analogous to the generation-shifting approach we attempted to take for existing stationary sources and that was held to be illegal in *West Virginia*. As explained further below, even a complete shift toward EVs or other zero-emission vehicle and engine technologies in the United States would not reliably and meaningfully reduce elevated global concentrations of GHGs and, therefore, not reliably and meaningfully reduce the risks of climate change asserted in the Endangerment Finding. Given the relatively low share of total global anthropogenic emissions, new motor vehicles and engines in the United States would need to remove GHGs from the atmosphere to have the potential for a reliable impact on GHG concentrations and potential impacts, particularly when viewed in light of increased growth in foreign emissions sources.

The EPA seeks comment on this proposed rationale, including on the proper interpretation of “requisite technology,” the appropriate standard for measuring pollution prevention and control, and the scientific threshold for determining measurable impacts on trends in climate change.

B. There Is No Requisite Technology for Heavy-Duty Vehicles That Addresses the Identified Dangers of the Six “Well-Mixed” GHGs

For similar reasons, the EPA also proposes to repeal GHG emission standards for heavy-duty vehicles because there is no requisite technology capable of preventing or controlling the “air pollution” identified in the Endangerment Finding. Heavy-duty vehicles account for an even lower percentage of GHG emissions in the U.S. transportation sector than light- and medium-duty vehicles: 23 percent, as compared to 57 percent.¹⁰⁷ Therefore, of the global GHG emissions in 2022, heavy-duty vehicles contributed approximately 0.7 percent. If all heavy-duty vehicles in the U.S. no longer emitted GHGs, that would only result in a decrease of 0.7 percent of all worldwide GHG emissions. As noted in the previous subsection, that low figure corresponds to a predicted warming impact well below the measurability threshold because warming trends are determined at a precision of plus or

minus 15 percent (2025 CWG Draft Report at 130).

The EPA establishes light- and medium-duty vehicle and heavy-duty vehicles separately under distinct grants of authority in CAA section 202(a) and must justify actions taken with respect to each source category separately. We note, however, that even when considered together, the impact of reducing all GHG emissions from motor vehicles and motor vehicle engines to zero would not result in a measurable impact on trends in climate change. A combined 2.5 percent reduction in global GHG emissions would not result in a more than *de minimis* impact on trends in climate change and would not demonstrate a requisite technology for regulatory purposes.

C. Eliminating GHG Emissions From All Motor Vehicles Would Be Futile

The EPA is proposing that the Agency must consider the impacts of making an Endangerment Finding and cannot arbitrarily separate parts of a sentence within different regulations. Here, we propose that this interpretation means the Agency should not and need not make an endangerment finding under CAA section 202(a)(1) when the regulatory authority conferred by that provision would have no meaningful impact on the identified dangers. As discussed in subparts A and B of this section, we propose that there is no requisite technology that would result in meaningful changes to the impacts of climate change. Whereas the determination in subparts A and B was based on the statutory language within CAA section 202(a)(2), this subpart is based on the statutory language in CAA section 202(a)(1).

Specifically, we propose that when considering whether to make an endangerment finding, the Administrator should consider the ability of the EPA’s CAA section 202(a)(1) authority to meaningfully address the identified risks. As noted above, the Endangerment Finding itself recognized that the relative contribution of GHG emissions to global concentrations from new motor vehicles and engines in the United States is small, and recent data and analyses demonstrate that the share has significantly decreased since 2009. Under the circumstances, even a complete elimination of all GHG emissions from new motor vehicles and engines would not address the risks attributed to elevated global concentrations of GHGs. We propose that this futility further demonstrates that CAA section 202(a) does not, as a matter of text and structure, authorize or

require the EPA to prescribe emission standards for GHG emissions from new motor vehicles and engines. We further propose that it was improper for the Agency to attempt to get around this problem in the Endangerment Finding by asserting that parties regulated under CAA section 202(a) must “do their part” when, in reality, only dramatic reduction in foreign emissions, as well as reductions from domestic sources regulated under other provisions of the CAA, would have any meaningful impact on the global climate change concerns asserted in the Endangerment Finding. The CAA does not authorize the EPA to regulate international sources of emissions, and the statute provides distinct regulatory authority, subject to distinct requirements and standards, for other domestic sources.

D. More Expensive New Vehicles Prevent Americans From Purchasing New Vehicles That Are More Efficient, Safer, and Emit Fewer GHGs

The EPA also proposes to repeal GHG emission regulations for new motor vehicle and motor vehicle engines because the resulting increase in price disincentivizes consumers from purchasing new vehicles and keeps less efficient vehicles on the road for longer.¹⁰⁸ Complying with our GHG emission standards often requires manufacturers to design and install new and more expensive technologies, thereby increasing the price of new vehicles and reducing consumer demand. More expensive new vehicles are cost prohibitive for some consumers, and those consumers are likely to turn to the used vehicle market or continue using an older vehicle.¹⁰⁹

With respect to commercial vehicles, it is widely understood that many commercial vehicle owners and commercial fleet operators consider the total cost of ownership in determining when to purchase new commercial vehicles. The total cost of ownership involves many factors, including, for example, not only vehicle price, but also owning and operating costs (e.g., service and maintenance costs and fuel costs). Depending on the impacts of the GHG regulations on the specific vehicle category and the considerations relevant to the commercial vehicle purchaser, the impacts of GHG regulations may result in a decrease in new commercial vehicle sales. We also note that commercial vehicle owners and fleet operators may incur additional costs

¹⁰⁷ U.S. Environmental Protection Agency. (Last updated July 1, 2025). Inventory of U.S. Greenhouse Gas Emissions and Sinks: <https://www.epa.gov/ghgemissions/inventory-us-greenhouse-gas-emissions-and-sinks>.

¹⁰⁸ For additional discussion on this topic, see 85 FR 24174 (Apr. 30, 2020).

¹⁰⁹ A discussion of the impact of higher vehicle prices on slowing fleet turnover can be found at 85 FR 24626 (Apr. 30, 2020).

associated with ongoing compliance obligations under the GHG standards for an applicable model year, including testing and reporting requirements that are reflected in the total cost of ownership but not necessarily the vehicle price.¹¹⁰

All other things being equal, an increase in the price of new vehicles can result in consumers keeping their vehicles for longer periods, delaying the purchase of new vehicles, and decreasing fleet turnover. Contrary to the goals of the EPA's GHG emission standards and the intended purpose of CAA section 202(a), a delay in fleet turnover can negatively impact air quality because older vehicles tend to emit higher levels of air pollutants, including criteria pollutants and hazardous air pollutants, regulated by the EPA.¹¹¹ Slowing fleet turnover is of particular concern with respect to the EPA's 2024 vehicle GHG rules because of the large increase in vehicle technology costs which will likely lead to large increases in purchase prices, and the impact battery electric and fuel cell vehicle technologies will have on purchasing decisions of consumers (for light-, medium-, and heavy-duty vehicle buyers). Increased prices and some consumers rejecting battery electric and fuel cell vehicle technologies may lead consumers to hold on to their existing vehicles longer. Vehicles are more likely to emit less air pollution with each subsequent model year because of improvements in technology, ordinary wear and tear that decreases the effectiveness of installed technology, and greater stringency in more recent regulations for criteria pollutants and hazardous air pollutants.

For these reasons, the EPA has serious concerns that its GHG standards may be harming air quality by raising prices and reducing fleet turnover. We seek comment on this proposed basis for repeal, including on the economics of fleet turnover, the relative efficiency and emission reductions achieved by newer vehicles, modeling of the changes vehicle criteria pollutant and air toxic emissions as well as changes in upstream emissions, modeling of potential changes in air quality (including ozone and particulate matter) and the potential costs to air quality of retaining standards that may slow fleet turnover as compared to the potential

benefits of retaining GHG emission standards in response to global climate change concerns.

In addition, the EPA notes that greater availability of new vehicles at lower prices furthers public welfare by promoting vehicle safety and consumer choice. New vehicles must meet all Federal Motor Vehicle Safety Standards (FMVSS), which NHTSA continually updates over time to respond to new concerns and to incorporate improvements in safety technology. Manufacturers install technologies to meet these safety requirements and may also include newer safety features not required by regulation. NHTSA has found that newer vehicles offer improved safety features and designs, leading to reduced fatalities and injuries in crashes relative to older vehicles.¹¹² A delay in the turnover of the fleet also could lead to a higher risk to drivers and passengers and delay the safety benefits provided by new vehicles, thereby harming the public welfare in a more direct way than the global climate change impacts animating the EPA's GHG standards.

Moreover, the EPA notes that the ability to own a vehicle is an important means to unlock economic freedom and participate in society as an employee, consumer, and community member. Transportation mobility is essential to economic and social mobility, and there are no readily available substitutes for passenger vehicles in many urban and virtually all non-urban communities throughout the United States. By increasing the price of new vehicles and existing vehicles subject to the standards at manufacture, our GHG emission standards may prevent some people from accessing the benefits of vehicle ownership. For example, in EPA's 2024 vehicle GHG rules, the EPA projected significant increases in vehicle technology costs which we estimated would be passed on to consumers as price increases.¹¹³ In addition, the 2025 OBBB ended the IRA's 30D new clean vehicle tax credit before the end of 2025 (while the IRA allowed for this tax credit through

2032). This significant change will increase the effective price of many new battery electric, plug-in hybrid electric, and fuel cell vehicles, including leased vehicles.

The EPA seeks comment on these additional rationales, including on whether such public welfare considerations can and should be considered when prescribing and revising emission standards under CAA section 202(a). As noted earlier in this preamble, Congress defined "effects on welfare" broadly in CAA section 302(h) to include, but not be limited to, "hazards to transportation, as well as effects on economic values and on personal comfort and well-being." 42 U.S.C. 7602(h). We seek comment on how to give effect to this statutory language as incorporated into the reference in CAA section 202(a) to effects on "public health or welfare." We further seek comment as a general matter on whether the Endangerment Finding and resulting regulations have resulted in disbenefits, that is, on any public health and welfare harms that may flow from the Endangerment Finding and resulting regulations themselves.

VI. Proposed Repeal of GHG Emission Standards

Consistent with the proposed rescission of the Endangerment Finding in section IV.A and IV.B of this preamble, the additional considerations in section V of this preamble, and the discussion of legal authority in section III of this preamble, the EPA is proposing to repeal all GHG emission standards for light-duty vehicles, medium-duty vehicles, heavy-duty vehicles, and heavy-duty engines. This includes emission standards for the subset of four of the six "well-mixed GHGs" whose elevated concentrations in the upper atmosphere the 2009 endangerment finding identified as the "air pollution" in question that are actually emitted by such vehicles and engines—CO₂, N₂O, methane, and HFCs—as well as the compliance provisions for the GHG standards. These proposed changes would apply to all MYs of vehicles and engines, including MYs that have completed manufacture prior to the effective date of any final rule.

Under the proposed revisions, manufacturers may in some cases already be changing their production processes to apply updated emission control information labels for vehicles and engines. Manufacturers may also already be revising warranty statements provided with their engines and vehicles. We also note that this

¹¹⁰ See section VI.C of this preamble for a discussion of the heavy-duty vehicle and engine GHG regulatory requirements and compliance obligations.

¹¹¹ A discussion of the impact of higher vehicle prices on slowing fleet turnover and thus increasing emissions can be found at 85 FR 24186 and 25039 (Apr. 30, 2020).

¹¹² U.S. Department of Transportation, National Highway Traffic Safety Administration. How Vehicle Safety Has Improved Over the Decades: <https://www.nhtsa.gov/how-vehicle-safety-has-improved-over-decades>.

¹¹³ For a discussion of this topic, see chapter 4.2 of the Multi-Pollutant Emissions Standards for Model Years 2027 and Later Light-Buty and Medium-Duty Vehicles final rule RIA, <https://nepis.epa.gov/Exe/ZyPDF.cgi?Dockkey=P1019VPM.pdf>, and Chapter 3 of the Greenhouse Gas Emissions Standards for Heavy-Duty Vehicles: Phase 3 final rule RIA, <https://nepis.epa.gov/Exe/ZyPDF.cgi/P101ABVT.PDF?Dockkey=P101ABVT.PDF>.

proposed action would not, if finalized, require manufacturers to adapt immediately if doing so would raise timing concerns. Unlike the GHG emission standards we propose to repeal, this proposed action would increase flexibility and not mandate any particular technology response. Manufacturers will have no vehicle technology mix constraints which arise from the EPA GHG standards and will be free to produce a range of technologies, including gasoline, diesel, alternative fuels, and plug-in electric vehicles. Furthermore, we have adequate statutory authority to approve manufacturers' requests to continue to offer a warranty that is more generous than required under regulations, and to include information on emission control information labels that is more than required under the proposed regulations. Thus, we do not anticipate material compliance difficulties on the part of manufacturers if this repeal action is finalized as proposed.

In section VI.A of this preamble, we discuss the anticipated impacts of the proposed repeal of GHG emission standards under CAA section 202(a) on the overall regulatory scheme for parties currently subject to the standards. As explained in this section and elsewhere in this preamble, we are not proposing to reopen or substantively revise any emission standards for criteria pollutants or hazardous air pollutants or to reopen or substantively revise any regulatory provisions related to NHTSA's CAFE standards or the EPA's role in administering EPCA and EISA. Moreover, this proposed action would not impact Federal preemption for motor vehicle and engine emission standards under CAA section 209(a) or under EPCA and EISA, including with respect to GHGs.

In section VI.B of this preamble, we describe the light-duty (LD) and medium-duty (MD) vehicle program and the proposed changes to the GHG regulations for that program. In section VI.C of this preamble, we describe the heavy-duty (HD) engine and vehicle program and proposed regulatory changes. We request comment on all proposed changes described in this section, including on any additional regulatory provisions for engines and vehicles that should be removed as part of repealing the GHG standards or should be retained to effectuate unrelated standards that we are not proposing to repeal or revise. To aid in public participation, we have submitted a memorandum to the docket that

includes redline text highlighting all proposed changes to the regulations.¹¹⁴

The EPA's engine and vehicle programs are codified in Title 40 of the CFR. Specifically, the standard-setting parts for light- and medium-duty vehicles are located in 40 CFR part 85 and 86. The standard-setting part for heavy-duty engines is located in 40 CFR part 1036 and the standard-setting part for heavy-duty vehicles is 40 CFR part 1037. Each standard-setting part includes regulations describing emission standards and related requirements and compliance provisions for certifying engines or vehicles. As explained in this section and elsewhere in this preamble, the EPA is proposing to retain measurement procedures, reporting requirements, and credit provisions for the light-duty program necessary for demonstrating compliance with NHTSA's CAFE standards and fuel economy labeling to meet our statutory obligations under EPCA and EISA. We consider any changes to those requirements as outside the scope of this rulemaking and may consider changes to these provisions, as appropriate, in a future rulemaking. Further, as explained in this section and elsewhere in this preamble, we are not proposing to reopen or substantively revise emission standards or compliance provisions related to criteria pollutant exhaust emissions (*i.e.*, oxides of nitrogen (NO_x), hydrocarbons (HC), particulate matter (PM), and carbon monoxide (CO)), air toxic emissions, or evaporative and refueling emissions.¹¹⁵ We may consider those issues, as appropriate, in future rulemakings.

A. Scope and Impacts of Proposed Repeal

The EPA is proposing to repeal all regulatory provisions relating to our GHG emission programs for light- and medium-duty vehicles and heavy-duty vehicles and engines on the bases set forth in sections III.A, III.B, and IV of this preamble. If finalized, any one of these alternative proposals would provide a sufficient basis for repealing our existing GHG regulations for new motor vehicles and new motor vehicle engines. Finalizing the proposed rescission of the Endangerment Finding as set out in section IV.A would provide

sufficient basis for repeal because the EPA would lack statutory authority to regulate emissions based on global climate change concerns under CAA section 202(a). Finalizing the proposed rescission of the Endangerment Finding as set out in section IV.B would provide sufficient basis for repeal because the Administrator would conclude that the scientific evidence of endangerment and contribution is too uncertain to satisfy the standard for regulation under CAA section 202(a). And finalizing the proposed rationales set out in section V would provide sufficient basis for repeal, separately or in combination, because the EPA would conclude that our GHG emission standards do not further public health and welfare and cannot go into effect.

The repeal proposed in this NPRM is limited to the regulatory provisions for GHG emission standards found in 40 CFR parts 85, 86, 1036, and 1037, with minor conforming adjustments to unrelated emission standards for new motor vehicles and engines in 40 CFR parts 600 and 1039. As detailed in subparts B and C of this section, this NPRM is not proposing to revise emission standards for criteria pollutants or air toxics. The EPA may reconsider and propose to revise the regulatory provisions for those programs in a separate rulemaking action. Similarly, this NPRM is not reopening or proposing to revise regulatory provisions necessary for NHTSA's CAFE standards or the EPA's co-administration of EPCA and EISA. Accordingly, we are not seeking public comment on the substance of these distinct regulatory programs and will consider such comments outside the scope of this rulemaking.

For this reason, the proposed repeal would not impact Federal preemption under EPCA, as amended by EISA, related to fuel economy standards. EPCA provides that when "an average fuel economy standard prescribed under this chapter is in effect, a State or a political subdivision of a State may not adopt or enforce a law or regulation related to fuel economy standards or average fuel economy standards for automobiles covered by an average fuel economy standard under this chapter"¹¹⁶ unless the standards are identical or apply only to vehicles obtained for the use of the State or political subdivision.¹¹⁷ If finalized, this action would not reopen or revise any fuel economy standards or alter the EPA's statutory role in co-administering

¹¹⁴ Memorandum to Docket EPA-HQ-OAR-2025-0194, "Redline Version of EPA's Proposed Regulations for the Reconsideration of 2009 Endangerment Finding and Greenhouse Gas Vehicle Standards." August 2025.

¹¹⁵ In this proposed rulemaking, NO_x, HC, PM, and CO are sometimes described collectively as "criteria pollutants" because they are either criteria pollutants under the CAA or precursors to the criteria pollutants ozone (O₃) and PM.

¹¹⁶ 49 U.S.C. 32919(a).

¹¹⁷ 49 U.S.C. 32919(b)–(c).

any such standards, including NHTSA's CAFE standards.

The proposed repeal also would not impact Federal preemption of emission standards for new motor vehicle and engine emission standards. CAA section 209(a) provides that “[n]o State or any political subdivision thereof shall adopt or attempt to enforce any standard relating to the control of emissions from new motor vehicles or new motor vehicle engines subject to this part,” including “certification,” “inspection” or “approval” requirements “relating to the control of emissions from” such vehicles or engines.¹¹⁸ Because new motor vehicles and engines currently subject to GHG emission standards would remain subject to Title II of the CAA, the statute would continue to preempt “any” State or local “standard relating to the control of emissions.” Relatedly, the CAA would continue to preempt Federal common-law claims for GHG emissions because “Congress delegated to EPA the decision whether and how to regulate” such emissions. *Am. Elec. Power Co. v. Connecticut*, 564 U.S. 410, 426 (2011). We would retain our authority to prescribe emission standards for any air pollutant that, in the Administrator’s judgment, causes or contributes to air pollution that may reasonably be anticipated to endanger public health or welfare. The bases for repeal proposed in this action would not foreclose us from regulating CO₂, methane, NO_x, HFCs, PFCs, or SF₆ emissions from new motor vehicles or engines if the Administrator determines that one or more of those gases meet the requirements for regulation under CAA section 202(a), as discussed herein. As noted above, we seek comment on the continued preemptive effect of the CAA in the event that the EPA finalizes the proposed rescission or otherwise concludes that it lacks authority to regulate GHG emissions under CAA section 202(a) or any other specific regulatory provision of the CAA.

The EPA’s engine and vehicle programs are codified in Title 40 of the CFR. Specifically, the standard-setting parts for light- and medium-duty vehicles are located in 40 CFR parts 85 and 86. The standard-setting part for heavy-duty engines is located in 40 CFR part 1036 and the standard-setting part for heavy-duty vehicles is 40 CFR part 1037. Each standard-setting part includes regulations describing emission standards and related requirements and compliance provisions for certifying engines or vehicles.

B. Light- and Medium-Duty Vehicle GHG Program

This subpart provides background on the EPA’s light-duty and medium-duty vehicle GHG emission programs. In general, through a series of rulemakings beginning with Model Year 2010 for light-duty vehicles and Model Year 2014 for medium-duty vehicles, the EPA increased the stringency of the GHG standards for these vehicles over time, in particular the CO₂ standard. Section VI.A.2 of this preamble describes the proposed changes to the light-duty and medium-duty vehicle GHG regulations.

1. Background on the Light- and Medium-Duty Vehicle GHG Program

In 2010, the EPA relied on the Endangerment Finding to adopt the first GHG emission standards for passenger cars and light trucks for MYs 2012 through 2016 in a joint rulemaking with NHTSA.¹¹⁹ In 2012, the EPA and NHTSA adopted another set of GHG standards (issued by EPA) and fuel economy standards (issued by NHTSA) for passenger cars and light trucks for MYs 2017 and later in a joint rulemaking.¹²⁰ In 2020, the EPA and NHTSA revised the standards that had previously been adopted and extended them for MYs 2021 through 2026.¹²¹ In 2021, we further revised GHG standards for passenger cars and light trucks for MYs 2023 through 2026.¹²² For medium-duty vehicles, we initially adopted GHG standards as part of the Phase 1 and Phase 2 heavy-duty GHG standards, as described in section VI.B.1 of this preamble. In 2024, we adopted new standards for passenger cars, light trucks, and medium-duty vehicles starting in MY 2027, effectively combining standards that had previously been maintained separately.¹²³

The EPA has also taken various actions to comply with statutory obligations under EPCA and EISA. Enacted in 1975, EPCA requires NHTSA to establish a regulatory program for motor vehicle fuel economy (now known as CAFE standards) and requires the EPA to establish measurement procedures, data collection procedures, and rules for calculating average fuel economy values in support of NHTSA’s CAFE standards. In 2007, Congress amended EPCA by enacting EISA, which required continuing increases in the stringency of CAFE standards for passenger cars and light trucks through

MY 2020. EISA also authorized new fuel consumption standards for medium-duty vehicles and heavy-duty engines and vehicles.¹²⁴ Those standards, and the EPA’s heavy-duty engine and vehicle GHG programs, are detailed in section VI.B of this preamble.

To comply with EPCA and EISA, the EPA has adopted regulations for fuel economy measurements, calculations, and reporting under 40 CFR part 600. The regulation at 40 CFR part 600 now includes additional provisions for measuring, calculating, and reporting fuel consumption values for medium-duty vehicles. This regulatory structure was designed to maximize efficiency within the Federal government and minimize the burden on the engine and vehicle manufacturers by centralizing data submission. We share information with NHTSA as needed to support implementation of NHTSA’s fuel economy and consumption standards.

2. Proposed Changes to the Light- and Medium-Duty Vehicle GHG Regulations

The EPA’s light-duty and medium-duty vehicle emission regulations are spread across three CFR parts. 40 CFR part 85 includes various general compliance provisions for both criteria pollutant and GHG emissions. Many of those provisions apply equally to highway motorcycles. 40 CFR part 86 includes emission standards and certification provisions for both criteria pollutant and GHG emissions. 40 CFR part 600 includes measurement and reporting procedures related to fuel economy and GHG standards and to fuel economy labeling.

In the following subsections, we describe our proposed removal and amendment of specific portions of each of these regulatory parts. In general, the approach taken in this proposal is to remove the MY 2012 and later GHG emission standards for passenger cars and light trucks and the MY 2014 and later GHG emission standards for medium-duty vehicles. We also propose to remove the testing and reporting requirements associated with the GHG emission standards. In keeping with our obligations under EPCA, as noted in section VI.A.1 of this preamble, we are not proposing to remove the testing and reporting requirements related to CAFE standards for passenger cars and light trucks and are not reopening those requirements. We request comment on the proposed regulatory changes and whether additional changes should be considered.

¹¹⁹ 75 FR 25324 (May 7, 2010).

¹²⁰ 77 FR 62624 (Oct. 15, 2012).

¹²¹ 85 FR 24174 (Apr. 30, 2020).

¹²² 86 FR 74434 (Dec. 30, 2021).

¹²³ 89 FR 27842 (Apr. 18, 2024).

¹²⁴ 49 U.S.C. 32902(k).

¹¹⁸ 42 U.S.C. 7543(a).

a. 40 CFR Part 85—Compliance Provisions for Light- and Medium-Duty Vehicles

In general, we propose to amend 40 CFR part 85 to remove all references to

GHG emission standards and related provisions while retaining provisions that support our criteria pollutant emission program. In this subsection, we describe several proposed amendments that are necessary to

remove GHG-related provisions from 40 CFR part 85 while ensuring that criteria pollutant emission standards are not substantively impacted. Table 1 provides a summary of the proposed amendments to 40 CFR part 85.

TABLE 1—SUMMARY OF PROPOSED CHANGES TO LIGHT-DUTY AND MEDIUM-DUTY HIGHWAY ENGINE REGULATIONS UNDER 40 CFR PART 85

40 CFR part 85	Sections proposed to amend
Subpart F—Exemption of Clean Alternative Fuel Conversions From Tampering Prohibition	85.525.
Subpart P—Importation of Motor Vehicles and Motor Vehicle Engines	85.1515.
Subpart S—Recall Regulations	85.1803, 85.1805.
Subpart T—Emission Defect Reporting Requirements	85.1902.
Subpart V—Warranty Regulations and Voluntary Aftermarket Part Certification Program	85.2103.

The regulations at 40 CFR part 85, subpart F, provide an exemption from the general tampering prohibition for clean alternative fuel conversions. Specifically, the regulations describe how anyone modifying an in-use vehicle to run a different fuel can demonstrate that the fuel conversion maintains a level of emission control that qualifies them for an exemption from the tampering prohibition. This exemption generally allows for the modifying of vehicles already certified to emission standards in a way that does not cause the modified vehicle to exceed the emission standards that apply for the certified vehicle. The demonstration applies for both criteria and GHG emissions. We are proposing to revise 40 CFR 85.525 by removing the requirement to demonstrate compliance with GHG emissions. Program requirements related to criteria exhaust, evaporative, and refueling emissions and onboard diagnostics would remain unchanged.

The regulation at 40 CFR 85.1515 describes the standards that apply for Independent Commercial Importers in their practice of importing used vehicles. We are proposing only to remove text disallowing generation and use of GHG emission credits. We note

further that the regulation requires Independent Commercial Importers to meet all the standards that apply under 40 CFR part 86. With the proposed changes described in this action, the removal of GHG standards from 40 CFR part 86, subpart S, would apply equally to imported vehicles. Imported vehicles would continue to be subject to criteria exhaust, evaporative, and refueling emission standards and requirements for onboard diagnostics as specified in 40 CFR part 86, subpart S.

We are proposing to revise the recall-related instructions for remedial plans and consumer notification in 40 CFR 85.1803 and 85.1805 to remove a reference to 40 CFR 86.1865(j)(3), which we are proposing to remove in this action. The referenced paragraph relates to recall provisions for vehicles that do not comply with GHG standards. We are also proposing to revise definitions of “Emission-related defect” and “Voluntary emissions recall” in 40 CFR 85.1902 where those definitions describe how manufacturers must report GHG-related defects differently than defects related to criteria pollutant emission standards. Finally, we are proposing to amend the warranty provisions for specified major emission control components in 40 CFR 85.2103

by removing the reference to batteries serving as a Renewable Energy Storage System for electric vehicles and plug-in hybrid electric vehicles, along with all components needed to charge the system, store energy, and transmit power to move the vehicle. We would continue to apply the basic emission-related warranty requirement for a period of two years or 24,000 miles where such batteries qualify as an emission-related component.

b. 40 CFR Part 86—Emission Standards and Certification Requirements for Light- and Medium-Duty Vehicles

In general, we propose to amend 40 CFR part 86 to remove all GHG emission standards, references to such standards, and related provisions while retaining provisions that support our criteria pollutant emission program. In this subsection, we describe several proposed amendments that are necessary to remove GHG-related provisions from 40 CFR part 86 while ensuring that criteria pollutant emission standards are not substantively impacted. Table 2 provides a summary of the regulations we propose either to remove or to amend in 40 CFR part 86.

TABLE 2—SUMMARY OF PROPOSED CHANGES TO LIGHT-DUTY AND MEDIUM-DUTY HIGHWAY ENGINE REGULATIONS UNDER 40 CFR PART 86

40 CFR part 86	Sections proposed to remove	Sections proposed to amend
Subpart S—General Compliance Provisions for Control of Air Pollution From New and In-Use Light-Duty Vehicles, Light-Duty Trucks, and Heavy-Duty Vehicles.	86.1815–27, 86.1818–12, 86.1819–14, 86.1865–12, 86.1866–12, 86.1867–12, 86.1870–12.	86.1. 86.1801–12, 86.1803–01, 86.1805–12, 86.1805–17, 86.1807–01, 86.1809–12, 86.1810–09, 86.1810–17, 86.1811–17, 86.1811–27, 86.1816–18, 86.1822–01, 86.1823–08, 86.1827–01, 86.1828–01, 86.1829–15, 86.1830–01, 86.1835–01, 86.1838–01, 86.1839–01, 86.1841–01, 86.1844–01, 86.1845–04, 86.1846–01, 86.1848–10, 86.1854–12, 86.1861–17, 86.1868–12, 86.1869–12.

We are proposing to amend the list of reference documents in 40 CFR 86.1 by removing documents that are referenced only in regulations that we are proposing to remove.

We are proposing to amend the applicability statements in 40 CFR 86.1801–12 by removing references to GHG standards and related compliance provisions. We are also proposing to remove the instruction related to work factor for vehicles above 14,000 pounds gross vehicle weight rating (GVWR) at 40 CFR 86.1801–12(a)(3) since that is meaningful only in the context of GHG standards. We adopted the work-factor provision in a 2016 final rule as a means of limiting the extent to which manufacturers would certify those larger heavy-duty vehicles in test groups along with chassis-certified medium-duty vehicles.¹²⁵ Removing the instruction to calculate GHG standards based on a work factor appropriate for medium-duty vehicles, without other compensating changes, could lead to a greater number of heavy-duty vehicles certified as medium-duty vehicles. The work-factor provision was adopted as a means of addressing competing concerns from different manufacturers. As a result, we are proposing to limit the use of this provision to heavy-duty vehicles with a maximum value of 19,500 pounds GVWR. We believe this limitation is the best way to maintain a consistent approach for certifying affected vehicles.

We are proposing to amend the definitions in 40 CFR 86.1803–01 by removing several defined terms that are used only in regulatory provisions that we are proposing to remove. This includes proposing to remove the definition of “configuration”; while this definition is no longer needed, we are proposing to retain the slightly different definition of “vehicle configuration,” since that definition is needed to support standards related to criteria pollutants. We are accordingly proposing to amend several references across 40 CFR part 86, subpart S, to change from a generic reference to “configuration” and replace it with the specific reference to “vehicle configuration.” We are also proposing to amend 40 CFR 86.1803–01 by adding a definition for “work factor” that is consistent with the definition that is embedded in 40 CFR 86.1819–14. We adopted the definition of “work factor” in 40 CFR 86.1819–14 primarily as a means of accounting for specific vehicle characteristics in establishing GHG emission standards for medium-duty vehicles. We are proposing to remove all

of 40 CFR 86.1819–14 as described below. However, we are keeping the definition of work factor to support the definition of “medium-duty passenger vehicle,” which relies on the work factor concept to categorize vehicles for applying criteria pollutant emission standards.

We are proposing to amend 40 CFR 86.1803–01 and 86.1809–12 by removing references to the air conditioning efficiency test as part of the consideration for determining what is a defeat device. We are proposing to eliminate the air conditioning efficiency test from the EPA certification program because it was only used to generate GHG credits. Note that we are not proposing in this NPRM to remove the air conditioning efficiency credit provisions and measurement procedures from 40 CFR 86.1868–12 and 1066.845, which are used by manufacturers for compliance with fuel economy standards as described in 40 CFR 600.510(c)(3).

We are proposing to amend useful life specifications in 40 CFR 86.1805–12 and 86.1805–17 by removing references to useful life for GHG standards. Useful life for all criteria exhaust, evaporative, and refueling emission standards and onboard diagnostics would remain unchanged.

We are proposing to amend labeling requirements in 40 CFR 86.1807–01 by removing the requirement for battery electric vehicles and plug-in hybrid electric vehicles to identify monitor family and battery durability family on the vehicle emission control information label. We are proposing to remove the battery monitoring and battery durability requirements in 40 CFR 86.1815–27 and therefore no longer to include this family information as part of the certification process.

We are proposing to amend 40 CFR 86.1810–09(f)(2) by removing references to GHG emission standards. Manufacturers must continue to comply with altitude-related demonstration requirements for vehicles subject to the cold temperature standards for nonmethane hydrocarbon emissions.

We are proposing to amend 40 CFR 86.1810–17(j) by removing references to GHG emission standards. Small-volume manufacturers that modify a vehicle already certified by a different company must continue to meet other requirements as specified, such as those related to criteria exhaust, evaporative, and refueling emissions and onboard diagnostics.

We are proposing to amend 40 CFR 86.1811–17, 86.1811–27, and 86.1816–18 by removing references to GHG emission standards. We are not

otherwise proposing to change these sections, which establish criteria exhaust emission standards for light-duty and medium-duty vehicles.

We are proposing to remove 40 CFR 86.1815. We adopted this section to establish battery monitoring and battery durability requirements for battery electric vehicles and plug-in hybrid electric vehicles. Those battery-related requirements were adopted as part of the overall program for controlling GHG emissions. Since the earliest battery monitoring and battery durability requirements were scheduled to start in MY 2027, removing those requirements involves no immediate transition to discontinue compliance for certified vehicles.

We are proposing to remove 40 CFR 86.1818–12 and 86.1819–14. These sections describe the GHG standards and implementing provisions for MY 2010 and later light-duty vehicles and for MY 2014 and later medium-duty vehicles. We propose to discontinue the requirement to demonstrate compliance with these GHG standards and further propose that this discontinuation would apply as of the effective date of the final rule. Manufacturers need not amend existing certificates for ongoing production for the current model year. Manufacturers would in any case not need to submit credit reports at the end of the current model year to demonstrate compliance with the fleet average CO₂ standards.

We are proposing to amend test group specifications in 40 CFR 86.1823–08 by removing durability demonstration requirements related to GHG emission standards.

We are proposing to amend the provisions for establishing test groups in 40 CFR 86.1827–01 by removing the reference to CO₂ emission standards.

We are proposing to amend testing specifications in 40 CFR 86.1829–15 by removing references to GHG emission standards, except where needed to account for emission measurements related to fuel economy labeling. We are also proposing to change the nomenclature for the reference brake-specific CO₂ emission rate needed to perform calculations related to in-use testing for engines certified under 40 CFR 1036.635 for use in vehicles with high towing capacity.

We are proposing to amend the compliance provisions 40 CFR 86.1835–01, 86.1838–01, 86.1841–01, 86.1848–10, and 86.1854–12 by removing references to GHG emission standards.

We are proposing to amend carryover testing provisions in 40 CFR 86.1839–01 by removing references to accuracy requirements for battery monitoring for

¹²⁵ 81 FR 73478 (Oct. 25, 2016).

electric vehicles and plug-in hybrid electric vehicles.

We are proposing to amend instructions for the application for certification in 40 CFR 86.1844–01 by removing references to refrigerant leakage rates and GHG emission standards.

We are proposing to amend in-use testing requirements in 40 CFR 86.1845–04 and 86.1846–01 by removing references to testing GHG emissions and testing related to battery monitor accuracy and battery durability for electric vehicles and plug-in hybrid electric vehicles. We are also proposing to amend 40 CFR 86.1845–04 by changing the nomenclature for the reference brake-specific CO₂ emission rate needed to perform calculations related to in-use testing for engines certified under 40 CFR 1036.635 for use in vehicles with high towing capacity.

We are proposing to amend the credit provisions for criteria exhaust and evaporative emissions in 40 CFR 86.1861–17 by referencing the credit provisions in 40 CFR part 1036, subpart H, instead of 40 CFR part 1037, subpart H. We are proposing to remove the credit provisions in 40 CFR part 1037, subpart H, in this rule because they are needed only in relation to the GHG standards in 40 CFR part 1037, which we are proposing to remove in this rule. The referenced credit provisions in 40 CFR part 1037, subpart H, are equivalent to the analogous credit provisions in 40 CFR part 1036, subpart H. We are also proposing to amend 40 CFR 86.1861–17 by removing a reference to 40 CFR 86.1865(j)(3), which we are proposing to remove in this action.

We are proposing to remove 40 CFR 86.1865–12. This section describes the emission credit provisions related to the fleet average GHG standards. See the discussion related to 40 CFR 86.1818–12 and 86.1819–14 for the transition to discontinued GHG standards for the

model year currently in production for the year when the final rule is effective. More specifically, we are proposing no longer to recognize manufacturers' positive or negative GHG credit balances as of the effective date of the final rule. Note also that we are proposing to remove 40 CFR 86.1865–12(j)(3), which describes recall provisions for vehicles that do not comply with GHG standards. We recognize that a credit-based approach to recall is no longer appropriate without a GHG credit program. Accordingly, we are proposing to remove the provisions describing a credit-based remedy for noncompliance that does not involve a vehicle defect that can be repaired to bring vehicles into compliance with standards.

We are proposing to remove 40 CFR 86.1866–12, 86.1867–12, and 86.1867–31. These sections describe GHG credit programs for advanced technology and air conditioning leakage that serve only in relation to the GHG standards that we are proposing to remove in this rule.

We are proposing to amend the credit provisions for air conditioning efficiency and for off-cycle technologies in 40 CFR 86.1868–12 and 86.1869–12 by removing references to the fleet average GHG standards and adjusting the description to clarify that these credit provisions continue to serve as inputs for calculating fuel consumption improvement values and average fuel economy for light-duty program vehicles under 40 CFR 600.510. The 2024 final rule included new standards for light-duty program vehicles and several changes related to these credit programs, and we are not reopening those decisions.¹²⁶ First, we adopted a change for both air conditioning efficiency credits and off-cycle credits to not allow vehicles without engines to generate those credits starting in model year 2027. Second, we created a schedule to phase down off-cycle credits for vehicles with engines by

establishing a declining value of the cap on off-cycle credits through model year 2032, with off-cycle credits fully discontinued for all vehicles starting in model year 2033. Third, we removed the option for manufacturers to generate off-cycle credits according to the provisions of 40 CFR 86.1869–12(c) and (d) starting in model year 2027.

We are proposing to remove 40 CFR 86.1870–12. This section describes a GHG credit program for full-size pickup trucks with hybrid technology. Those GHG credits were also used for calculating fuel consumption improvement values and average fuel economy for light-duty program vehicles under 40 CFR 600.510. However, we amended those credit provisions in the 2021 final rule to establish model year 2024 as the last year that manufacturers could generate those credits.¹²⁷ Because those credits are already discontinued for purposes of demonstrating compliance with EPA emission standards, manufacturers can no longer use those provisions to create fuel consumption improvement values under 40 CFR part 600.

c. 40 CFR Part 600—Requirements Related to Fuel Economy for Light- and Medium-Duty Vehicles

In general, we propose to amend 40 CFR part 600 to remove all references to GHG emission standards and related provisions while retaining provisions that support compliance with CAFE standards and fuel economy labeling for passenger cars and light trucks. In the remainder of this subsection, we describe several proposed amendments that are needed to remove GHG-related provisions from 40 CFR part 600 without affecting provisions related to CAFE standards and fuel economy labeling. Table 3 provides a summary of the regulations we propose either to remove or to amend in 40 CFR part 600.

TABLE 3—SUMMARY OF PROPOSED CHANGES TO LIGHT-DUTY AND MEDIUM-DUTY HIGHWAY ENGINE REGULATIONS UNDER 40 CFR PART 600

40 CFR part 600	Sections proposed to remove	Sections proposed to amend
Subpart A—General Provisions .....	.....	600.001, 600.002, 600.006, 600.007, 600.008, 600.010.
Subpart B—Fuel Economy and Exhaust Emission Test Procedures. ....	.....	600.101, 600.111–08, 600.113–12, 600.114–12, 600.116–12, 600.117.
Subpart C—Procedures for Calculating Fuel Economy and Carbon-related Exhaust Emission Values. ....	.....	600.206–12, 600.207–12, 600.210–12.
Subpart F—Procedures for Determining Manufacturer's Average Fuel Economy.	600.514–12	600.507–12, 600.509–12, 600.510–12, 600.512–12.

¹²⁶ 89 FR 27842 (Apr. 18, 2024).

¹²⁷ 86 FR 74434 (Dec. 30, 2021).

We are proposing to amend the applicability statements in 40 CFR 600.001 by removing references to carbon-related exhaust emissions and fleet average CO₂ standards. We are also proposing to remove the reference in 40 CFR 600.001(a) to medium-duty vehicles because we are proposing to revise 40 CFR part 600 such that those vehicles would no longer be subject to regulation under 40 CFR part 600. In contrast, the testing provisions would remain to describe how passenger automobiles and light trucks (including medium-duty passenger vehicles) must meet fuel economy standards and how manufacturers must prepare fuel economy labels.

We are proposing to amend the definitions in 40 CFR 600.002 by removing the reference to fleet average CO₂ standards. We are also proposing to remove the portions of several definitions that relate to medium-duty vehicles (also described as heavy-duty vehicles in the regulation).

We are proposing to amend the definition of Medium-Duty Passenger Vehicle (MDPV_{FE}) for purposes of fuel economy testing and reporting in 40 CFR 600.002 to align with the clarified definition published by NHTSA at 49 CFR 523.2 (89 FR 52945, June 24, 2024). Aligning these definitions is necessary to ensure EPA's test procedures are properly applied to vehicles covered by fuel economy standards and labeling requirements.

As described for 40 CFR 86.1803–01, we are proposing to amend several references across 40 CFR part 600 to change from a generic reference to “configuration” and replace it with the specific reference to “vehicle configuration.”

We are proposing to amend the information requirements in 40 CFR 600.006 through 600.010 by removing references to carbon-related exhaust emissions, GHG emission standards, and reporting GHG-related information generally.

We are proposing to amend the testing overview in 40 CFR 600.101 and 600.111–08 by removing references to carbon-related exhaust emissions and fleet average CO₂ emissions.

We are proposing to amend the emission calculations in 40 CFR 600.113–12 by removing references to carbon-related exhaust emissions and other GHG emissions.

We are proposing to amend the interim testing provisions in 40 CFR 600.117 by removing paragraph (a)(5) since we are proposing to discontinue GHG testing with in-use vehicles under 40 CFR 86.1845–04. We are also proposing to revise paragraphs (a)(6)

and (b) to clarify that manufacturers do not adjust measured fuel economy values to account for fuel effects, whether they test with E0 or E10 gasoline.

We are proposing to amend the testing, calculation, and reporting specifications in 40 CFR 600.116–12, 600.507–12, 600.509–12, and 600.510–12 by removing references to carbon-related exhaust emissions. We note that calculations related to off-cycle credits in 40 CFR 600.510(c)(3)(ii) continue to rely on carbon-related exhaust emissions as specified in 40 CFR 86.1869–12.

We are proposing to amend the reporting requirements in 40 CFR 600.512–12 by removing references to carbon-related exhaust emissions. This includes amending 40 CFR 600.512–12(c)(5)(i) to explain that the purpose for performing the calculations in 40 CFR 600.510–12(c)(3) is to support credit calculations for fuel economy improvement factors, rather than demonstrating compliance with the fleet average standard for carbon-related exhaust emissions. We are proposing to move the existing reporting requirement for emission credits related to fuel consumption improvement values from 40 CFR 86.1865–12(l)(2)(iii), which we are proposing to remove, to 40 CFR 600.512–12(c)(3) to preserve the existing provisions needed for fuel economy reporting. We are also proposing to remove the reporting requirements in 40 CFR 600.514–12, which are solely related to GHG emissions.

C. Heavy-Duty Engine and Vehicle GHG Program

This subpart includes background on EPA's heavy-duty GHG emission program and describes our proposed changes to the engine-based GHG regulations and our proposed changes to the vehicle-based GHG regulations.

1. Background on the Heavy-Duty Engine and Vehicle GHG Program

The EPA promulgated new GHG emission standards for heavy-duty engines and vehicles in three separate rulemakings. In 2011, the EPA established the first GHG standards for model year 2014 and later heavy-duty engines and vehicles in an action titled “Greenhouse Gas Emissions and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines and Vehicles” (HD GHG Phase 1).¹²⁸ In 2016, the EPA set new GHG standards for model year 2021 and later heavy-duty engines and vehicles in an action titled “Greenhouse Gas Emissions and Fuel Efficiency

Standards for Medium- and Heavy-Duty Engines and Vehicles—Phase 2” (HD GHG Phase 2).¹²⁹ Most recently, in 2024, the EPA finalized an action titled “Greenhouse Gas Emissions Standards for Heavy-Duty Vehicles—Phase 3” (HD GHG Phase 3), which set new CO₂ emission standards for model year 2032 and later heavy-duty vehicles that phase in starting as early MY 2027 for certain vehicle categories.¹³⁰ The phase-in revises MY 2027 GHG standards that were established previously under the EPA's HD GHG Phase 2 rulemaking.¹³¹

The EPA and NHTSA jointly issued the HD GHG Phase 1 and HD GHG Phase 2 rulemakings covering heavy-duty GHG emission and fuel efficiency standards. The EPA set GHG emission standards under CAA section 202(a), and NHTSA set fuel consumption standards under EISA.¹³² The EPA and NHTSA programs are harmonized through MY 2026; however, NHTSA has not adopted changes in fuel consumption standards corresponding to the EPA's HD GHG Phase 3 standards. As a result, the CO₂ emission and fuel consumption standards currently diverge in MY 2027 and later.

The EPA's regulations include the test procedures along with a certification and compliance program, which is led by the EPA. As noted previously, this regulatory structure was designed to maximize efficiency within the Federal government and minimize the burden on the engine and vehicle manufacturers by centralizing data submission. Manufacturers submit data and information to the EPA and the EPA, in turn, shares information with NHTSA as needed to support NHTSA's implementation of its fuel consumption standards.¹³³

2. Proposed Changes to the Heavy-Duty Engine and Vehicle GHG Regulations

The EPA's heavy-duty engine and vehicle emission regulations are contained in two standard-setting parts. 40 CFR part 1036 includes the engine-based emissions regulations for both criteria pollutant and GHG emissions.¹³⁴ 40 CFR part 1037 includes the vehicle-based emission regulations for criteria pollutant exhaust emissions,

¹²⁹ 81 FR 73478 (Oct. 25, 2016).

¹³⁰ See 89 FR 29559–29561 (Apr. 22, 2024).

¹³¹ 89 FR 29440 (Apr. 22, 2024).

¹³² 49 U.S.C. 32902(k).

¹³³ See 49 CFR 535.8, 1036.755, 1037.755.

¹³⁴ Note that heavy-duty engine manufacturers are subject to criteria pollutant standards in 40 CFR part 86, subpart A, through 2026. In a recent rulemaking (88 FR 4296, Jan. 24, 2023), the EPA migrated criteria pollutant regulations from 40 CFR part 86, subpart A, to 40 CFR part 1036 with new requirements that apply to 2027 and later heavy-duty engines. See 88 FR 4326.

¹²⁸ 76 FR 57106 (Sept. 15, 2011).

evaporative and refueling emissions, and GHG emissions.

In the following subsections, we describe our proposed removal and amendment of specific portions of each of these regulatory parts. In general, the approach taken in this proposal is to remove the MY 2014 and later heavy-duty GHG emission standards promulgated in HD GHG Phase 1, Phase 2, and Phase 3, collectively, along with the testing and reporting requirements associated with the GHG emission standards. We request comment on the proposed regulatory changes and whether additional changes are necessary to remove GHG regulations.

a. 40 CFR Part 1036—Emission Standards and Compliance Provisions for Heavy-Duty Engines

40 CFR part 1036 contains regulations related to the final rule titled “Control of Emissions from New and In-Use Heavy-Duty Highway Engines,” including emission standards and compliance provisions for criteria pollutant emissions, evaporative and

refueling emissions, and GHG exhaust emissions (*i.e.*, CO₂, N₂O, and methane). 40 CFR part 1036 is divided into nine subparts with three appendices. Subpart A defines the applicability of part 1036 and gives an overview of regulatory requirements. Subpart B describes the emission standards and other requirements that must be met to certify engines under this part. Subpart C describes how to apply for a certificate of conformity for heavy-duty engines. Subpart D addresses testing of production engines and hybrid powertrains. Subpart E addresses in-use testing, while Subpart F describes how to test engines to demonstrate compliance with the criteria pollutant and GHG emission standards. Subpart G describes requirements, prohibitions, and other provisions that apply to engine manufacturers, vehicle manufacturers, owners, operators, rebuilders, and all others. Subpart H describes how manufacturers can optionally generate, bank, trade, and use emission credits to certify heavy-duty engines. Subpart I includes definitions

and other reference material. Appendix A includes a summary of previous emissions standards. Appendix B includes the transient duty cycles. Appendix C includes engine fuel maps used in the certification of specific vehicles to meet the heavy-duty vehicle CO₂ emission standards.

This subsection includes an overview of the regulations related to the heavy-duty engine program we propose to remove or revise. In general, we propose to amend 40 CFR part 1036 to remove all GHG emission standards, references to such standards, and related provisions; however, most of 40 CFR part 1036 is retained for EPA’s heavy-duty engine criteria pollutant emission program. In this subsection, we describe the proposed amendments to remove GHG-related provisions from 40 CFR part 1036, which include some amendments needed to retain, without reopening, the efficacy of the criteria pollutant emission standards. Table 4 provides a summary of the regulations we propose either to remove or to amend in 40 CFR part 1036.

TABLE 4—SUMMARY OF PROPOSED CHANGES TO HEAVY-DUTY HIGHWAY ENGINE REGULATIONS UNDER 40 CFR PART 1036

40 CFR part 1036	Sections proposed to remove	Sections proposed to amend
Subpart A—Overview and Applicability .....	.....	1036.1, 1036.5, 1036.15.
Subpart B—Emission Standards and Related Requirements.	1036.108	1036.101, 1036.115, 1036.130, 1036.135, 1036.150.
Subpart C—Certifying Engine Families	1036.241	1036.205, 1036.225, 1036.230, 1036.231, ^a 1036.235, 1036.245.
Subpart D—Testing Production Engines and Hybrid Powertrains.	.....	1036.301.
Subpart E—In-Use Testing .....	.....	1036.415.
Subpart F—Test Procedures	1036.505, 1036.535, 1036.540, 1036.543, 1036.550.	1036.501, 1036.510, 1036.512, 1036.514, 1036.520, 1036.530, 1036.545, 1036.580.
Subpart G—Special Compliance Provisions	1036.610, 1036.615, 1036.620, 1036.625, 1036.630, 1036.635.	1036.605. ^b
Subpart H—Averaging, Banking, and Trading for Certification.	1036.745, 1036.755	1036.701, 1036.705, 1036.710, 1036.720, 1036.725, 1036.730, 1036.740, 1036.750.
Subpart I—Definitions and Other Reference Information.	.....	1036.801, 1036.805, 1036.810, 1036.815.
Appendices	Appendix C.	

^a We are proposing to move 40 CFR 1037.231 to a new 40 CFR 1036.231.

^b We are proposing similar revisions in 40 CFR 86.007–11(g) and 86.008–10(g) for model year 2026 and earlier engines for specialty vehicles.

Within 40 CFR part 1036, subpart B, we propose to remove 40 CFR 1036.108, which includes the GHG emission standards for CO₂, N₂O, and methane. We also propose to remove several paragraphs from 40 CFR 1036.150 that describe interim provisions related to the heavy-duty engine or vehicle GHG programs. We propose to remove and reserve 40 CFR 1036.150(b), (d), (e), (g)–(j), (l)–(n), (p)–(s), and (w) and otherwise to retain the existing section numbering. We propose to remove 40 CFR 1036.150(aa) at the end of the section.

In 40 CFR part 1036, subpart C, we propose to remove 40 CFR 1036.230(f) and (g), which describe how manufacturers divide their product lines into engine families for certifying to the GHG emission standards. We propose several revisions in 40 CFR 1036.235 to remove GHG emission testing requirements. In 40 CFR 1036.235(a), we propose to migrate text from 40 CFR 1037.235(a) that provides direction on how manufacturers select the test powertrain to replace GHG-related testing requirements in 40 CFR 1036.235(a)(2). We propose to remove in

its entirety 40 CFR 1036.241, which describes how to demonstrate compliance with the heavy-duty engine GHG emission standards. In 40 CFR 1036.245, existing provisions allow manufacturers to use vehicle-based duty cycles for engine service accumulation in the laboratory to determine deterioration factors. As described in section VI.C.2.b of this preamble, we are proposing to remove the referenced vehicle-based duty cycles from 40 CFR part 1037, so we are proposing to revise 40 CFR 1036.245(c)(3)(ii) to allow manufacturers to request approval of a

different test sequence, without requiring specific duty cycles.

Also in 40 CFR part 1036, subpart C, we propose to migrate the provisions that relate to powertrain families from the vehicle standard-setting part in 40 CFR 1037.231 to the engine standard-setting part as a new 40 CFR 1036.231 with proposed revisions described in this section. In a previous rule (89 FR 29616), we migrated the powertrain test procedure from the heavy-duty vehicle procedures (formerly 40 CFR 1037.550) to the heavy-duty engine procedures in 40 CFR 1036.545 because we expected powertrain testing to be primarily used by engine manufacturers in certifying engines to criteria pollutant standards or in place of engine-based procedures for GHG standards. Similarly, we are proposing to migrate the related provisions manufacturers would use to divide their product line into powertrain families. In general, we propose to migrate the text from the vehicle program in 40 CFR 1037.231 to a newly created section in the engine program under 40 CFR 1036.231. We propose to modify the text previously under 40 CFR 1037.231(b)(1), such that the new 40 CFR 1036.231(b)(1) would no longer require powertrains to share the same engine families described in 40 CFR 1036.230 but would require the engine share the same design aspects specified in 40 CFR 1036.230. Since a manufacturer may choose to certify the whole powertrain to the standards in 40 CFR part 1036, there would only be a powertrain family, not a certified engine family that contains just the engine. Similarly, and consistent with our approach for defining engine families in 40 CFR 1036.230, we see no need to limit the powertrain family based on the vehicle service class the powertrain goes into and propose not to migrate the existing 40 CFR 1037.231(b)(2) that requires powertrain families to share vehicle service class groupings. We are also proposing not to migrate “energy capacity” as an example attribute in the proposed new 40 CFR 1036.231(b)(10), since it is not needed for the criteria pollutant standards. Similarly, we are proposing not to migrate existing 40 CFR 1037.231(b)(11) since rated output of hybrid mechanical power technology is also not needed for a criteria pollutant family definition.

In 40 CFR part 1036, subpart D, we propose to revise 40 CFR 1036.301 to remove paragraphs (a) through (d) describing how the EPA would conduct selective enforcement audits related to heavy-duty CO₂ engine emissions. We propose to revise the existing statement that selective enforcement audits apply for engines as specified in 40 CFR part

1068, subpart E, by adding that they apply for powertrains, consistent with 40 CFR 1036.301(c) which we are proposing to remove.

As previously noted, we are retaining and not reopening the in-use testing procedures in 40 CFR part 1036, subpart E, which apply for the criteria pollutant emission standards. More specifically, within the in-use test procedures, we are retaining references to measuring CO₂ for use in required chemical balance test procedures and to calculate the criteria pollutant emissions values for in-use testing. Also, in 40 CFR 1036.415(g), we continue to require that manufacturers override any adjustable idle-reduction features on vehicles used for in-use testing; however, we propose to revise the text to include a more general statement describing what it means to be adjustable.

In 40 CFR part 1036, subpart F, we propose to remove test procedures related to developing engine data to support heavy-duty vehicle GHG emissions certification, which include 40 CFR 1036.505, 1036.535, 1036.540, 1036.543, and 1036.550. Relatedly, we propose to remove the fuel map duty cycle in Appendix C to part 1036. In 40 CFR 1036.510, we propose several revisions to paragraph (b), including replacing a reference to 40 CFR 1036.540(c)(2) with a new table that provides the gear ratios based on engine service class from 40 CFR 1036.540. We also propose to remove and reserve 40 CFR 1036.510(e) and 1036.512(e), which describe how to determine GHG emissions for plug-in hybrid powertrains using the heavy-duty engine Federal Test Procedure (FTP) and engine Supplemental Emissions Test (SET) and duty cycles, respectively. In 40 CFR 1036.530(e), we are retaining and not reopening the requirement that manufacturers measure CO₂ emissions for in-use testing, but we propose to revise the related variable e_{CO_2FTPCL} to remove reference to “family certification limit (FCL)” that would no longer apply. The proposed new variable, e_{CO_2FTP} , would represent the engine’s brake-specific CO₂ over the FTP or SET duty cycle. Relatedly, we are proposing to replace references to e_{CO_2FTPCL} with e_{CO_2FTP} throughout 40 CFR parts 1036 and 1037.

Powertrain testing, also described in 40 CFR part 1036, subpart F, is an option that manufacturers may use for certifying hybrid powertrains to the engine criteria pollutant standards in 40 CFR 1036.104 and the GHG emission standards in 40 CFR 1036.108. The powertrain test procedure in 40 CFR 1036.545 describes testing a powertrain that includes an engine coupled with a

transmission, drive axle, and hybrid components, or a subset of these components. We are retaining without reopening most of 40 CFR 1036.545 related to the powertrain testing for criteria pollutants, but we propose to remove the portions related to the GHG program and revise several paragraphs to account for the removed GHG content. Throughout 40 CFR 1036.545, we propose to remove existing requirements to create inputs for EPA’s Greenhouse gas Emission Model (GEM) tool that manufacturers use for compliance with the CO₂ standards. We also propose to remove references to the use of utility factors, vehicle configurations, and vehicle-based duty cycles and test procedures. In 40 CFR 1036.545(b), (d), and (j) we propose to replace 40 CFR part 1037 references with relevant text from the procedures. We also propose to remove paragraph (p) which describes the procedure to determine usable battery energy for plug-in hybrid powertrains.

As noted in 40 CFR 1036.545(a), powertrain testing depends on vehicle and component models to test the powertrain using the engine-based duty cycles and the existing 40 CFR 1036.545(a), (f), and (g), and allow manufacturers to use the hardware-in-the-loop (HIL) model included in GEM. As described in section VI.C.2.b of this preamble, we propose to remove GHG vehicle testing requirements for most vehicles, including any requirements to use GEM to demonstrate compliance. However, we propose to retain the use of the HIL model within GEM Phase 2, Version 4.0 for the powertrain test procedure.¹³⁵

In 40 CFR part 1036, subpart G, we propose revisions to 40 CFR 1037.605 to remove the GHG requirements for engines installed in specialty vehicles and are proposing to make similar changes in 40 CFR 86.007–11(g) and 86.008–10(g) for model year 2026 and earlier specialty vehicle engines. We propose to remove 40 CFR 1036.610 through 1036.630, which include compliance provisions related to heavy-duty engine GHG emissions compliance. We propose also to remove 40 CFR 1036.635, which describes how manufacturers that certify engines for use in high-gross combined vehicle weight (GCWR) medium-duty vehicles under 40 CFR part 1036 could comply with GHG standards under 40 CFR part 86, subpart S. With no need to describe the GHG-related flexibilities in 40 CFR 1036.635, the existing applicability

¹³⁵ GEM Phase 2, Version 4.0 is incorporated by reference in 40 CFR 1036.545. See also 40 CFR 1036.810.

provisions in 40 CFR 1036.1 and 1036.5 already cover the certification provisions for high-GCWR vehicles as they relate to criteria pollutants. Specifically, 40 CFR 1036.1 sets up the default of applying the standards and certification requirements from 40 CFR part 1036 to all engines installed in heavy-duty vehicles (generally vehicles above 8,500 pounds GVWR), while 40 CFR 1036.5 allows manufacturers to certify medium-duty vehicles to the chassis-based program as described in 40 CFR 86.1801–12. We are proposing to make minor changes to 40 CFR 1036.5(a) to differentiate more clearly the certification requirements for medium-duty vehicles from those for heavy-duty engines.

In 40 CFR part 1036, subpart H, we propose to remove 40 CFR 1036.745, which describes CO₂ emission credit deficits.

In 40 CFR part 1036, subpart I, we propose to remove GHG-specific symbols, abbreviations, and acronyms from 40 CFR 1036.805, and propose to remove materials from 40 CFR 1036.810 that are only incorporated by reference in the test procedures we propose to remove. In 40 CFR 1036.801, we propose to remove several GHG-specific definitions, and are moving transmission- and other powertrain-related definitions from the heavy-duty

vehicle definitions in 40 CFR 1037.801 to the engine definitions in 40 CFR 1036.801, so they can be available to engine manufacturers using the powertrain test procedures in 40 CFR 1036.545.

b. 40 CFR Part 1037—Emission Standards and Compliance Provisions for Heavy-Duty Vehicles

40 CFR part 1037 contains regulations related to the final rule titled “Control of Emissions from New Heavy-Duty Motor Vehicles,” including GHG emission standards for CO₂ and HFC, criteria pollutant emission standards that apply for all heavy-duty vehicles, and evaporative and refueling emission standards that apply for certain heavy-duty vehicles. 40 CFR part 1037 is divided into nine subparts with five appendices. Subpart A defines the applicability of part 1037 and gives an overview of regulatory requirements. Subpart B describes the emission standards and other requirements that must be met to certify vehicles under this part. Subpart C describes how to apply for a certificate of conformity. Subpart D and E address testing of production and in-use vehicles, respectively. Subpart F describes how to test vehicles and perform emission modeling for vehicles subject to the CO₂ emission standards. Subpart G, along

with 40 CFR part 1068, describe requirements, prohibitions, and other provisions that apply to manufacturers, owners, operators, rebuilders, and all others. Subpart H describes how manufacturers can optionally generate and use emission credits to certify vehicles. Subpart I includes definitions and other reference material. Finally, Appendix A, B, and D include test cycles, Appendix C presents emission control identifiers for emissions labels, and Appendix E presents power take-off utility factors.

This subsection includes an overview of the regulations related to the heavy-duty vehicle program we propose to remove or revise. In general, we propose to amend 40 CFR part 1037 to remove all GHG emission standards, references to such standards, and related provisions without revising or reopening provisions necessary to support criteria pollutant standards, including evaporative and refueling emissions standards. Below we describe the proposed amendments to remove GHG-related provisions from 40 CFR part 1037, which include some amendments needed to retain the efficacy of the criteria pollutant emission standards. Table 5 provides a summary of the regulations we propose either to remove or to amend in 40 CFR part 1037.

TABLE 5—SUMMARY OF PROPOSED CHANGES TO HEAVY-DUTY HIGHWAY VEHICLE REGULATIONS UNDER 40 CFR PART 1037

40 CFR part 1037	Sections proposed to remove	Sections proposed to amend
Subpart A—Overview and Applicability .....	.....	1037.5, 1037.10, 1037.15.
Subpart B—Emission Standards and Related Requirements.	1037.105, 1037.106, 1037.140, 1037.150	1037.101, 1037.102, 1037.115, 1037.120, 1037.125, 1037.135.
Subpart C—Certifying Vehicle Families	1037.231, ^a 1037.232	1037.201, 1037.205, 1037.225, 1037.230, 1037.235, 1037.250.
Subpart D—Testing Production Vehicles and Engines.	1037.301, 1037.305, 1037.315, 1037.320.	
Subpart E—In-Use Testing	1037.401.	
Subpart F—Test and Modeling Procedures	1037.501, 1037.510, 1037.520, 1037.525, 1037.527, 1037.528, 1037.530, 1037.532, 1037.534, 1037.540, 1037.551, 1037.555, 1037.560, 1037.565, 1037.570.	
Subpart G—Special Compliance Provisions	1037.610, 1037.615, 1037.630, 1037.631, 1037.640, 1037.645, 1037.655, 1037.660, 1037.665, 1037.670.	1037.601, 1037.605, 1037.620, 1037.621, 1037.622, 1037.635.
Subpart H—Averaging, Banking, and Trading for Certification.	1037.701, 1037.705, 1037.710, 1037.715, 1037.720, 1037.725, 1037.730, 1037.735, 1037.740, 1037.745, 1037.750, 1037.755.	
Subpart I—Definitions and Other Reference Information.	1037.810	1037.801, 1037.825.
Appendices	Appendices A, B, C, D, E.	

^aWe are proposing to move 40 CFR 1037.231 to a new 40 CFR 1036.231.

In 40 CFR part 1037, subpart A, we are retaining and not proposing to reopen the existing applicability of 40 CFR part 1037. Specifically, as described in existing 40 CFR 1037.1, the

part would continue to apply for battery electric vehicles, fuel cell electric vehicles, and vehicles fueled by conventional and alternative fuels.

Existing 40 CFR part 1037, subpart B, includes criteria pollutant exhaust emission standards, evaporative and refueling emission standards, and GHG emission standards that apply at the

vehicle level. In 40 CFR part 1037, subpart B, we propose to remove the MY 2014 and later heavy-duty vehicle CO₂ emission standards promulgated in HD GHG Phase 1, Phase 2, and Phase 3. This includes the vocational vehicle standards in 40 CFR 1037.105 and the tractor standards in 40 CFR 1037.106. We also propose to amend 40 CFR 1037.115 to remove the HFC emission standards. We propose to amend 40 CFR 1037.120 to remove the emission control components related to heavy-duty vehicle GHG-reducing technologies. We are retaining and not proposing to reopen the requirement that the basic emission-related warranty applies for fuel cell stacks and rechargeable energy storage systems (RESS) as they continue to qualify as an emission-related component related to criteria pollutant emission standards. Similarly, we are retaining and not proposing to reopen the emission control components covering a vehicle's evaporative and refueling emissions. Also in Subpart B, we propose to remove 40 CFR 1037.140 and 1037.150, which include the vehicle classifications and interim provisions related directly to the heavy-duty vehicle GHG emission standards.

While we propose to remove GHG standards and related requirements, we would retain without reopening criteria pollutant exhaust emission standards in 40 CFR 1037.102 and the evaporative and refueling emission standards in 40 CFR 1037.103. We propose to revise 40 CFR 1037.102(a) to describe how vehicles can be deemed to meet the criteria pollutant exhaust emission standards without testing under 40 CFR part 1037. As proposed, vehicle manufacturers would continue to submit an application for certification meeting the applicable requirements in 40 CFR 1037.205, affix an appropriate label to their vehicles as specified in 40 CFR 1037.135, and meet the applicable reporting and recordkeeping requirements in 40 CFR 1037.250. Under this proposed approach, most heavy-duty vehicles would be deemed to meet the criteria pollutant exhaust emissions standards if manufacturers state in their applications for certification that the installed engines are certified to the standards of 40 CFR part 86 or 1036, as applicable. We similarly propose specialty vehicles meeting the requirements in 40 CFR 1037.605 and heavy-duty glider vehicles meeting the requirements 40 CFR 1037.635 would also be deemed to meet the criteria pollutant exhaust emission

standards.¹³⁶ Existing 40 CFR part 1037 includes other requirements that would continue to apply for certain vehicles, and we propose to revise 40 CFR 1037.102(a) to also refer to the requirements we are retaining and not reopening for auxiliary power units (APUs) installed on new tractors, now specified in proposed new 40 CFR 1037.102(c), and for the vehicles subject to the existing evaporative and refueling emission standards that apply as specified in 40 CFR 1037.103.

In the HD GHG Phase 2 rulemaking, we adopted PM emission standards that apply for APUs installed on new tractors.¹³⁷ The APU requirements are currently specified in 40 CFR 1037.106 with the other tractor standards, including the GHG emission standards we are proposing to remove. Since PM emissions are criteria pollutant emissions, we are retaining and not reopening the PM emission standards for APUs, and we propose to migrate 40 CFR 1037.106(g) to a new 40 CFR 1037.102(c). We note that the APUs under this specific proposed revision are certified under the nonroad compression-ignition engine regulations in 40 CFR part 1039, and existing 40 CFR 1039.699 includes references to the APU standards in 40 CFR part 1037. We propose to modify 40 CFR 1039.699(a) and (n) to refer to the proposed new 40 CFR 1037.102 instead of 40 CFR 1037.106, which we propose to remove.

In 40 CFR part 1037, subpart C, we propose to remove 40 CFR 1037.231, 1037.232, and 1037.241 that only apply for certifying heavy-duty vehicles to the GHG emission standards. We are retaining 40 CFR 1037.235, which remains applicable for evaporative and refueling testing that we are not reopening, with proposed revisions to remove GHG-related testing requirements. Existing 40 CFR 1037.230 directs manufacturers to divide their product lines into vehicle families based on regulatory subcategories; however, with the proposed removal of GHG standards, we also propose to remove the range of GHG-based vehicle regulatory subcategories. Therefore, for the purpose of defining vehicle families, we propose to amend 40 CFR 1037.230 to reflect the vehicle types outlined in the proposed 40 CFR 1037.102. Specifically, we propose that manufacturers would create a single vehicle family for all vehicles with propulsion engines that are certified to the criteria pollutant standards of 40

CFR 86.007–11 or 86.008–10, or 40 CFR part 1036, except that new tractors with auxiliary power units would be in a separate family, and vehicles subject to evaporative or refueling standards would be in families as described in existing 40 CFR 86.1812. We propose all specialty vehicles would be a single vehicle family, and all glider vehicles would be in a single vehicle family. Finally, we propose that all vehicles with no propulsion engine, such as battery electric vehicles and fuel cell electric vehicles, would be in a single vehicle family.

With the updated vehicle families, we propose to revise 40 CFR 1037.205, which defines what manufacturers would include in their application for certification. The proposed 40 CFR 1037.205 includes existing information required for all applications for certification, and more clearly defines what specific information would be required for each of the vehicle families proposed in 40 CFR 1037.230.

We propose to remove 40 CFR part 1037, subpart D, in its entirety because it describes the testing of production vehicles to be certified to the heavy-duty CO₂ emission standards. The provisions in 40 CFR 1037.301 through 1037.320 include audit procedures for inputs to the Greenhouse gas Emissions Model (GEM), tractor aerodynamic testing, powertrain testing, and axle and transmission testing.

We propose to remove 40 CFR part 1037, subpart E, in its entirety because it includes the requirements for testing of in-use vehicles and applies only to GHG emission standards.

We propose to remove 40 CFR part 1037, subpart F, in its entirety because it includes the testing and modeling provisions necessary to certify heavy-duty vehicles to the CO₂ emission standards. The provisions in 40 CFR 1037.501 through 1037.570 include procedures for vehicle-based duty cycles for measuring GHG emissions, aerodynamic testing, powertrain component testing, testing with hybrid power take-off units, and the use of GEM.

We propose to remove several sections of 40 CFR part 1037, subpart G, relating to special compliance provisions for the heavy-duty vehicle GHG emission standards. Specifically, we propose to remove 40 CFR 1037.610 through 1037.615, 1037.630, 1037.631, and 1037.640 through 1037.670. These sections include provisions related to off-cycle technologies, advanced technologies, special purpose tractors, variable vehicle speed limiters, idle reduction technologies, in-use tractor

¹³⁶ See the discussion of 40 CFR part 1037, subpart G, for the revisions we propose related to the specialty vehicle and glider vehicle provisions.

¹³⁷ See 81 FR 73576–73580.

testing, and optional tractor CO₂ emission standards.

We propose to remove 40 CFR part 1037, subpart H in its entirety. The provisions of 40 CFR 1037.701 through 1037.750 describe the averaging, banking, and trading of CO₂ emission credits, along with associated recordkeeping and reporting requirements.

We propose several revisions in 40 CFR part 1037, subpart I, to remove GHG-specific definitions from 40 CFR 1037.801, and symbols, abbreviations, and acronyms from 40 CFR 1037.805. We also propose to remove 40 CFR 1037.810, which includes materials incorporated by reference to support testing to demonstrate compliance with the heavy-duty vehicle GHG standards. This includes, but is not limited to, the GEM model and test procedures for measuring the rolling resistance of tires, tire revolutions per mile, and aerodynamics using coastdown, wind tunnel, and computational fluid dynamics.

Lastly, we propose to remove all appendices to 40 CFR part 1037. Appendices A, B, and D include the test cycles related to heavy-duty vehicle GHG standards. Appendix C includes the emission control identifiers for GHG emission labels. Appendix E includes the power take-off unit utility factors applied in GHG-specific test procedures.

c. Relationship Between the EPA's GHG and NHTSA's Fuel Efficiency Medium- and Heavy-Duty Programs

The current certification and compliance process as relevant for NHTSA is as follows, separately for heavy-duty engines and heavy-duty vehicles:

1. Manufacturers submit fuel consumption data to the EPA using the EPA's electronic certification system following EPA test procedures included in 40 CFR parts 1036 and 1037;

2. The EPA issues certificates of conformity to the manufacturers;

3. Before and during the model year, the EPA sends the fuel consumption data and associated information to NHTSA;

4. After the model year, the EPA analyzes end-of-year reports submitted to the EPA by manufacturers for compliance and shares the fuel consumption data with NHTSA; and

5. NHTSA manages its compliance process related to the fuel consumption standards.

NHTSA's medium- and heavy-duty fuel efficiency regulations in 49 CFR part 535 refer to several sections in EPA's 40 CFR parts 1036 and 1037 that we are proposing to modify or remove.

The provisions NHTSA's regulations reference from EPA's heavy-duty engine regulations include 40 CFR 1036.1, 1036.108, 1036.150, 1036.205, 1036.225, 1036.230, 1036.235, 1036.250, 1036.255, 1036.301, 1036.501, 1036.505, 1036.510, 1036.512, 1036.525, 1036.535, 1036.540, 1036.545, 1036.620, 1036.725, 1036.730, 1036.740, 1036.745, and some definitions in 1036.801. The provisions NHTSA's regulations reference from EPA's heavy-duty vehicle regulations include 40 CFR 1037.105, 1037.106, 1037.140, 1037.150, 1037.205, 1037.210, 1037.225, 1037.230, 1037.232, 1037.250, 1037.255, 1037.301, 1037.305, 1037.320, 1037 subpart F broadly, 1037.510, 1037.520, 1037.525, 1037.527, 1037.528, 1037.530, 1037.532, 1037.534, 1037.540, 1037.560, 1037.565, 1037.570, 1037.601, 1037.605, 1037.610, 1037.615, 1037.620, 1037.621, 1037.622, 1037.631, 1037.660, 1037.725, 1037.730, 1037.740, 1037.745, 1037.755, and some definitions in 1037.801. We request comment on whether any of these provisions should be retained with a CFR notation throughout 40 CFR parts 1036 and 1037 explaining that these sections only apply to NHTSA's heavy-duty fuel efficiency program.

We propose to remove 40 CFR 1036.755 and 1037.755, which describe the information the EPA would provide to the Department of Transportation related to heavy-duty engine and vehicle fuel consumption. We note that NHTSA's reporting and recordkeeping regulation in 49 CFR 535.8(a)(6) directs manufacturers to submit information to EPA. 49 CFR 535.8(a)(6) also provides direction to manufacturers in instances where the EPA does not have an electronic pathway to receive the information, to send it through an electronic portal identified by NHTSA, through the NHTSA CAFE database, or to send hardcopy documents to the address provided in the regulations.¹³⁸ We request comment on the time required to transition from manufacturers supplying data to the EPA to supplying the data directly to NHTSA.

VII. Requests for Comment

The EPA is specifically soliciting comment on key aspects of the proposed rule. To facilitate comment on those portions of the rule, the EPA has indexed each comment solicitation with a unique identifier below (*e.g.*, "C-1", "C-2") to provide a consistent framework for effective and efficient provision of comments. Accordingly, we ask that commenters include the corresponding identifier when

providing comments relevant to that comment solicitation. We ask that commenters include the identifier either in a heading or within the text of each comment, to make clear which comment solicitation is being addressed. We note that we are not limiting comment to these identified areas. Specifically, we are soliciting comment on the following:

1. All aspects of this proposal, including legal and scientific developments that are being subject to public comment for the first time (C-1).

2. The scientific underpinnings of the Endangerment Finding are weaker than previously believed and contradicted by empirical data, peer-reviewed studies, and scientific developments since 2009 (C-2).

3. The EPA is not proposing to reopen or substantively modify at this time any regulations necessary for criteria pollutant and air toxic measurement and standards, CAFE testing, and associated fuel economy labeling requirements. If there are any elements of our regulations, test procedures, or GHG emission models proposed for removal that should remain to support other programs outside of the EPA's GHG standards, we are seeking comment on what those elements are and why their preservation in the CFR is necessary (C-3).

4. We seek comment on the nature and extent of any reliance interests that may have arisen from our assertion of regulatory authority over GHG emissions from new motor vehicles and engines and are committed to assessing any such interests, determining whether they are significant, and weighing such interests against competing rationales, as required by law (C-4).

5. We seek comment on whether regulated parties have any significant reliance interests in our GHG emission standards for new motor vehicles and new motor vehicle engines (C-5).

6. We seek comment on whether any reliance interests in national uniformity and preemption would support adopting certain rationales and not finalizing other rationales (C-6).

7. We seek comment on whether additional stakeholders have reliance interests in GHG emission standards for new motor vehicles and engines (C-7).

8. We seek comment on potential reliance interests in GHG emission standards for global climate change concerns under CAA section 202(a), including on whether such reliance justifies retaining such standards and the extent to which potential dangers are addressed, or could be addressed, under more specific authorities (C-8).

9. We seek comment on reliance interests in the Endangerment Finding

¹³⁸ See 49 CFR 535.8(a)(6).

and GHG emission standards issued under CAA section 202(a) and reserve the right to direct out of scope comments to the appropriate rulemaking docket for the applicable regulatory action (C–9).

10. We seek comment on the continued preemptive effect of the CAA in the event that the EPA finalizes the proposed rescission or otherwise concludes that it lacks authority to regulate GHG emissions under CAA section 202(a) or any other specific regulatory provision of the CAA (C–10).

11. We seek comment on the proposed interpretation of CAA 202(a) as discussed in section III.A.1 of this preamble, including the rationales presented in that section and any further rationales that commenters believe support, or detract from, this interpretation (C–11).

12. We seek comment on the rationale presented in section V of this preamble, including on the proper interpretation of “requisite technology,” the appropriate standard for measuring pollution prevention and control, and the scientific threshold for determining measurable impacts on trends in climate change (C–12).

13. We seek comment on the proposed bases for repeal presented in section V of this preamble, including on the economics of fleet turnover, the relative efficiency and emission reductions achieved by newer vehicles, and the potential costs to air quality of retaining standards that may slow fleet turnover as compared to the potential benefits of retaining GHG emission standards in response to global climate change concerns (C–13).

14. We seek comment on the rationales presented in section V of this preamble, including on whether such public welfare considerations can and should be considered when prescribing and revising emission standards under CAA section 202(a) (C–14).

15. We seek comment on how to give effect to the statutory language discussed in section V of this preamble as incorporated into the reference in CAA section 202(a) to effects on “public health or welfare” (C–15).

16. We request comment on all proposed changes described in section VI of this preamble, including on any additional regulatory provisions for engines and vehicles that should be removed as part of repealing the GHG standards or should be retained to effectuate unrelated standards that we are not proposing to repeal or revise (C–16).

17. NHTSA’s medium- and heavy-duty fuel efficiency regulations in 49 CFR part 535 refer to several sections in

the EPA’s 40 CFR parts 1036 and 1037 that we are proposing to modify or remove. We request comment on whether any of these provisions should be retained for the final rule with a CFR notation throughout 40 CFR parts 1036 and 1037 explaining that these sections only apply to NHTSA’s heavy-duty fuel efficiency program (C–17).

18. We request comment on the time required to transition from requiring manufacturers to supply relevant data to the EPA to requiring that they supply the data directly to NHTSA (C–18).

19. We request comment on all proposed changes described in preamble section VI, including suggestions to remove additional regulatory provisions for such engines and vehicles for purposes of GHG regulation or to retain provisions we propose to remove. Specifically, we request comment on the proposed regulatory changes for the light- and medium-duty vehicle programs under 40 CFR parts 85, 86, and 600, and whether additional changes should be considered for purposes of GHG regulation (C–19).

20. We request comment on all proposed changes described in preamble section VI, including suggestions to remove additional regulatory provisions for such engines and vehicles for purposes of GHG regulation or to retain provisions we propose to remove. Specifically, we request comment on the proposed regulatory changes for the heavy-duty engine and vehicle programs under 40 CFR parts 1036 and 1037 and whether we should consider additional changes for purposes of GHG regulation (C–20).

21. We request comment on the analysis provided within section VIII related to the benefits and costs of the proposed action and whether benefit cost analysis is an appropriate and lawful basis for repealing the Endangerment Finding and/or resulting vehicle standards (C–21).

22. The information collection activities in this proposed rule have been submitted for approval to OMB under the Paperwork Reduction Act (PRA), as described in section VIII.C of this preamble. Submit your comments on the Agency’s description of the information that would no longer be required to be provided, the accuracy of the provided burden savings estimates, and any suggested methods for minimizing respondent burden to the EPA using the docket identified at the beginning of this rule (C–22).

23. Stakeholders state that NCA5 does not meet the requirements under Executive Order 14303 and deviated from OMB guidelines on quality,

objectivity, utility, and integrity of information disseminated by Federal agencies. The Administrator takes these concerns seriously and seeks public comment on the validity of these concerns and how they should be taken into account when determining whether to finalize any of the alternatives proposed in this action (C–23).

24. We further propose that *Massachusetts* must be read together with the Supreme Court’s decisions in *West Virginia* and *UARG*, which applied the major questions doctrine to statutory provisions similar to CAA section 202(a). To that end, we seek comment on whether *Massachusetts* applied the major questions doctrine in the first instance, and, if it did, whether that analysis informs the meaning of CAA section 202(a) on its own terms and in light of *UARG* and *West Virginia* (C–24).

25. We propose that the EPA’s course of rulemaking has not been limited to emission standards as anticipated in *Massachusetts*. To that end, we seek comment on whether a new analysis is required because the EPA’s rulemakings in response to the Endangerment Finding have included electric vehicle mandates that require shifting the national vehicle fleet from one type of vehicle and vehicle fuel to another (C–25).

26. We propose that even if intervening legal developments have not foreclosed the regulation of GHG emissions from new motor vehicles and engines under CAA section 202(a), they provide a reasonable basis for the Administrator to approach the inquiry with greater caution today than was applied in the Endangerment Finding. We propose that the Administrator’s new approach requires rescinding the Endangerment Finding as fundamentally inconsistent with the framework set out in this proposed alternative. We seek comment on this alternative proposal, including on the breadth of the Administrator’s discretion to exercise judgment by rejecting the approach taken in the Endangerment Finding and the results of adopting a different approach (C–26).

27. We seek comment on any additional aspects of the Endangerment Finding that may have fallen short of the administrative law requirement that agency action be reasonable and reasonably explained. Conversely, we seek comment on why the approach taken in the Endangerment Finding remains reasonable given the legal and scientific developments discussed in this proposal, and the impact, if any, of the EPA’s denial of rulemaking petitions in 2022 and 2010 on this alternative proposal (C–27).

VIII. Statutory and Executive Order Reviews

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

A. Executive Order 12866: Regulatory Planning and Review and Executive Order 14094: Modernizing Regulatory Review

This proposed action is an economically significant regulatory action that was submitted to the Office of Management and Budget (OMB) for review. Any changes made have been documented in the docket. The EPA has prepared a draft Regulatory Impact Analysis (RIA) for this proposed action to project impacts as required by E.O. 12866, and it can be found in the docket.¹³⁹ The EPA has not relied upon any aspect of the draft RIA as justification for this proposed rulemaking.

The EPA considered relying on our most recent RIAs from 2024 relating to GHG standards for motor vehicles¹⁴⁰ (2024 GHG Vehicle RIAs) for projecting impacts of this action. However, the 2024 GHG Vehicle RIAs significantly relied upon assumptions that we no longer believe are appropriate and that would significantly impact the costs and benefits of this proposed rule. Those

assumptions include, but are not limited to:

- 1. The impact and existence of EV-related tax credits and other subsidies from the 2022 IRA, which have been repealed in part by the 2025 OBBB and were incorporated into the RIA baseline;
 - 2. The impact of Congress' disapproval under the CRA of the EPA's waiver rule for California's Advanced Clean Truck regulation, which was incorporated into the RIA baseline but is no longer in force in California or any other State;
 - 3. Changes in consumers' interest in purchasing EVs;
 - 4. Future gasoline and diesel prices due to changes in Administration policy since 2024;
 - 5. Changes in the power generation sector as a result of recent projections for data center demands and legislative amendments in the 2025 OBBB that impact the economics of EV penetration and use; and
 - 6. Access to capital for all consumers due to differences in prices and the respective cost impacts on vehicles, given that the RIAs from 2024 assumed unlimited access to capital.
- Changes in these assumptions impact all aspects of the 2024 RIAs and, thus, the EPA cannot rely upon those assessments to confidently and appropriately quantify or monetize many of the impacts from this proposed

action. In the draft RIA for this proposal, the EPA presents estimated results from two analytical methods for projecting impacts on costs and benefits from removing the GHG standards for LD, MD and HD vehicles and HD engines. The EPA presents five different modeled scenarios using one of the analytical methods in the draft RIA, which are summarized here in Tables 6 and 7. The first scenario contains all the same assumptions and inputs as presented in the 2024 RIAs. The second scenario estimates the impacts of removing the IRA and the California Advanced Clean Truck (ACT) rule, which the EPA included in the baseline for the 2024 RIAs assessments. Recognizing the significant uncertainties related to future gasoline and diesel prices, the third scenario considers lower fuel prices, in addition to the removal of IRA and the ACT rule. All other assumptions and inputs are the same as those used in the 2024 RIAs. The fourth and fifth scenarios build on the second and third scenarios respectively, accounting for only the first two and half years of fuel savings in estimating the net monetized impact of this proposed rule. Table 6 and Table 7 show the net present value of the monetized savings, costs, and net savings of the five scenarios presented at 7 and 3 percent discount rates, respectively.

TABLE 6—MONETIZED SAVINGS, COSTS, AND NET SAVINGS AT 7 PERCENT NET PRESENT VALUE
[Billions of 2022 dollars]*

	2024 Light- & medium-duty vehicle multipollutant final rule (LMDV) and greenhouse gas emissions standards for heavy-duty vehicles-phase 3 (HDP3) rule analysis	2024 LMDV and HDP3 rule analysis, no IRA and ACT	2024 LMDV and HDP3 rule, no IRA and ACT; low liquid fuel prices	2024 LMDV and HDP3 rule analysis, no IRA and ACT, 2.5 years of fuel savings	2024 LMDV and HDP3 rule; no IRA and ACT, low liquid fuel prices, 2.5 years of fuel savings
Savings	\$570	\$640	\$640	\$640	\$640
Costs	590	690	420	320	260
Net Savings	(30)	(50)	220	320	380

* Results may not sum due to rounding.

TABLE 7—MONETIZED SAVINGS, COSTS AND NET SAVINGS AT 3 PERCENT NET PRESENT VALUE
[Billions of 2022 dollars]*

	2024 LMDV and HDP3 rule analysis	2024 LMDV and HDP3 rule analysis, no IRA and ACT	2024 LMDV and HDP3 rule, no IRA and ACT; low liquid fuel prices	2024 LMDV and HDP3 rule analysis; no IRA and ACT, 2.5 years of fuel savings	2024 LMDV and HDP3 rule; no IRA and ACT, low liquid fuel prices, 2.5 years of fuel savings
Savings	\$950	\$1,030	\$1,030	\$1,030	\$1,030

¹³⁹ “Reconsideration of 2009 Endangerment Finding and Greenhouse Gas vehicle Standards: Draft Regulatory Impact Analysis.” EPA–420–D–25–002. July 2025.

¹⁴⁰ See “Multi-Pollutant Emissions Standards for Model Years 2027 and Later Light-Duty and Medium-Duty Vehicles. Regulatory Impact Analysis.” EPA–420–R–24–004. March 2024;

“Greenhouse Gas Emissions Standards for Heavy-Duty Vehicles: Phase 3. Regulatory Impact Analysis”. EPA–420–R–24–006. March 2024.

TABLE 7—MONETIZED SAVINGS, COSTS AND NET SAVINGS AT 3 PERCENT NET PRESENT VALUE—Continued
[Billions of 2022 dollars]*

	2024 LMDV and HDP3 rule analysis	2024 LMDV and HDP3 rule analysis, no IRA and ACT	2024 LMDV and HDP3 rule, no IRA and ACT; low liquid fuel prices	2024 LMDV and HDP3 rule analysis; no IRA and ACT, 2.5 years of fuel savings	2024 LMDV and HDP3 rule; no IRA and ACT, low liquid fuel prices, 2.5 years of fuel savings
Costs	1,210	1,390	870	660	550
Net Savings	(260)	(350)	160	380	490

* Results may not sum due to rounding.

The other analytical method which utilizes a revealed preference approach) can be found in the draft RIA.

The EPA requests comment on all aspects of the draft RIA, and on whether there are other approaches the EPA should consider for projecting the impacts of this proposed rule (C–20). We are requesting comment from stakeholders about what expected and modeled impacts would be from this proposal.

B. Executive Order 14192: Unleashing Prosperity Through Deregulation

This action is expected to be an Executive Order 14192 deregulatory action. A summary of the projected costs savings can be found in the draft RIA.

C. Paperwork Reduction Act (PRA)

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 OMB control numbers for the EPA's regulations in Title 40 of the CFR are listed in 40 CFR part 9.

Submit your comments on the Agency's description of the information that would no longer be required to be provided, the accuracy of the provided burden savings estimates and any suggested methods for minimizing respondent burden to the EPA using the docket identified at the beginning of this rule. The EPA will respond to any ICR-related comments in the final rule. You may also send your ICR-related comments to OMB's Office of Information and Regulatory Affairs using the interface at www.reginfo.gov/public/do/PRAMain. Find the particular information collection by selecting "Currently under Review—Open for Public Comments" or by using the search function. OMB must receive comments no later than September 2, 2025.

The information collection activities in this proposed rule have been submitted for approval to the OMB under the PRA.

1. Light- and Medium-Duty Vehicle—2024 Final Rule

The ICR document prepared by the EPA for removal of the light- and medium-duty vehicle GHG requirements has been assigned EPA ICR 2750.03, revising EPA ICR 2750.02 (OMB 2060–0764). You can find a copy of the ICR in the docket for this rule and it is briefly summarized here.

The EPA is proposing to remove all regulations that require light- and medium-duty vehicle manufacturers to measure, report, or comply with standards for GHG emissions. Information collected to assure compliance with those requirements is no longer needed under this proposal. All other requirements covered by 2750.02 remain in effect.

Respondents/affected entities: Light- and medium-duty vehicle manufacturers, alternative fuel converters, and independent commercial importers.

Respondent's obligation to respond: This proposal relieves manufacturers of the burden to provide certain information to the EPA as part of their annual model year vehicle certification under section 208(a) of the CAA, which is required prior to entering vehicles into commerce. Participation in some programs is voluntary; but once a manufacturer has elected to participate, it must submit the required information.

Estimated number of respondents: 35 affected entities.

Frequency of response: Annually or on occasion, depending on the type of response.

Revised total estimated burden: 138,443 hours (per year) for remaining regulatory requirements covered by this ICR. Burden is defined at 5 CFR 1320.3(b).

Revised total estimated cost: \$26.3 million per year for remaining regulatory requirements covered by this ICR, which includes an estimated \$14.2 million annualized capital or operation and maintenance costs.

2. Heavy-Duty Vehicle GHG Phase 3—2024 Final Rule

The ICR document prepared by the EPA for removal of the heavy-duty GHG Phase 3 requirements has been assigned EPA ICR 2734.03, revising EPA ICR 2734.02 (OMB 2060–0753). You can find a copy of the ICR in the docket for this rule and it is briefly summarized here.

The EPA is proposing to remove all regulations that require heavy-duty motor vehicle and heavy-duty motor vehicle engine manufacturers to measure, report, or comply with the heavy-duty GHG Phase 3 standards. Information collected to assure compliance with those requirements is no longer needed under this proposal.

Respondents/affected entities: Manufacturers of heavy-duty onroad vehicles.

Respondent's obligation to respond: This proposal relieves manufacturers of the burden to provide certain information to the EPA as part of their annual model year engine and vehicle certification under section 203(a) of the CAA, which is required prior to entering vehicles into commerce.

Estimated number of respondents: 77 affected entities.

Frequency of response: Originally expected to be one-time burden; now, no requirement to report.

Revised total estimated burden: 0 hours. Burden is defined at 5 CFR 1320.03(b).

Revised total estimated cost: \$0.

3. Nonroad Compression-Ignition Engines and On-Highway Heavy Duty Engines, Supporting Statement for Information Collection Request (March 2023 Revision)

The ICR document prepared by the EPA for removal of the existing Phase 2 and earlier GHG requirements for heavy-duty engines and vehicles has been assigned EPA ICR 1684.22, revising EPA ICR 1684.21 (OMB 2060–0287). You can find a copy of the ICR in the docket for this rule and it is briefly summarized here.

The EPA is proposing to remove all regulations that require heavy-duty motor vehicle and heavy-duty motor vehicle engine manufacturers to measure, report, or comply with standards for GHG emissions. Information collected to assure compliance with those requirements is no longer needed under this proposal. All other requirements covered by EPA ICR 1684.21 remain in effect.

Respondents/affected entities:

Manufacturers of heavy-duty onroad vehicles and engines.

Respondent's obligation to respond:

This proposal relieves manufacturers of the burden to provide certain information to the EPA as part of their annual model year engine and vehicle certification under CAA section 203(a), which is required prior to entering vehicles into commerce. Participation in some programs is voluntary; but once a manufacturer has elected to participate, it must submit the required information.

Estimated number of respondents:

568 affected entities.

Frequency of response: Annually or on occasion, depending on the type of response.

Revised total estimated burden:

137,824 hours for remaining regulatory requirements covered by this ICR.

Burden is defined at 5 CFR 1320.03(b).

Revised total estimated cost: \$30.3 million for remaining regulatory requirements covered by this ICR, which includes an estimated \$17.9 million annualized capital or operation and maintenance costs.

D. Regulatory Flexibility Act (RFA)

I certify that this proposed action would not have a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (RFA). In making this determination, the EPA concludes that the impact of concern for this rule is any significant adverse economic impact on small entities, and that the agency is certifying that this rule will not have a significant economic impact on a substantial number of small entities because the rule relieves regulatory burden on the small entities subject to the rule.

The regulated entities that are subject to the regulations we are proposing to remove in this proposed rule are engine and vehicle manufacturers, alternative fuel converters, and independent commercial importers subject to GHG emissions standards for vehicles. The Agency is certifying that this proposed action would not have a significant economic impact on a substantial number of small entities because the proposed action would relieve

regulatory burden on all entities, including all small entities, subject to the current rules. This action proposes to remove portions of the regulations of the standard-setting parts directly related to GHG emission standards and compliance provisions for implementing the EPA's GHG engine and vehicle programs. We do not anticipate that there would be any significant adverse economic impact on directly regulated small entities as a result of these revisions. We have therefore concluded that this proposed action would, if finalized, relieve regulatory burden for all directly regulated small entities. The EPA provides additional information on the RFA in Section 7 of the Draft Regulatory Impact Analysis document for this proposal.

E. Unfunded Mandates Reform Act (UMRA)

This proposed action does not contain an unfunded mandate of \$100 million (adjusted annually for inflation) or more (in 1995 dollars) as described in UMRA, 2 U.S.C. 1531–1538, and does not significantly or uniquely affect small governments. The proposed action would, if finalized, impose no enforceable duty on any state, local, or tribal governments, and would relieve duties with respect to the private sector.

F. Executive Order 13132: Federalism

This proposed action would not have federalism implications as specified in Executive Order 13132. If finalized, it would 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 action would not have tribal implications as specified in Executive Order 13175. If finalized, it would not have substantial direct effects on tribal governments, 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, as specified in Executive Order 13175. Thus, Executive Order 13175 does not apply to this proposed action.

H. Executive Order 13045: Protection of Children From Environmental Health Risks and Safety Risks

Executive Order 13045 directs federal agencies to include an evaluation of the

health and safety effects of the planned regulation on children in federal health and safety standards and explain why the regulation is preferable to potentially effective and reasonably feasible alternatives. This action is subject to Executive Order 13045 because it is a significant regulatory action under section 3(f)(1) of Executive Order 12866, and the EPA believes the environmental health or safety risks of the pollutants impacted by this action may have a disproportionate effect on children. The 2021 Policy on Children's Health also applies to this action.¹⁴¹

Although the GHG emissions at issue in this rulemaking do not have direct impacts on human health, we acknowledge the possibility that this proposal could marginally impact emissions of criteria pollutants and air toxics. Children are not expected to experience greater ambient concentrations of air pollutants than the general population. However, children are more susceptible than adults to air pollution, and children tend to spend increased time outdoors. Children make up a substantial fraction of the U.S. population, and often have unique factors that contribute to their increased risk of experiencing a health effect from exposures to ambient air pollutants because of their continuous growth and development. Children are more susceptible than adults to many air pollutants because they have (1) a developing respiratory system, (2) increased ventilation rates relative to body mass compared with adults, (3) an increased proportion of oral breathing, particularly in boys, relative to adults, and (4) behaviors that increase chances for exposure. Even before birth, the developing fetus may be exposed to air pollutants through the mother that affect development when the mother is exposed. We note that, as explained above, this proposed action would not impact separate regulatory controls for criteria pollutants or separate standards set by NHTSA. At this time, the EPA does not believe that the proposed action would have a material adverse impact on the health of individuals with respect to non-GHG air pollutants, including on children, because the EPA anticipates that the impacts of repealing GHG emission regulations would have only marginal and incidental impacts on the emission of non-GHG air pollutants. Potential health impacts of such air pollutants will continue to be controlled through direct emissions limits and a

¹⁴¹ U.S. Environmental Protection Agency. (2021). 2021 Policy on Children's Health: <https://www.epa.gov/system/files/documents/2021-10/2021-policy-on-childrens-health.pdf>.

number of other programs that target regional and national air quality, including the NAAQS program.

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

This proposed action, which is a significant regulatory action under Executive Order 12866, would have a significant effect on the supply, distribution or use of energy. The EPA has prepared a Statement of Energy Effects for this proposed action as follows.

This action proposes to remove the GHG emission standards and related compliance provisions for light-, medium-, and heavy-duty engines and vehicles. This action would, if finalized, result in an estimated increase in the consumption of petroleum and an estimated reduction in the consumption of electricity.

J. National Technology Transfer and Advancement Act (NTTAA) and 1 CFR Part 51

This proposed action involves technical standards. However, the proposed changes to the regulation include removing GHG emission standards and the corresponding measurement and compliance procedures, some of which also involve removing existing references to voluntary consensus standards and other technical standards. This proposed action does not include any new requirements or new references to technical standards.

List of Subjects

40 CFR Part 85

Confidential business information, Greenhouse gases, Imports, Labeling, Motor vehicle pollution, Reporting and recordkeeping requirements, Research Warranties.

40 CFR Part 86

Environmental protection, Administrative practice and procedure, Confidential business information, Incorporation by reference, Labeling, Motor vehicle pollution, Reporting and recordkeeping requirements.

40 CFR Part 600

Environmental protection, Administrative practice and procedure, Electric power, Fuel economy, Greenhouse gases, Labeling, Reporting and recordkeeping requirements.

40 CFR Part 1036

Environmental protection, Administrative practice and procedure,

Air pollution control, Confidential business information, Greenhouse gases, Incorporation by reference, Labeling, Motor vehicle pollution, Reporting and recordkeeping requirements, Warranties.

40 CFR Part 1037

Environmental protection, Administrative practice and procedure, Air pollution control, Confidential business information, Incorporation by reference, Labeling, Motor vehicle pollution, Reporting and recordkeeping requirements, Warranties.

40 CFR Part 1039

Administrative practice and procedure, Air pollution control, Confidential business information, Imports, Labeling, Penalties, Reporting and recordkeeping requirements, Warranties.

Lee Zeldin,
Administrator.

For the reasons set out in the preamble, we propose to amend title 40, Chapter I of the Code of Federal Regulations as set forth below.

PART 85—CONTROL OF AIR POLLUTION FROM MOBILE SOURCES

- 1. The authority citation for part 85 continues to read as follows:

Authority: 42 U.S.C. 7401–7671q.

§ 85.525 [Amended]

- 2. Amend § 85.525 by removing and reserving paragraph (b).
■ 3. Amend § 85.1515 by revising paragraph (d) to read as follows:

§ 85.1515 Emission standards and test procedures applicable to imported nonconforming motor vehicles and motor vehicle engines.

* * * * *

(d) An ICI may not certify using nonconformance penalties.

§ 85.1803 [Amended]

- 4. Amend § 85.1803 by removing paragraph (e).

§ 85.1805 [Amended]

- 5. Amend § 85.1805 by removing and reserving paragraph (b).
■ 6. Amend § 86.1902 by removing and reserving paragraph (b)(2) and revising paragraph (d). The revision reads as follows:

§ 85.1902 Definitions.

* * * * *

(d) *Voluntary emissions recall* means a repair, adjustment, or modification program voluntarily initiated and conducted by a manufacturer to remedy

any emission-related defect for which direct notification of vehicle or engine owners has been provided.

* * * * *

§ 85.2103 [Amended]

- 7. Amend § 85.2103 by removing paragraphs (d)(1)(v) and (d)(3).

PART 86—CONTROL OF EMISSIONS FROM NEW AND IN-USE HIGHWAY VEHICLES AND ENGINES

- 8. The authority citation for part 86 continues to read as follows:

Authority: 42 U.S.C. 7401–7671q.

§ 86.1 [Amended]

- 9. Amend § 86.1 by removing and reserving paragraphs (c)(2) and (3) and (f)(3), (17), (21), and (22) and removing paragraph (h).
■ 10. Amend § 86.007–11 by revising paragraphs (g)(1) and (6) to read as follows:

§ 86.007–11 Emission standards and supplemental requirements for 2007 and later model year diesel heavy-duty engines and vehicles.

* * * * *

(g) * * *

(1) The engines must be of a configuration that is identical to one that is certified under 40 CFR part 1039, and must be certified with a Family Emission Limit for PM of 0.020 g/kW-hr using the same duty cycles that apply under 40 CFR part 1039.

* * * * *

(6) Engines certified under this paragraph (g) may not generate or use emission credits under this part or under 40 CFR part 1039.

* * * * *

- 11. Amend § 86.008–10 by revising paragraph (g)(6) to read as follows:

§ 86.008–10 Emission standards for 2008 and later model year Otto-cycle heavy-duty engines and vehicles.

* * * * *

(g) * * *

(6) Engines certified under this paragraph (g) may not generate or use emission credits under this part.

* * * * *

- 12. Amend § 86.1801–12 by:
■ a. Removing and reserving paragraph (a)(2)(ii)(B);
■ b. Revising paragraphs (a)(3), (b), and (i); and
■ c. Removing paragraphs (j) and (k).
The revisions read as follows:

§ 86.1801–12 Applicability.

(a) * * *

(3) The provisions of this subpart do not apply to heavy-duty vehicles above 14,000 pounds GVWR (see § 86.016–1

and 40 CFR parts 1036 and 1037), except as follows:

(i) Heavy-duty vehicles above 14,000 pounds GVWR and at or below 19,500 pounds GVWR may be optionally certified to the exhaust emission standards in this subpart if they are properly included in a test group with similar vehicles at or below 14,000 pounds GVWR. Emission standards apply to these vehicles as if they were Class 3 medium-duty vehicles.

(ii) [Reserved]

(iii) Evaporative and refueling emission standards apply for heavy-duty vehicles above 14,000 pounds GVWR as specified in 40 CFR 1037.103.

* * * * *

(b) *Relationship to 40 CFR parts 1036 and 1037.* If any heavy-duty vehicle is not subject to standards and certification requirements under this subpart, the vehicle and its installed engine are instead subject to standards and certification requirements under 40 CFR parts 1036 and 1037, as applicable. If you optionally certify engines or vehicles to standards under 40 CFR part 1036 or 40 CFR part 1037, respectively, those engines or vehicles are subject to all the regulatory requirements in 40 CFR parts 1036 and 1037 as if they were mandatory.

* * * * *

(i) *Types of pollutants.* Criteria pollutant standards apply for NO_x, NMOG, HC, formaldehyde, PM, and CO, including exhaust, evaporative, and refueling emission standards. These pollutants are sometimes described collectively as “criteria pollutants” because they are either criteria pollutants under the Clean Air Act or precursors to the criteria pollutants ozone and PM.

■ 13. Amend § 86.1803–01 by:

■ a. Removing the definitions of “AC1”, “AC2”, “Air Conditioning Idle Test”, “Base level”, “Base tire”, “Base vehicle”, “Combined CO₂”, “Combined CREE”, and “Configuration”;

■ b. Revising the definition of “Defeat device”;

■ c. Removing and reserving paragraph (1) of the definition of “Emergency vehicle”;

■ d. Revising the definition of “Engine code”;

■ e. Removing the definition of “Footprint”, “Full size pickup truck”, “Mild hybrid electric vehicle”, “Strong hybrid electric vehicle”, “Subconfiguration”, “Track width”, and “Transmission class”; and

■ f. Adding a definition of “Work factor” in alphabetical order.

The revisions and addition read as follows:

§ 86.1803–01 Definitions.

* * * * *

Defeat device means an auxiliary emission control device (AECD) that reduces the effectiveness of the emission control system under conditions which may reasonably be expected to be encountered in normal vehicle operation and use, unless:

(1) Such conditions are substantially included in driving cycles specified in this subpart or the fuel economy test procedures in 40 CFR part 600;

(2) The need for the AECD is justified in terms of protecting the vehicle against damage or accident;

(3) The AECD does not go beyond the requirements of engine starting; or

(4) The AECD applies only for emergency vehicles and the need is justified in terms of preventing the vehicle from losing speed, torque, or power due to abnormal conditions of the emission control system, or in terms of preventing such abnormal conditions from occurring, during operation related to emergency response. Examples of such abnormal conditions may include excessive exhaust backpressure from an overloaded particulate trap, and running out of diesel exhaust fluid for engines that rely on urea-based selective catalytic reduction.

* * * * *

Engine code means a unique combination within a test group of displacement, fuel injection (or carburetor) calibration, choke calibration, distributor calibration, auxiliary emission control devices, and other engine and emission control system components specified by the Administrator. For electric vehicles, engine code means a unique combination of manufacturer, electric traction motor, motor configuration, motor controller, and energy storage device.*

* * * * *

Work factor, WF, means the characteristic value representing a vehicle's work potential, calculated to the nearest pound using the following equation:

$$WF = 0.75 \times (GVWR - \text{Curb Weight} + xwd) + 0.25 \times (GCWR - GVWR)$$

Where:

xwd = 500 pounds if the vehicle has four-wheel drive or all-wheel drive; *xwd* = 0 pounds for all other vehicles.

* * * * *

■ 14. Amend § 86.1805–12 by revising paragraph (a) to read as follows:

§ 86.1805–12 Useful life.

(a) Except as permitted under paragraph (b) of this section or required under paragraphs (c) and (d) of this

section, the full useful life for all LDVs and LLDTs is a period of use of 10 years or 120,000 miles, whichever occurs first. The full useful life for all HLDTs, MDPVs, and complete heavy-duty vehicles is a period of 11 years or 120,000 miles, whichever occurs first. These full useful life values apply to all exhaust, evaporative and refueling emission requirements except for standards which are specified to only be applicable at the time of certification.

* * * * *

■ 15. Revise § 86.1805–17 to read as follows:

§ 86.1805–17 Useful life.

(a) *General provisions.* The useful life values specified in this section apply for all exhaust, evaporative, refueling, and OBD emission requirements described in this subpart, except for standards that are specified to apply only at certification. Useful life values are specified as a given number of calendar years or miles of driving, whichever comes first.

(b) [Reserved]

(c) *Cold temperature emission standards.* The cold temperature NMHC emission standards in § 86.1811–17 apply for a useful life of 10 years or 120,000 miles for LDV and LLDT, and 11 years or 120,000 miles for HLDT and HDV. The cold temperature CO emission standards in § 86.1811–17 apply for a useful life of 5 years or 50,000 miles.

(d) *Criteria pollutants.* The useful life provisions of this paragraph (d) apply for all emission standards not covered by paragraph (c) of this section. This paragraph (d) applies for the cold temperature emission standards in § 86.1811–27(c). Except as specified in paragraph (f) of this section and in § 86.1811, 86.1813, and 86.1816, the useful life for LDT2, HLDT, MDPV, and HDV is 15 years or 150,000 miles. The useful life for LDV and LDT1 is 10 years or 120,000 miles. Manufacturers may optionally certify LDV and LDT1 to a useful life of 15 years or 150,000 miles, in which case the longer useful life would apply for all the standards and requirements covered by this paragraph (d).

(e) *Intermediate useful life.* Where exhaust emission standards are specified for an intermediate useful life, these standards apply for five years or 50,000 miles.

§ 86.1807–01 [Amended]

■ 16. Amend § 86.1807–01 by removing and reserving paragraph (a)(3)(iv).

■ 17. Amend § 86.1809–12 by revising paragraph (d)(1) to read as follows:

§ 86.1809–12 Prohibition of defeat devices.

* * * *

(d) * * *

(1) The manufacturer must show to EPA's satisfaction that the vehicle design does not incorporate strategies that unnecessarily reduce emission control effectiveness exhibited over the driving cycles specified in this subpart or the fuel economy test procedures in 40 CFR part 600 when the vehicle is operated under conditions that may reasonably be expected to be encountered in normal operation and use.

* * * *

■ 18. Amend § 86.1810–09 by revising paragraph (f)(2) to read as follows:

§ 86.1810–09 General standards; increase in emissions; unsafe condition; waivers.

* * * *

(f) * * *

(2) For vehicles that comply with the cold temperature NMHC standards described in § 86.1811–10(g), manufacturers must submit an engineering evaluation indicating that common calibration approaches are utilized at high altitudes (except when there are specific high altitude calibration needs to deviate from low altitude emission control practices). Any deviation from low altitude emission control practices must be included in the auxiliary emission control device (AECD) descriptions submitted at certification. Any AECD specific to high altitude must require engineering emission data for EPA evaluation to quantify any emission impact and validity of the AECD.

* * * *

■ 19. Amend § 86.1810–17 by revising paragraph (j) to read as follows:

§ 86.1810–17 General requirements.

* * * *

(j) Small-volume manufacturers that modify a vehicle already certified by a different company may recertify that vehicle under this subpart S based on the vehicle supplier's compliance with fleet average standards for criteria exhaust emissions and evaporative emissions as follows:

(1) The recertifying manufacturer must certify the vehicle at bin levels and family emission limits that are the same as or more stringent than the corresponding bin levels and family emission limits for the vehicle supplier.

(2) The recertifying manufacturer must meet all the standards and requirements described in this subpart S, except for the fleet average standards for criteria exhaust emissions and evaporative emissions.

(3) The vehicle supplier must send the small-volume manufacturer a written statement accepting responsibility to include the subject vehicles in the vehicle supplier's exhaust and evaporative fleet average calculations in §§ 86.1860–17 and 86.1864–10.

(4) The small-volume manufacturer must describe in the application for certification how the two companies are working together to demonstrate compliance for the subject vehicles. The application must include the statement from the vehicle supplier described in paragraph (j)(3) of this section.

(5) The vehicle supplier must include a statement that the vehicle supplier is including the small volume manufacturer's sales volume and emissions levels in the vehicle supplier's fleet average reports under §§ 86.1860–17 and 86.1864–10.

* * * *

■ 20. Amend § 86.1805–12 by revising paragraph (a) to read as follows:

§ 86.1811–17 Exhaust emission standards for light-duty vehicles, light-duty trucks and medium-duty passenger vehicles.

(a) *Applicability and general provisions.* This section describes exhaust emission standards that apply for model year 2017 and later light-duty vehicles, light-duty trucks, and medium-duty passenger vehicles. MDPVs are subject to all the same emission standards and certification provisions that apply to LDT4. Some of the provisions of this section also apply to heavy-duty vehicles as specified in § 86.1816. See § 86.1813 for evaporative and refueling emission standards. This section may apply to vehicles from model years earlier than 2017 as specified in paragraph (b)(11) of this section.

* * * *

§ 86.1811–27 [Amended]

■ 21. Amend § 86.1811–27 by removing paragraph (a)(4).

§ 86.1815–27 [Removed]

■ 22. Remove § 86.1815–27.

■ 23. Amend § 86.1816–18 by revising paragraph (a) to read as follows:

§ 86.1816–18 Emission standards for heavy-duty vehicles.

(a) *Applicability and general provisions.* This section describes Tier 3 exhaust emission standards for complete heavy-duty vehicles. These standards are optional for incomplete heavy-duty vehicles and for heavy-duty vehicles above 14,000 pounds GVWR as described in § 86.1801. See § 86.1813 for evaporative and refueling emission

standards. This section starts to apply in model year 2018, except that the provisions may apply to vehicles before model year 2018 as specified in paragraph (b)(11) of this section. This section applies for model year 2027 and later vehicles only as specified in § 86.1811–27. Separate requirements apply for MDPV as specified in § 86.1811. See subpart A of this part for requirements that apply for incomplete heavy-duty vehicles and for heavy-duty engines certified independent of the chassis. The following general provisions apply:

(1) Test all vehicles as described in this section using a chassis dynamometer; establish appropriate load settings based on adjusted loaded vehicle weight (see § 86.1803).

(2) Some provisions apply differently depending on the vehicle's power-to-weight ratio. Determine a vehicle's power-to-weight ratio by dividing the engine's rated power by the vehicle's GVWR (in hp/pound). For purposes of this section, if a test group includes multiple vehicle configurations, use the vehicle with the highest power-to-weight ratio to characterize the test group.

(3) Use E10 test fuel as required in § 86.113, except as specified in this section.

(4) Measure emissions from hybrid electric vehicles (including plug-in hybrid electric vehicles) as described in 40 CFR part 1066, subpart F, except that these procedures do not apply for plug-in hybrid electric vehicles during charge-depleting operation.

* * * *

§ 86.1818–12 and 86.1819–14 [Removed]

■ 24. Remove §§ 86.1818–12 and 86.1819–14.

■ 25. Amend § 86.1822–01 by revising paragraph (b) to read as follows:

§ 86.1822–01 Durability data vehicle selection.

* * * *

(b) The manufacturer may select, using good engineering judgment, an equivalent or worst-case vehicle configuration in lieu of testing the vehicle selected in paragraph (a) of this section. Carryover data satisfying the provisions of § 86.1839–01 may also be used in lieu of testing the vehicle configuration selected in paragraph (a) of this section.

§ 86.1823–08 [Amended]

■ 26. Amend § 86.1823–08 by removing and reserving paragraph (m).

■ 27. Amend § 86.1827–01 by revising paragraph (a)(5) to read as follows:

§ 86.1827–01 Test group determination.

* * * *

(a) * * *

(5) Subject to the same emission standards, or FEL in the case of cold temperature NMHC or NMOG+NO_x standards, except that a manufacturer may request to group vehicles into the same test group as vehicles subject to more stringent standards, so long as all the vehicles within the test group are certified to the most stringent standards applicable to any vehicle within that test group. For example, manufacturers may include medium-duty vehicles at or below 22,000 pounds GCWR in the same test group with medium-duty vehicles above 22,000 pounds GCWR, but all vehicles included in the test group are then subject to the off-cycle emission standards and testing requirements described in § 86.1811–27(e). Light-duty trucks and light-duty vehicles may be included in the same test group if all vehicles in the test group are subject to the same criteria exhaust emission standards.

* * * *

■ 28. Amend § 86.1828–01 by revising paragraph (e) to read as follows:

§ 86.1828–01 Emission data vehicle selection.

* * * *

(e) *Alternative vehicle configurations.* The manufacturer may use good engineering judgment to select an equivalent or worst-case vehicle configuration in lieu of testing the vehicle selected in paragraphs (a) through (c) of this section. Carryover data satisfying the provisions of § 86.1839 may also be used in lieu of testing the vehicle configuration selected in paragraphs (a) through (c) of this section.

* * * *

■ 29. Amend § 86.1829–15 by:

- a. Revising paragraph (d)(3);
- b. Removing and reserving paragraph (d)(6); and
- c. Revising paragraph (d)(8).

The revisions read as follows:

§ 86.1829–15 Durability and emission testing requirements; waivers.

* * * *

(d) * * *

(3) Manufacturers may omit PM measurements for fuel economy testing conducted in addition to the testing needed to demonstrate compliance with the PM emission standards.

* * * *

(8) Manufacturers may provide a statement in the application for certification that medium-duty vehicles above 22,000 pounds GCWR comply with the off-cycle emission standards in

§ 86.1811–27(e) for all normal operation and use when tested as specified. Describe in the application for certification under § 86.1844–01(d)(8) any relevant testing, engineering analysis, or other information in sufficient detail to support the statement. We may direct you to include emission measurements representing typical engine in-use operation at a range of ambient conditions. For example, we may specify certain transient and steady-state engine operation that is typical for your vehicles. Also describe the procedure you used to determine a reference brake-specific CO₂ emission rate, e_{CO_2FTP} , under § 86.1845–04(h)(6).

* * * *

■ 30. Amend § 86.1831–01 by revising paragraphs (a)(3) and (c)(2) to read as follows:

§ 86.1830–01 Acceptance of vehicles for emission testing.

(a) * * *

(3) Test vehicles must have air conditioning installed and operational if that vehicle configuration is available with air conditioning. Optional equipment must be installed or represented on test vehicles according to the provisions of § 86.1832–01.

* * * *

(c) * * *

(2) Within a durability group, the manufacturer may alter any emission data vehicle (or other vehicles such as current or previous model year emission data vehicles, running change vehicles, fuel economy data vehicles, and development vehicles) in lieu of building a new test vehicle providing that the modification will not impact the representativeness of the vehicle's test results. Manufacturers shall use good engineering judgment in making such determinations. Development vehicles which were used to develop the calibration selected for emission data testing may not be used as the EDV for that vehicle configuration. Vehicles from outside the durability group may be altered with advance approval of the Administrator.

* * * *

■ 31. Amend § 86.1835–01 by revising paragraphs (a)(4), (b)(3), and (c) to read as follows:

§ 86.1835–01 Confirmatory certification testing.

(a) * * *

(4) Retesting for fuel economy may be conducted under the provisions of 40 CFR 600.008–08.

(b) * * *

(3) For light-duty vehicles, light-duty trucks, and medium-duty passenger

vehicles the manufacturer shall conduct a retest of the FTP or highway test if the difference between the fuel economy of the confirmatory test and the original manufacturer's test equals or exceeds three percent (or such lower percentage to be applied consistently to all manufacturer conducted confirmatory testing as requested by the manufacturer and approved by the Administrator).

(i) For use in the fuel economy program described in 40 CFR part 600, the manufacturer may, in lieu of conducting a retest, accept as official the lower of the original and confirmatory test fuel economy results.

(ii) The manufacturer shall conduct a second retest of the FTP or highway test if the fuel economy difference between the second confirmatory test and the original manufacturer test equals or exceeds three percent (or such lower percentage as requested by the manufacturer and approved by the Administrator) and the fuel economy difference between the second confirmatory test and the first confirmatory test equals or exceeds three percent (or such lower percentage as requested by the manufacturer and approved by the Administrator). In lieu of conducting a second retest, the manufacturer may accept as official (for use in the fuel economy program) the lowest fuel economy of the original test, the first confirmatory test, and the second confirmatory test fuel economy results.

(c) *Official test determination.* (1) Whenever the Administrator or the manufacturer conducts a confirmatory test segment on a test vehicle, the results of that test segment, unless subsequently invalidated by the Administrator, shall comprise the official data for that test segment for the vehicle at the prescribed test point and the manufacturer's original test data for that test segment for that prescribed test point shall not be used in determining compliance with emission standards.

(i) If the Administrator or the manufacturer conducts more than one passing, valid, confirmatory test, the results from the first passing, valid confirmatory test shall be considered official and used in determining compliance with emission standards.

(ii) Official test results for fuel economy are determined in accordance with the provisions of § 600.008–08 of this chapter.

(iii) The Administrator may stop a test after any evaporative test segment and use as official data any valid results obtained up to that point in the test, as described in subpart B of this part.

(2) Whenever the Administrator or the manufacturer does not conduct a

confirmatory test on a test vehicle at a test point, the manufacturer's original test data will be accepted as the official data for that point.

(i) If the Administrator makes a determination based on testing under paragraph (a) of this section (or other appropriate correlation test data), that there is a lack of correlation between the manufacturer's test equipment or procedures and the test equipment or procedures used by the Administrator, no manufacturer's test data will be accepted for purposes of certification until the reasons for the lack of correlation are determined and the validity of the data is established by the manufacturer.

(ii) If the Administrator has reasonable basis to believe that any test data submitted by the manufacturer is not accurate or has been obtained in violation of any provisions of this subpart, the Administrator may refuse to accept that data as the official data pending retesting or submission of further information.

(iii) If the manufacturer conducts more than one test on an emission data vehicle in the same vehicle configuration (excluding confirmatory tests run under paragraph (b) of this section), the data from the last test in that series of tests on that vehicle, will constitute the official data.

* * * * *

§ 86.1838–01 [Amended]

■ 32. Amend § 86.1838–01 by removing and reserving paragraph (b)(1)(i)(B).

■ 33. Revise § 86.1839–01 to read as follows:

§ 86.1839–01 Carryover of certification and battery monitoring data.

(a) In lieu of testing an emission-data or durability vehicle selected under § 86.1822, § 86.1828, or § 86.1829, and submitting data therefrom, a manufacturer may submit exhaust emission data, evaporative emission data and/or refueling emission data, as applicable, on a similar vehicle for which certification has been obtained or for which all applicable data required under § 86.1845 has previously been submitted. To be eligible for this provision, the manufacturer must use good engineering judgment and meet the following criteria:

(1) In the case of durability data, the manufacturer must determine that the previously generated durability data represent a worst case or equivalent rate of deterioration for all applicable emission constituents compared to the vehicle configuration selected for durability demonstration. Prior to certification, the Administrator may

require the manufacturer to provide data showing that the distribution of catalyst temperatures of the selected durability vehicle configuration is effectively equivalent or lower than the distribution of catalyst temperatures of the vehicle configuration which is the source of the previously generated data.

(2) In the case of emission data, the manufacturer must determine that the previously generated emissions data represent a worst case or equivalent level of emissions for all applicable emission constituents compared to the vehicle configuration selected for emission compliance demonstration.

(b) In lieu of using newly aged hardware on an EDV as allowed under the provisions of § 86.1823–08(f)(2), a manufacturer may use similar hardware aged for an EDV previously submitted, provided that the manufacturer determines that the previously aged hardware represents a worst case or equivalent rate of deterioration for all applicable emission constituents for durability demonstration.

§ 86.1841–01 [Amended]

■ 34. Amend § 86.1841–01 by removing and reserving paragraph (a)(3).

■ 35. Amend § 86.1844–01 by:

■ a. Removing and reserving paragraph (d)(7)(iv);

■ b. Revising paragraph (d)(15);

■ c. Removing and reserving paragraph (d)(20); and

■ d. Revising paragraphs (e)(1) and (3).

The revisions read as follows:

§ 86.1844–01 Information requirements: Application for certification and submittal of information upon request.

* * * * *

(d) * * *

(15) For vehicles with fuel-fired heaters, describe the control system logic of the fuel-fired heater, including an evaluation of the conditions under which it can be operated and an evaluation of the possible operational modes and conditions under which evaporative emissions can exist. Use good engineering judgment to establish an estimated exhaust emission rate from the fuel-fired heater in grams per mile for each pollutant subject to a fleet average standard. Adjust fleet average compliance calculations in §§ 86.1861 and 86.1864 as appropriate to account for emissions from fuel-fired heaters. Describe the testing used to establish the exhaust emission rate.

* * * * *

(e) * * *

(1) Identify all emission-related components. Also identify software, AECDs, and other elements of design that are used to control exhaust or

evaporative/refueling emissions.

Identify the emission-related components by part number. Identify software by part number or other convention, as appropriate. Organize part numbers by engine code or other similar classification scheme.

* * * * *

(3) Identification and description of all vehicles covered by each certificate of conformity to be produced and sold within the U.S. The description must be sufficient to identify whether any given in-use vehicle is, or is not, covered by a given certificate of conformity, the test group and the evaporative/refueling family to which it belongs and the standards that are applicable to it, by matching readily observable vehicle characteristics and information given in the emission control information label (and other permanently attached labels) to indicators in the Part 1 Application. For example, the description must include any components or features that contribute to measured or demonstrated control of emissions for meeting exhaust or evaporative/refueling standards under this subpart. In addition, the description must be sufficient to determine for each vehicle covered by the certificate, all appropriate test parameters and any special test procedures necessary to conduct an official certification exhaust or evaporative emission test as was required by this subpart to demonstrate compliance with applicable emission standards. The description shall include, but is not limited to, information such as model name, vehicle classification (light-duty vehicle, light-duty truck, or complete heavy-duty vehicle), sales area, engine displacement, engine code, transmission type, tire size and parameters necessary to conduct exhaust emission tests such as equivalent test weight, curb and gross vehicle weight, test horsepower (with and without air conditioning adjustment), coast down time, shift schedules, cooling fan configuration, etc. and evaporative tests such as canister working capacity, canister bed volume, and fuel temperature profile. Actual values must be provided for all parameters.

* * * * *

■ 36. Amend § 86.1845–04 by:

■ a. Revising paragraphs (b)(5)(i) and (c)(5)(i);

■ b. Removing and reserving paragraph (g); and

■ d. Revising paragraph (h)(6).

The revisions read as follows:

§ 86.1845–04 Manufacturer in-use verification testing requirements.

* * * * *

(b) * * *

(5) *Testing.* (i) Each test vehicle of a test group shall be tested in accordance with the FTP and the US06 as described in subpart B of this part, when such test vehicle is tested for compliance with applicable exhaust emission standards under this subpart.

* * * * *

(c) * * *

(5) *Testing.* (i) Each test vehicle shall be tested in accordance with the FTP and the US06 as described in subpart B of this part when such test vehicle is tested for compliance with applicable exhaust emission standards under this subpart. One test vehicle from each test

group shall be tested over the FTP at high altitude. The test vehicle tested at high altitude is not required to be one of the same test vehicles tested at low altitude. The test vehicle tested at high altitude is counted when determining the compliance with the requirements shown in Table S04–06 and Table S04–07 (tables 1 and 2 to paragraph (b)(3) of this section) or the expanded sample size as provided for in this paragraph (c).

* * * * *

(h) * * *

(6) Determine a reference CO₂ emission rate, e_{CO2FTP} , as described in

40 CFR 1036.235(b) or based on measured values from any chassis FTP driving cycles under 40 CFR part 1066, subpart I, that is used for reporting data from an emission data vehicle or a fuel economy data vehicle, as follows:

Equation 1 to Paragraph (h)(6)

$$e_{CO2FTP} = \frac{m_{CO2FTP}}{W_{FTP}}$$

Where:

m_{CO2FTP} = CO₂ emission mass in grams emitted over the FTP driving cycle.

d_{FTP} = measured driving distance in miles.

W_{FTP} = work performed over the FTP.

$$W_{FTP} = \sum_{i=1}^N f_{ni} \cdot T_i \cdot \Delta t$$

i = an indexing variable that represents a 1 Hz OBD time counter over the course of the FTP drive.

N = total number of measurements over the FTP duty cycle = 1874.

f_n = engine speed for each point, i , starting from the start of the FTP drive at $i = 1$, collected from OBD PID \$0C.

T = engine torque in N·m for each point, i , starting from $i = 1$. Calculate T by subtracting Friction Torque (PID \$8E) from Indicated Torque (PID \$62) (both PIDs are percentages) and then multiplying by the reference torque (PID \$63). Set torque to zero if friction torque is greater than indicated torque.

$\Delta t = 1/f_{\text{record}}$.

f_{record} = the data recording frequency.

Example

$m_{CO2FTP} = 10,961$ g

$N = 1874$

$f_1 = 687.3$ r/min = 71.97 rad/s

$f_2 = 689.7$ r/min = 72.23 rad/s

$T_1 = 37.1$ ft·lbf = 50.3 N·m

$T_2 = 37.2$ ft·lbf = 50.4 N·m

$f_{\text{record}} = 1$ Hz

$\Delta t = 1/1 = 1$ s = 0.000277 hr

$W_{FTP} = 71.97 \cdot 50.3 \cdot 1.0 + 72.23 \cdot 50.4 \cdot 1.0$
 $+ \dots + f_{n1874} \cdot T_{1874} \cdot \Delta t_{1874}$

$W_{FTP} = 53,958,852$ W·s = 20.1 hp·hr

$$e_{CO2FTP} = \frac{10,961}{20.1}$$

$e_{CO2FTP} = 545.3$ g/hp·hr

* * * * *

■ 37. Amend § 86.1846–01 by:

■ a. Revising paragraph (a); and

■ b. Removing and reserving paragraph (b)(2).

The revision read as follows:

§ 86.1846–01 Manufacturer in-use confirmatory testing requirements.

(a) *General requirements.*

(1) Manufacturers must test, or cause testing to be conducted, under this section when the emission levels shown by a test group sample from testing under § 86.1845 exceeds the criteria specified in paragraph (b) of this section. The testing required under this section applies separately to each test group and at each test point (low and high mileage) that meets the specified criteria. The testing requirements apply separately for each model year.

(2) The provisions of § 86.1845–04(a)(3) regarding fuel sulfur effects apply equally to testing under this section.

* * * * *

§ 86.1848–10 [Amended]

■ 38. Amend § 86.1848–10 by removing and reserving paragraph (c)(9).

■ 39. Amend § 86.1854–12 by revising paragraph (a)(2)(iv) to read as follows:

§ 86.1854–12 Prohibited acts.

(a) * * *

(2) * * *

(iv) For a person to fail to establish or maintain records as required under §§ 86.1844, 86.1862, and 86.1864 with regard to vehicles.

* * * * *

■ 40. Revise and republish § 86.1861–17 to read as follows:

§ 86.1861–17 How do the NMOG + NO_x and evaporative emission credit programs work?

You may use emission credits for purposes of certification to show compliance with the applicable fleet average NMOG+NO_x standards from §§ 86.1811 and 86.1816 and the fleet average evaporative emission standards from § 86.1813 as described in 40 CFR part 1036, subpart H, with certain exceptions and clarifications as specified in this section. MDPVs are subject to the same provisions of this section that apply to LDT4.

(a) Calculate emission credits as described in this paragraph (a) instead of using the provisions of 40 CFR 1036.705. Calculate positive or negative emission credits relative to the applicable fleet average standard. Calculate positive emission credits if your fleet average level is below the standard. Calculate negative emission credits if your fleet average value is above the standard. Calculate credits separately for each applicable fleet average standard and calculate total credits for each averaging set as specified in paragraph (b) of this section. Convert units from mg/mile to g/mile as needed for performing calculations. Calculate emission credits using the following equation, rounded to the nearest whole number:

Equation 1 to Paragraph (a)

$$\text{Emission credit} = \text{Volume} \cdot [\text{Fleet average standard} - \text{Fleet average value}]$$

Where:

Emission credit = The positive or negative credit for each discrete fleet average standard, in units of vehicle-grams per mile for NMOG+NO_x and vehicle-grams per test for evaporative emissions.

Volume = Sales volume in a given model year from the collection of test groups or evaporative families covered by the fleet average value, as described in § 86.1860.

(b) The following restrictions apply instead of those specified in 40 CFR 1036.740:

(1) Except as specified in paragraph (b)(2) of this section, emission credits may be exchanged only within an averaging set, as follows:

(i) HDV represent a separate averaging set with respect to all emission standards.

(ii) Except as specified in paragraph (b)(1)(iii) of this section, light-duty program vehicles represent a single averaging set with respect to all emission standards. Note that FTP and SFTP credits for Tier 3 vehicles are not interchangeable.

(iii) LDV and LDT1 certified to standards based on a useful life of 120,000 miles and 10 years together represent a single averaging set with respect to NMOG+NO_x emission standards. Note that FTP and SFTP credits for Tier 3 vehicles are not interchangeable.

(iv) The following separate averaging sets apply for evaporative emission standards:

(A) LDV and LDT1 together represent a single averaging set.

(B) LDT2 represents a single averaging set.

(C) HLDT represents a single averaging set.

(D) HDV represents a single averaging set.

(2) You may exchange evaporative emission credits across averaging sets as follows if you need additional credits to offset a deficit after the final year of maintaining deficit credits as allowed under paragraph (c) of this section:

(i) You may exchange LDV/LDT1 and LDT2 emission credits.

(ii) You may exchange HLDT and HDV emission credits.

(3) Except as specified in paragraph (b)(4) of this section, credits expire after five years. For example, credits you

generate in model year 2018 may be used only through model year 2023.

(4) For the Tier 3 declining fleet average FTP and SFTP emission standards for NMOG+NO_x described in § 86.1811–17(b)(8), credits generated in model years 2017 through 2024 expire after eight years, or after model year 2030, whichever comes first; however, these credits may not be traded after five years. This extended credit life also applies for small-volume manufacturers generating credits under § 86.1811–17(h)(1) in model years 2022 through 2024. Note that the longer credit life does not apply for heavy-duty vehicles, for vehicles certified under the alternate phase-in described in § 86.1811–17(b)(9), or for vehicles generating early Tier 3 credits under § 86.1811–17(b)(11) in model year 2017.

(5) Tier 3 credits for NMOG+NO_x may be used to demonstrate compliance with Tier 4 standards without adjustment, except as specified in § 86.1811–27(b)(6)(ii).

(6) A manufacturer may generate NMOG+NO_x credits from model year 2027 through 2032 electric vehicles that qualify as MDPV and use those credits for certifying medium-duty vehicles, as follows:

(i) Calculate generated credits separately for qualifying vehicles. Calculate generated credits by multiplying the applicable standard for light-duty program vehicles by the sales volume of qualifying vehicles in a given model year.

(ii) Apply generated credits to eliminate any deficit for light-duty program vehicles before using them to certify medium-duty vehicles.

(iii) Apply the credit provisions of this section as specified, except that you may not buy or sell credits generated under this paragraph (b)(6).

(iv) Describe in annual credit reports how you are generating certain credit quantities under this paragraph (b)(6). Also describe in your end of year credit report how you will use those credits for certifying light-duty program vehicles or medium-duty vehicles in a given model year.

(c) The credit-deficit provisions 40 CFR 1036.745 apply to the NMOG+NO_x and evaporative emission standards for

Tier 3 and Tier 4 vehicles. Credit-deficit provisions are not affected by the transition from Tier 3 to Tier 4 standards.

(d) The reporting and recordkeeping provisions of § 86.1862 apply instead of those specified in 40 CFR 1036.730 and 1036.735.

(e) The provisions of 40 CFR 1036.625 do not apply.

§ 86.1865–12, 86.1866–12, 86.1867–12, and 86.1867–31 [Removed]

■ 41. Remove §§ 86.1865–12, 86.1866–12, 86.1867–12, and 86.1867–31.

■ 42. Amend § 86.1868–12 by:

■ a. Revising the introductory text and paragraph (c);

■ b. Removing and reserving paragraph (d); and

■ c. Revising paragraphs (g) introductory text and (g)(3) introductory text.

to read as follows:

§ 86.1868–12 CO₂ credits for improving the efficiency of air conditioning systems.

The regulation at 40 CFR 600.510 describes how manufacturers may calculate fuel consumption improvement values based on improvements to air conditioning efficiency. This section describes how to calculate credits to determine the average fuel economy for comparing to the Corporate Average Fuel Economy standard. The provisions of this section do not apply for medium-duty vehicles. Credits shall be calculated according to this section for each air conditioning system that the manufacturer is using to generate credits. Manufacturers must validate credits under this section based on testing as described in paragraph (g) of this section. Starting in model year 2027, manufacturers may generate credits under this section only for vehicles propelled by internal combustion engines.

* * * * *

(c) The total efficiency credits generated by an air conditioning system shall be calculated in megagrams separately for passenger automobiles and light trucks according to the following formula:

Equation 1 to Paragraph (c)

$$\text{Total Credits} = \frac{\text{Credit} \cdot \text{Production} \cdot \text{VLM}}{1,000,000}$$

Where:

Credit = the air conditioning efficiency credit in grams per mile determined in

paragraph (b) of this section. Starting in

model year 2027, multiply the credit value for PHEV by (1-UF), where UF = the fleet utility factor established under 40 CFR 600.116-12(c)(1) or (c)(10)(iii) (weighted 55 percent city, 45 percent highway).

Production = The total number of passenger automobiles or light trucks, whichever is applicable, produced with the air conditioning system to which the efficiency credit value from paragraph (b) of this section applies.

VLM = vehicle lifetime miles, which for passenger automobiles shall be 195,264 and for light trucks shall be 225,865.

* * * * *

(g) For AC17 validation testing and reporting requirements, manufacturers must validate air conditioning efficiency credits by using the AC17 Test Procedure in 40 CFR 1066.845 as follows:

* * * * *

(3) For the first model year for which an air conditioning system is expected to generate credits, the manufacturer must select for testing the projected highest-selling vehicle configuration within each combination of vehicle platform and air conditioning system (as those terms are defined in § 86.1803). The manufacturer must test at least one unique air conditioning system within each vehicle platform in a model year, unless all unique air conditioning systems within a vehicle platform have been previously tested. A unique air conditioning system design is a system with unique or substantially different component designs or types and/or system control strategies (e.g., fixed-displacement vs. variable displacement compressors, orifice tube vs. thermostatic expansion valve, single vs. dual evaporator, etc.). In the first year of such testing, the tested vehicle configuration shall be the highest production vehicle configuration within each platform. In subsequent model years the manufacturer must test other unique air conditioning systems within the vehicle platform, proceeding from the highest production untested system until all unique air conditioning systems within the platform have been tested, or until the vehicle platform experiences a major redesign. Whenever a new unique air conditioning system is tested, the highest production vehicle configuration using that system shall be the vehicle selected for testing. Credits may continue to be generated by the air conditioning system installed in a vehicle platform provided that:

* * * * *

■ 43. Amend § 86.1869-12 by revising the introductory text and paragraphs (a), (b)(1) introductory text, (b)(2) introductory text, (b)(2)(v), (c)

introductory text, and (e)(2)(i) to read as follows:

§ 86.1869-12 CO₂ credits for off-cycle CO₂ reducing technologies.

The regulation at 40 CFR 600.510 describes how manufacturers may calculate fuel consumption improvement values based on vehicle improvements that are not reflected in testing to demonstrate compliance with exhaust emission standards. This section describes how to calculate credits to determine the average fuel economy for comparing to the Corporate Average Fuel Economy standard through model year 2032. The provisions of this section do not apply for medium-duty vehicles. Manufacturers may no longer generate credits under this section starting in model year 2027 for vehicles deemed to have zero tailpipe emissions and in model year 2033 for all other vehicles. Manufacturers may no longer generate credits under paragraphs (c) and (d) of this section for any type of vehicle starting in model year 2027.

(a) Manufacturers may generate credits for CO₂-reducing technologies where the CO₂ reduction benefit of the technology is not adequately captured on the Federal Test Procedure and/or the Highway Fuel Economy Test such that the technology would not be otherwise installed for purposes of meeting Corporate Average Fuel Economy standards. These technologies must have a measurable, demonstrable, and verifiable real-world CO₂ reduction that occurs outside the conditions of the Federal Test Procedure and the Highway Fuel Economy Test. These optional credits are referred to as “off-cycle” credits. The technologies must not be integral or inherent to the basic vehicle design, such as engine, transmission, mass reduction, passive aerodynamic design, and tire technologies. Technologies installed for non-off-cycle emissions related reasons are also not eligible as they would be considered part of the baseline vehicle design. The technology must not be inherent to the design of occupant comfort and entertainment features except for technologies related to reducing passenger air conditioning demand and improving air conditioning system efficiency. Notwithstanding the provisions of this paragraph (a), off-cycle menu technologies included in paragraph (b) of this section remain eligible for credits. Off-cycle technologies used to generate emission credits are considered emission-related components subject to applicable requirements and must be demonstrated to be effective for the full useful life of

the vehicle. Unless the manufacturer demonstrates that the technology is not subject to in-use deterioration, the manufacturer must account for the deterioration in their analysis. Durability evaluations of off-cycle technologies may occur at any time throughout a model year, provided that the results can be factored into the data provided in the model year report. Off-cycle credits may not be approved for crash-avoidance technologies, safety critical systems or systems affecting safety-critical functions, or technologies designed for the purpose of reducing the frequency of vehicle crashes. Off-cycle credits may not be earned for technologies installed on a motor vehicle to attain compliance with any vehicle safety standard or any regulation set forth in Title 49 of the Code of Federal Regulations. The manufacturer must use one of the three options specified in this section to establish off-cycle credits under this section.

(b) * * *

(1) The manufacturer may generate off-cycle credits for certain technologies as specified in this paragraph (b)(1). Technology definitions are in paragraph (b)(4) of this section. Calculated credit values shall be rounded to the nearest 0.1 grams/mile.

* * * * *

(2) The maximum allowable off-cycle credit for the combined passenger automobile and light truck fleet attributable to use of the default credit values in paragraph (b)(1) of this section is specified in paragraph (b)(2)(v) of this section. If the total of the off-cycle credit values from paragraph (b)(1) of this section does not exceed the specified off-cycle credit cap for any passenger automobile or light truck in a manufacturer's fleet, then the total off-cycle credits may be calculated according to paragraph (f) of this section. If the total of the off-cycle credit values from paragraph (b)(1) of this section exceeds the specified off-cycle credit cap for any passenger automobile or light truck in a manufacturer's fleet, then the gram per mile decrease for the combined passenger automobile and light truck fleet must be determined according to paragraph (b)(2)(ii) of this section to determine whether the applicable limitation has been exceeded.

* * * * *

(v) The manufacturer's combined passenger automobile and light truck fleet average off-cycle credits attributable to use of the default credit values in paragraph (b)(1) of this section may not exceed the following specific values:

Model year	Off-cycle credit cap (g/mile)
(A) 2023–2026	15
(B) 2027–2030	10
(C) 2031	8.0
(D) 2032	6.0

* * * * *

(c) *Technology demonstration using EPA 5-cycle methodology.* To demonstrate an off-cycle technology and to determine off-cycle credits using the EPA 5-cycle methodology, the manufacturer shall determine the off-cycle city/highway combined carbon-related exhaust emissions benefit by using the EPA 5-cycle methodology described in 40 CFR part 600. This method may not be used for technologies that include elements (e.g., driver-selectable systems) that require additional analyses, data collection, projections, or modeling, or other assessments to determine a national average benefit of the technology. Testing shall be performed on a representative vehicle, selected using good engineering judgment, for each model type for which the credit is being demonstrated. The emission benefit of a technology is determined by testing both with and without the off-cycle technology operating. If a specific technology is not expected to change emissions on one of the five test procedures, the manufacturer may submit an engineering analysis to the EPA that demonstrates that the technology has no effect. If EPA concurs with the analysis, then multiple tests are not required using that test procedure; instead, only one of that test procedure shall be required—either with or without the technology installed and operating—and that single value will be used for all of the 5-cycle weighting calculations. Multiple off-cycle technologies may be demonstrated on a test vehicle. The manufacturer shall conduct the following steps and submit all test data to the EPA.

* * * * *

(e) * * *

(2) * * *

(i) A detailed description of the off-cycle technology and how it functions to improve fuel economy under conditions not represented on the FTP and HFET.

* * * * *

§ 86.1870–12 [Removed]

■ 44. Remove § 86.1870–12.

PART 600—FUEL ECONOMY AND GREENHOUSE GAS EXHAUST EMISSIONS OF MOTOR VEHICLES

■ 45. The authority citation for part 600 continues to read as follows:

Authority: 49 U.S.C. 32901–23919q, Pub. L. 109–58.

§ 600.001 [Amended]

■ 46. Amend § 600.001 by removing the last sentence in paragraph (a) and the last two sentences in paragraph (c).

■ 47. Amend § 600.002 by:

■ a. Revising the definitions of “Carbon-related exhaust emissions (CREE)” and “Engine code”;

■ b. Removing the definition of “Footprint”; and

■ c. Revising the definitions of “Medium-duty passenger vehicle (MDPV_{FE})”, “Subconfiguration”, and “Vehicle configuration”.

The revisions read as follows:

§ 600.002 Definitions.

* * * * *

Carbon-related exhaust emissions (CREE) means the summation of the carbon-containing constituents of the exhaust emissions, with each constituent adjusted by a coefficient representing the carbon weight fraction of each constituent relative to the CO₂ carbon weight fraction, as specified in § 600.113.

* * * * *

Engine code means a unique combination, within a test group (as defined in § 86.1803 of this chapter), of displacement, fuel injection (or carburetion or other fuel delivery system), calibration, distributor calibration, choke calibration, auxiliary emission control devices, and other engine and emission control system components specified by the Administrator. For electric vehicles, *engine code* means a unique combination of manufacturer, electric traction motor, motor configuration, motor controller, and energy storage device.

* * * * *

Medium-duty passenger vehicle (MDPV_{FE}) means any motor vehicle rated at more than 8,500 pounds GVWR and less than 10,000 pounds GVWR that is designed primarily to transport passengers, but does not include a vehicle that—

(1) Is an “incomplete truck,” meaning any truck which does not have the primary load carrying device or container attached when it is first sold as a vehicle; or

(2) Has a seating capacity of more than 12 persons; or

(3) Is designed for more than 9 persons in seating rearward of the driver’s seat; or

(4) Is equipped with an open cargo area (for example, a pick-up truck box or bed) of 72.0 inches in interior length or more. A covered box not readily accessible from the passenger compartment will be considered an open cargo area for purposes of this definition. (See paragraph (1) of the definition of medium-duty passenger vehicle at 40 CFR 86.1803–01).

* * * * *

Subconfiguration means a unique combination within a vehicle configuration of equivalent test weight, road-load horsepower, and any other operational characteristics or parameters which the Administrator determines may significantly affect fuel economy or CO₂ emissions within a vehicle configuration.

* * * * *

Vehicle configuration means a unique combination of basic engine, engine code, inertia weight class, transmission configuration, and axle ratio within a base level.

* * * * *

■ 48. Amend § 600.006 by revising paragraphs (c)(5), (e), and (g)(3)(ii) to read as follows:

§ 600.006 Data and information requirements for fuel economy data vehicles.

* * * * *

(c) * * *

(5) Starting with the 2012 model year, the data submitted according to paragraphs (c)(1) through (4) of this section shall include total HC, CO, CO₂, and, where applicable for alternative fuel vehicles, CH₃OH, C₂H₅OH, C₂H₄O, HCHO, NMHC and CH₄.

* * * * *

(e) In lieu of submitting actual data from a test vehicle, a manufacturer may provide fuel economy and CO₂ emission values derived from a previously tested vehicle, where the fuel economy and CO₂ emissions are expected to be equivalent (or less fuel-efficient and with higher CO₂ emissions). Additionally, in lieu of submitting actual data from a test vehicle, a manufacturer may provide fuel economy and CO₂ emission values derived from an analytical expression, e.g., regression analysis. In order for fuel economy and CO₂ emission values derived from analytical methods to be accepted, the expression (form and coefficients) must have been approved by the Administrator.

* * * * *

(g) * * *

(3) * * *

(ii)(A) The manufacturer shall adjust all CO₂ test data generated by vehicles with engine-drive system combinations with more than 6,200 miles by using the following equation:

$$ADJ_{4,000mi} = TEST[0.979 + 5.25 \cdot 10^{-6} \cdot (mi)]$$

Where:

$ADJ_{4,000mi}$ = CO₂ emission data adjusted to 4,000-mile test point.

TEST = Tested emissions value of CO₂ in grams per mile.

mi = System miles accumulated at the start of the test rounded to the nearest whole mile.

(B) Emissions test values and results used and determined in the calculations in this paragraph (g)(3)(ii) shall be rounded in accordance with § 86.1837 of this chapter as applicable. Round results to the nearest gram per mile.

* * * * *

■ 49. Amend § 600.007 by revising paragraphs (b)(5) and (6), (c), and (f) introductory text to read as follows:

§ 600.007 Vehicle acceptability.

* * * * *

(b) * * *

(5) The calibration information submitted under § 600.006(b) must be representative of the vehicle configuration for which the fuel economy and CO₂ emission data were submitted.

(6) Any vehicle tested for fuel economy or CO₂ emissions must be representative of a vehicle which the manufacturer intends to produce under the provisions of a certificate of conformity.

* * * * *

(c) If, based on review of the information submitted under § 600.006(b), the Administrator determines that a fuel economy data vehicle meets the requirements of this section, the fuel economy data vehicle will be judged to be acceptable and fuel economy data from that fuel economy data vehicle will be reviewed pursuant to § 600.008.

* * * * *

(f) All vehicles used to generate fuel economy data, and for which emission standards apply, must be covered by a certificate of conformity under part 86 of this chapter before:

* * * * *

■ 50. Amend § 600.008 by revising the section heading and paragraph (a)(1)(ii) to read as follows:

§ 600.008 Review of fuel economy and CO₂ emission data, testing by the Administrator.

(a) * * *

(1) * * *

(ii) The evaluations, testing, and test data described in this section pertaining to fuel economy shall also be performed for CO₂ emissions, except that CO₂ emissions shall be arithmetically averaged instead of harmonically averaged, and in cases where the manufacturer selects the lowest of several fuel economy results to represent the vehicle, the manufacturer shall select the CO₂ emission value from the test results associated with the lowest selected fuel economy results.

* * * * *

■ 51. Amend § 600.010 by revising paragraphs (c)(1)(ii) and (d) to read as follows:

§ 600.010 Vehicle test requirements and minimum data requirements.

* * * * *

(c) * * *

(1) * * *

(ii)(A) FTP and HFET data from the highest projected model year sales subconfiguration within the highest projected model year sales vehicle configuration for each base level, and

(B) If required under § 600.115, for 2011 and later model year vehicles, US06, SC03 and cold temperature FTP data from the highest projected model year sales subconfiguration within the highest projected model year sales vehicle configuration for each base level. Manufacturers may optionally generate this data for any 2008 through 2010 model years, and, 2011 and later model year vehicles, if not otherwise required.

* * * * *

(d) *Minimum data requirements for the manufacturer's average fuel economy.* For the purpose of calculating the manufacturer's average fuel economy under § 600.510, the manufacturer shall submit FTP (city) and HFET (highway) test data representing at least 90 percent of the manufacturer's actual model year production, by vehicle configuration, for each category identified for calculation under § 600.510–08(a) or § 600.510–12(a)(1).

■ 52. Revise the heading of subpart B as set forth above.

■ 53. Amend § 600.101 by revising paragraph (a)(2) and removing and reserving paragraph (b)(2). The revision reads as follows:

§ 600.101 Testing overview.

* * * * *

(a) * * *

(2) Calculate fuel economy values for vehicle subconfigurations, configurations, base levels, and model types as described in §§ 600.206 and 600.208. Calculate fleet average values

for fuel economy as described in § 600.510. Note that § 600.510(c) describes how to use CREE to determine fuel consumption improvement values for specific cases.

* * * * *

■ 54. Amend § 600.111–08 by revising paragraph (h) to read as follows:

§ 600.111–08 Test procedures.

* * * * *

(h) *Special test procedures.* We may allow or require you to use procedures other than those specified in this section as described in 40 CFR 1066.10(c). For example, special test procedures may be used for advanced technology vehicles, including, but not limited to fuel cell vehicles, hybrid electric vehicles using hydraulic energy storage, and vehicles equipped with hydrogen internal combustion engines. Additionally, we may conduct fuel economy and exhaust emission testing using the special test procedures approved for a specific vehicle.

■ 55. Amend § 600.113–12 by:

■ a. Revising the section heading, introductory text, and paragraph (g);

■ b. Removing and reserving paragraphs (h)(2), (i)(2), (j)(2), (k)(2), (l)(2), (m)(2);

■ c. Revising paragraph (n);

■ d. Removing and reserving paragraph (o)(2); and

■ e. Revising paragraph (p).

The revisions read as follows:

§ 600.113–12 Fuel economy and CO₂ emission calculations for FTP, HFET, US06, SC03 and cold temperature FTP tests.

The Administrator will use the calculation procedure set forth in this section for all official EPA testing of vehicles fueled with gasoline, diesel, alcohol-based or natural gas fuel. The calculations of the weighted fuel economy values require input of the weighted grams/mile values for total hydrocarbons (HC), carbon monoxide (CO), and carbon dioxide (CO₂); and, additionally for methanol-fueled automobiles, methanol (CH₃OH) and formaldehyde (HCHO); and, additionally for ethanol-fueled automobiles, methanol (CH₃OH), ethanol (C₂H₅OH), acetaldehyde (C₂H₄O), and formaldehyde (HCHO); and additionally for natural gas-fueled vehicles, non-methane hydrocarbons (NMHC) and methane (CH₄). Emissions shall be determined for the FTP, HFET, US06, SC03, and cold temperature FTP tests. Additionally, the specific gravity, carbon weight fraction and net heating value of the test fuel must be determined. The FTP, HFET, US06, SC03, and cold temperature FTP fuel economy values shall be calculated as specified in this section. An example

fuel economy calculation appears in appendix II to this part.

* * * * *

(g) Calculate separate FTP, highway, US06, SC03 and Cold temperature FTP fuel economy values from the grams/mile values for total HC, CO, CO₂ and, where applicable, CH₃OH, C₂H₅OH, C₂H₄O, HCHO, NMHC, N₂O, and CH₄, and the test fuel's specific gravity, carbon weight fraction, net heating value, and additionally for natural gas, the test fuel's composition.

(1) *Emission values for fuel economy calculations.* The emission values (obtained per paragraph (a) through (e) of this section, as applicable) used in the calculations of fuel economy in this section shall be rounded in accordance with § 86.1837 of this chapter. The CO₂ values (obtained per this section, as applicable) used in each calculation of fuel economy in this section shall be rounded to the nearest gram/mile.

(2) [Reserved]

(h)

(1) For gasoline-fueled automobiles tested on a test fuel specified in § 86.113 of this chapter, the fuel economy in miles per gallon is to be calculated using the following equation and rounded to the nearest 0.1 miles per gallon:

$$\text{mpg} = (5174 \times 10^4 \times \text{CWF} \times \text{SG}) / ((\text{CWF} \times \text{HC}) + (0.429 \times \text{CO}) + (0.273 \times \text{CO}_2)) \times ((0.6 \times \text{SG} \times \text{NHV}) + 5471)$$

Where:

HC = Grams/mile HC as obtained in paragraph (g)(1) of this section.

CO = Grams/mile CO as obtained in paragraph (g)(1) of this section.

CO₂ = Grams/mile CO₂ as obtained in paragraph (g)(1) of this section.

CWF = Carbon weight fraction of test fuel as obtained in paragraph (f)(1) of this section and rounded according to paragraph (g)(3) of this section.

NHV = Net heating value by mass of test fuel as obtained in paragraph (f)(1) of this section and rounded according to paragraph (g)(3) of this section.

SG = Specific gravity of test fuel as obtained in paragraph (f)(1) of this section and rounded according to paragraph (g)(3) of this section.

(2) [Reserved]

(i)

(1) For diesel-fueled automobiles, calculate the fuel economy in miles per gallon of diesel fuel by dividing 2778 by the sum of three terms and rounding the quotient to the nearest 0.1 mile per gallon:

(i) (A) 0.866 multiplied by HC (in grams/miles as obtained in paragraph (g)(1) of this section); or

(B) Zero, in the case of cold FTP diesel tests for which HC was not collected, as permitted in § 600.113–08(c);

(ii) 0.429 multiplied by CO (in grams/mile as obtained in paragraph (g)(1) of this section); and

(iii) 0.273 multiplied by CO₂ (in grams/mile as obtained in paragraph (g)(1) of this section).

(2) [Reserved](j)

(1) For methanol-fueled automobiles and automobiles designed to operate on mixtures of gasoline and methanol, the

fuel economy in miles per gallon of methanol is to be calculated using the following equation:

$$\text{mpg} = (\text{CWF} \times \text{SG} \times 3781.8) / ((\text{CWF}_{\text{exHC}} \times \text{HC}) + (0.429 \times \text{CO}) + (0.273 \times \text{CO}_2) + (0.375 \times \text{CH}_3\text{OH}) + (0.400 \times \text{HCHO}))$$

Where:

CWF = Carbon weight fraction of the fuel as determined in paragraph (f)(2)(ii) of this section and rounded according to paragraph (g)(3) of this section.

SG = Specific gravity of the fuel as determined in paragraph (f)(2)(i) of this section and rounded according to paragraph (g)(3) of this section.

CWF_{exHC} = Carbon weight fraction of exhaust hydrocarbons = CWF as determined in paragraph (f)(2)(ii) of this section and rounded according to paragraph (g)(3) of this section (for M100 fuel, CWF_{exHC} = 0.866).

HC = Grams/mile HC as obtained in paragraph (g)(1) of this section.

CO = Grams/mile CO as obtained in paragraph (g)(1) of this section.

CO₂ = Grams/mile CO₂ as obtained in paragraph (g)(1) of this section.

CH₃OH = Grams/mile CH₃OH (methanol) as obtained in paragraph (g)(1) of this section.

HCHO = Grams/mile HCHO (formaldehyde) as obtained in paragraph (g)(1) of this section.

(2) [Reserved]

(k)

(1) For automobiles fueled with natural gas and automobiles designed to operate on gasoline and natural gas, the fuel economy in miles per gallon of natural gas is to be calculated using the following equation:

$$\text{mpg}_{\text{NG}} = \frac{\text{CWF}_{\text{HC/NG}} \times D_{\text{NG}} \times 121.5}{(0.749 \times \text{CH}_4) + (\text{CWF}_{\text{NMHC}} \times \text{NMHC}) + (0.429 \times \text{CO}) + (0.273 \times (\text{CO}_1 - \text{CO}_{2\text{NG}}))}$$

Where:

mpg_{NG} = miles per gasoline gallon equivalent of natural gas.

CWF_{HC/NG} = carbon weight fraction based on the hydrocarbon constituents in the natural gas fuel as obtained in paragraph (f)(3) of this section and rounded according to paragraph (g)(3) of this section.

D_{NG} = density of the natural gas fuel [grams/ft³ at 68 °F (20 °C) and 760 mm Hg (101.3

kPa)] pressure as obtained in paragraph (g)(3) of this section.

CH₄, NMHC, CO, and CO₂ = weighted mass exhaust emissions [grams/mile] for methane, non-methane HC, carbon monoxide, and carbon dioxide as obtained in paragraph (g)(2) of this section.

CWF_{NMHC} = carbon weight fraction of the non-methane HC constituents in the fuel as determined from the speciated fuel

composition per paragraph (f)(3) of this section and rounded according to paragraph (g)(3) of this section.

CO_{2NG} = grams of carbon dioxide in the natural gas fuel consumed per mile of travel.

CO_{2NG} = FC_{NG} × D_{NG} × WF_{CO2}

Where:

$$\text{FC}_{\text{NG}} = \frac{(0.749 \times \text{CH}_4) + (\text{CWF}_{\text{NMHC}} \times \text{NMHC}) + (0.429 \times \text{CO}) + (0.273 \times \text{CO}_2)}{\text{CWF}_{\text{NG}} \times D_{\text{NG}}}$$

= cubic feet of natural gas fuel consumed per mile

Where:

CWF_{NG} = the carbon weight fraction of the natural gas fuel as calculated in paragraph (f)(3) of this section.

WF_{CO2} = weight fraction carbon dioxide of the natural gas fuel calculated using the mole fractions and molecular weights of the natural gas fuel constituents per

ASTM D 1945 (incorporated by reference in § 600.011).

(2) [Reserved]

(l)

(1) For ethanol-fueled automobiles and automobiles designed to operate on mixtures of gasoline and ethanol, the fuel economy in miles per gallon of ethanol is to be calculated using the following equation:

$$\text{mpg} = (\text{CWF} \times \text{SG} \times 3781.8) / ((\text{CWF}_{\text{exHC}} \times \text{HC}) + (0.429 \times \text{CO}) + (0.273 \times \text{CO}_2) + (0.375 \times \text{CH}_3\text{OH}) + (0.400 \times \text{HCHO}) + (0.521 \times \text{C}_2\text{H}_5\text{OH}) + (0.545 \times \text{C}_2\text{H}_4\text{O}))$$

Where:

CWF = Carbon weight fraction of the fuel as determined in paragraph (f)(4) of this

section and rounded according to paragraph (f)(3) of this section.

SG = Specific gravity of the fuel as determined in paragraph (f)(4) of this section and rounded according to paragraph (f)(3) of this section.

CWF_{exHC} = Carbon weight fraction of exhaust hydrocarbons = CWF as determined in paragraph (f)(4) of this section and rounded according to paragraph (f)(3) of this section.

HC = Grams/mile HC as obtained in paragraph (g)(1) of this section.

CO = Grams/mile CO as obtained in paragraph (g)(1) of this section.

CO₂ = Grams/mile CO₂ as obtained in paragraph (g)(1) of this section.

CH₃OH = Grams/mile CH₃OH (methanol) as obtained in paragraph (g)(1) of this section.

HCHO = Grams/mile HCHO (formaldehyde) as obtained in paragraph (g)(1) of this section.

C₂H₅OH = Grams/mile C₂H₅OH (ethanol) as obtained in paragraph (g)(1) of this section.

C₂H₄O = Grams/mile C₂H₄O (acetaldehyde) as obtained in paragraph (g)(1) of this section.

(2) [Reserved]

(m)

(1) For automobiles fueled with liquefied petroleum gas and automobiles designed to operate on gasoline and liquefied petroleum gas, the fuel economy in miles per gallon of liquefied petroleum gas is to be calculated using the following equation:

$$\text{mpg}_e = \frac{\text{CWF}_{\text{fuel}} \cdot \text{SG}_{\text{fuel}} \cdot 3781.8}{\text{CWF}_{\text{HC}} \cdot \text{HC} + 0.429 \cdot \text{CO} + 0.273 \cdot \text{CO}_2}$$

Where:

mpg_e = miles per gasoline gallon equivalent of liquefied petroleum gas.

CWF_{fuel} = carbon weight fraction based on the hydrocarbon constituents in the liquefied petroleum gas fuel as obtained in paragraph (f)(5) of this section and rounded according to paragraph (g)(3) of this section.

SG = Specific gravity of the fuel as determined in paragraph (f)(5) of this section and rounded according to paragraph (g)(3) of this section.

3781.8 = Grams of H₂O per gallon conversion factor.

CWF_{HC} = Carbon weight fraction of exhaust hydrocarbon = CWF_{fuel} as determined in paragraph (f)(4) of this section and rounded according to paragraph (f)(3) of this section.

HC = Grams/mile HC as obtained in paragraph (g)(2) of this section.

CO = Grams/mile CO as obtained in paragraph (g)(2) of this section.

CO₂ = Grams/mile CO₂ as obtained in paragraph (g)(2) of this section.

(2) [Reserved]

(n) Manufacturers may use a value of 0 grams CO₂ per mile to represent the emissions of electric vehicles and the electric operation of plug-in hybrid electric vehicles derived from electricity generated from sources that are not onboard the vehicle.

(o)

(1) For testing with E10, calculate fuel economy using the following equation, rounded to the nearest 0.1 miles per gallon:

$$FE_{\text{interval}} = \frac{(\text{CMF}_{\text{testfuel}} \cdot \text{SG}_{\text{testfuel}}) \cdot (\rho_{\text{H}_2\text{O}} \cdot \text{SG}_{\text{basefuel}} \cdot \text{NHC}_{\text{basefuel}})}{[(\text{CMF}_{\text{testfuel}} \cdot \text{NMOG}) + (0.749 \cdot \text{CH}_4) + (0.429 \cdot \text{CO}) + (0.273 \cdot \text{CO}_2)] \cdot [(\text{R}_a \cdot \text{SG}_{\text{testfuel}} \cdot \text{NHC}_{\text{testfuel}}) + (\text{SG}_{\text{basefuel}} \cdot \text{NHC}_{\text{basefuel}} \cdot (1 - \text{R}_a))]}$$

Where:

CMF_{testfuel} = carbon mass fraction of the test fuel, expressed to three decimal places.

SG_{testfuel} = the specific gravity of the test fuel as obtained in paragraph (f)(1) of this section, expressed to three decimal places.

ρ_{H₂O} = the density of pure water at 60 °F. Use ρ_{H₂O} = 3781.69 g/gal.

SG_{basefuel} = the specific gravity of the 1975 base fuel. Use SG_{basefuel} = 0.7394.

NHC_{basefuel} = net heat of combustion of the 1975 base fuel. Use NHC_{basefuel} = 43.047 MJ/kg.

NMOG = NMOG emission rate over the test interval or duty cycle in grams/mile.

CH₄ = CH₄ emission rate over the test interval or duty cycle in grams/mile.

CO = CO emission rate over the test interval or duty cycle in grams/mile.

CO₂ = measured tailpipe CO₂ emission rate over the test interval or duty cycle in grams/mile.

R_a = sensitivity factor that represents the response of a typical vehicle's fuel

economy to changes in fuel properties, such as volumetric energy content. Use R_a = 0.81.

NHC_{testfuel} = net heat of combustion by mass of test fuel as obtained in paragraph (f)(1) of this section, expressed to three decimal places.

(2) [Reserved]

(p) Equations for fuels other than those specified in this section may be used with advance EPA approval. Alternate calculation methods for fuel economy may be used in lieu of the methods described in this section if shown to yield equivalent or superior results and if approved in advance by the Administrator.

■ 56. Amend § 600.114–12 by revising the section heading and introductory text to read as follows:

§ 600.114–12 Vehicle-specific 5-cycle fuel economy CO₂ emission calculations.

Paragraphs (a) through (f) of this section apply to data used for fuel economy labeling under subpart D of this part. Paragraphs (d) through (f) of this section are used to calculate 5-cycle carbon-related exhaust emission values for the purpose of determining optional credits for CO₂-reducing technologies under § 86.1869–12 of this chapter and to calculate 5-cycle CO₂ values for the purpose of fuel economy labeling under subpart D of this part.

* * * * *

■ 57. Amend § 600.116–12 by revising paragraphs (a)(11)(iii)(E), (c)(1) introductory text, and (c)(6)(iii) to read as follows:

§ 600.116–12 Special procedures related to electric vehicles and hybrid electric vehicles.

- (a) * * *
- (11) * * *
- (iii) * * *

(E) A description of each test group and vehicle configuration that will use the 5-cycle adjustment factor, including the battery capacity of the vehicle used to generate the 5-cycle adjustment factor and the battery capacity of all the vehicle configurations to which it will be applied.

* * * * *

(c) Determine performance values for hybrid electric vehicles that have plug-in capability as specified in §§ 600.210 and 600.311 using the procedures of SAE J1711 (incorporated by reference in § 600.011), with the following clarifications and modifications:

(1) Calculate fuel economy values representing combined operation during charge-depleting and charge-sustaining operation using the following utility factors, except as otherwise specified in this paragraph (c):

* * * * *

- (6) * * *

(iii) For charge-sustaining tests, we may approve alternate Net Energy Change/Fuel Ratio tolerances as specified in Appendix C of SAE J1711 to correct final fuel economy values and CO₂ emissions. For charge-sustaining tests, do not use alternate Net Energy Change/Fuel Ratio tolerances to correct emissions of criteria pollutants. Additionally, if we approve an alternate End-of-Test criterion or Net Energy Change/Fuel Ratio tolerances for a specific vehicle, we may use the alternate criterion or tolerances for any testing we conduct on that vehicle.

* * * * *

■ 58. Amend § 600.117 by removing and reserving paragraph (a)(5) and revising paragraphs (a)(6) and (b) to read as follows:

§ 600.117 Interim provisions.

- (a) * * *

(6) Manufacturers may alternatively determine fuel economy values using E10 gasoline test fuel as specified in 40 CFR 1065.710(b). Calculate fuel economy using the equation specified in § 600.113–12(o)(1) based on measured CO₂ results without adjusting to account for fuel effects.

* * * * *

(b) For model years 2027 through 2029, manufacturers may determine fuel economy values using data with E0 test fuel from testing for earlier model years, subject to the carryover provisions of 40 CFR 86.1839 and § 600.006. Calculate

fuel economy using the equation specified in § 600.113–12(h)(1) based on measured CO₂ results without adjusting to account for fuel effects.

* * * * *

■ 59. Amend § 600.206–12 by revising paragraphs (a) introductory text, (a)(4) introductory text, (b), and (c) to read as follows:

§ 600.206–12 Calculation and use of FTP-based and HFET-based fuel economy, CO₂ emissions, and carbon-related exhaust emission values for vehicle configurations.

(a) Fuel economy, CO₂ emissions, and carbon-related exhaust emissions values determined for each vehicle under § 600.113–12(a) and (b) and as approved in § 600.008(c), are used to determine FTP-based city, HFET-based highway, and combined FTP/Highway-based fuel economy, CO₂ emissions, and carbon-related exhaust emission values for each vehicle configuration for which data are available. Note that fuel economy for some alternative fuel vehicles may mean miles per gasoline gallon equivalent and/or miles per unit of fuel consumed. For example, electric vehicles will determine miles per kilowatt-hour in addition to miles per gasoline gallon equivalent, and fuel cell vehicles will determine miles per kilogram of hydrogen.

* * * * *

(4) For alcohol dual fuel automobiles and natural gas dual fuel automobiles the procedures of paragraphs (a)(1) or (2) of this section, as applicable, shall be used to calculate two separate sets of FTP-based city, HFET-based highway, and combined values for fuel economy, CO₂ emissions, and carbon-related exhaust emissions for each vehicle configuration.

* * * * *

(b) If only one equivalent petroleum-based fuel economy value exists for an electric vehicle configuration, that value, rounded to the nearest tenth of a mile per gallon, will comprise the petroleum-based fuel economy for that vehicle configuration.

(c) If more than one equivalent petroleum-based fuel economy value exists for an electric vehicle configuration, all values for that vehicle configuration are harmonically averaged and rounded to the nearest 0.0001 mile per gallon for that vehicle configuration.

■ 60. Amend § 600.207–12 by revising paragraphs (a)(1), (a)(4) introductory text, (b), and (c) to read as follows:

§ 600.207–12 Calculation and use of vehicle-specific 5-cycle-based fuel economy and CO₂ emission values for vehicle configurations.

- (a) * * *

(1) If only one set of 5-cycle city and highway fuel economy and CO₂ emission values is accepted for a vehicle configuration, these values, where fuel economy is rounded to the nearest 0.0001 of a mile per gallon and the CO₂ emission value in grams per mile is rounded to the nearest tenth of a gram per mile, comprise the city and highway fuel economy and CO₂ emission values for that vehicle configuration. Note that the appropriate vehicle-specific CO₂ values for fuel economy labels based on 5-cycle testing with E10 test fuel are adjusted as described in § 600.114–12.

* * * * *

(4) For alcohol dual fuel automobiles and natural gas dual fuel automobiles, the procedures of paragraphs (a)(1) and (2) of this section shall be used to calculate two separate sets of 5-cycle city and highway fuel economy and CO₂ emission values for each vehicle configuration.

* * * * *

(b) If only one equivalent petroleum-based fuel economy value exists for an electric vehicle configuration, that value, rounded to the nearest tenth of a mile per gallon, will comprise the petroleum-based 5-cycle fuel economy for that vehicle configuration.

(c) If more than one equivalent petroleum-based 5-cycle fuel economy value exists for an electric vehicle configuration, all values for that vehicle configuration are harmonically averaged and rounded to the nearest 0.0001 mile per gallon for that vehicle configuration.

■ 61. Amend § 600.210–12 by revising paragraph (b) to read as follows:

§ 600.210–12 Calculation of fuel economy and CO₂ emission values for labeling.

* * * * *

(b) *Specific labels.* Except as specified in paragraphs (d) and (e) of this section, fuel economy and CO₂ emissions for specific labels may be determined by one of two methods. The first is based on vehicle-specific vehicle configuration 5-cycle data as determined in § 600.207. This method is available for all vehicles and is required for vehicles that do not qualify for the second method as described in § 600.115 (other than electric vehicles). The second method, the derived 5-cycle method, determines fuel economy and CO₂ emissions values from the FTP and HFET tests using equations that are derived from vehicle-specific 5-cycle vehicle configuration data, as determined in paragraph (b)(2) of this section. Manufacturers may voluntarily lower fuel economy values and raise CO₂ values if they determine that the label values from either method are not

representative of the fuel economy or CO₂ emissions for that model type.

(1) *Vehicle-specific 5-cycle labels.* The city and highway vehicle configuration fuel economy determined in § 600.207, rounded to the nearest mpg, and the city and highway vehicle configuration CO₂

emissions determined in § 600.207, rounded to the nearest gram per mile, comprise the fuel economy and CO₂ emission values for specific fuel economy labels, or, alternatively;

(2) *Derived 5-cycle labels.* Specific city and highway label values from

derived 5-cycle are determined according to the following method:

(i)(A) Determine the derived five-cycle city fuel economy of the vehicle configuration using the equation below and coefficients determined by the Administrator:

Derived 5 – cycle City Fuel Economy

$$= \frac{1}{(\text{City Intercept}) + \frac{(\text{City Slope})}{\text{Config FTP FE}}}$$

Where:

City Intercept = Intercept determined by the Administrator based on historic vehicle-specific 5-cycle city fuel economy data.

City Slope = Slope determined by the Administrator based on historic vehicle-specific 5-cycle city fuel economy data.

Config FTP FE = the vehicle configuration FTP-based city fuel economy determined under § 600.206, rounded to the nearest 0.0001 mpg.

(B) Determine the derived five-cycle city CO₂ emissions of the vehicle

configuration using the equation below and coefficients determined by the Administrator:

Derived 5-cycle City CO₂ = City Intercept + City Slope · Config FTP CO₂

Where:

City Intercept = Intercept determined by the Administrator based on historic vehicle-specific 5-cycle city fuel economy data.

City Slope = Slope determined by the Administrator based on historic vehicle-specific 5-cycle city fuel economy data.

Config FTP CO₂ = the vehicle configuration FTP-based city CO₂ emissions determined under § 600.206, rounded to the nearest 0.1 grams per mile. Note that the appropriate Config FTP CO₂ input values for fuel economy labels based on testing with E10 test fuel are adjusted as referenced in § 600.206–12(a)(2)(iii).

(ii)(A) Determine the derived five-cycle highway fuel economy of the vehicle configuration using the equation below and coefficients determined by the Administrator:

Derived 5 – cycle Highway Fuel Economy

$$= \frac{1}{(\text{Highway Intercept}) + \frac{(\text{Highway Slope})}{\text{Config HFET FE}}}$$

Where:

Highway Intercept = Intercept determined by the Administrator based on historic vehicle-specific 5-cycle highway fuel economy data.

Highway Slope = Slope determined by the Administrator based on historic vehicle-specific 5-cycle highway fuel economy data.

Config HFET FE = the vehicle configuration highway fuel economy determined under § 600.206, rounded to the nearest tenth.

(B) Determine the derived five-cycle highway CO₂ emissions of the vehicle configuration using the equation below and coefficients determined by the Administrator:

Derived 5-cycle city Highway CO₂ = Highway Intercept + Highway Slope · Config HFET CO₂

Where:

Highway Intercept = Intercept determined by the Administrator based on historic vehicle-specific 5-cycle highway fuel economy data.

Highway Slope = Slope determined by the Administrator based on historic vehicle-specific 5-cycle highway fuel economy data.

Config HFET CO₂ = the vehicle configuration highway fuel economy determined under § 600.206, rounded to the nearest tenth. Note that the appropriate Config HFET CO₂ input values for fuel economy labels based on testing with E10 test fuel are

adjusted as referenced in § 600.206–12(a)(2)(iii).

(iii) The slopes and intercepts of paragraph (a)(2)(iii) of this section apply.

(3) *Specific alternative fuel economy and CO₂ emissions label values for dual fuel vehicles.*

(i) Determine an alternative fuel label value for dual fuel vehicles, rounded to the nearest whole number, as follows:

(A) Specific city and highway fuel economy label values for dual fuel alcohol-based and natural gas vehicles when using the alternative fuel are separately determined by the following calculation:

$$\text{Derived } FE_{alt} = FE_{alt} \times \frac{5 \text{ cycle}_{gas}}{FE_{gas}}$$

Where:

FE_{alt} = The unrounded FTP-based vehicle configuration city or HFET-based vehicle configuration highway fuel economy

from the alternative fuel, as determined in § 600.206.

5cycle FE_{gas} = The unrounded vehicle-specific or derived 5-cycle vehicle configuration city or highway fuel

economy as determined in paragraph (b)(1) or (2) of this section.

FE_{gas} = The unrounded FTP-based city or HFET-based vehicle configuration

highway fuel economy from gasoline, as determined in § 600.206.

(B) Specific city and highway CO₂ emission label values for dual fuel alcohol-based and natural gas vehicles

when using the alternative fuel are separately determined by the following calculation:

$$\text{Derived CO}_{2\text{alt}} = \text{CO}_{2\text{alt}} \times \frac{5 \text{ cycle CO}_{2\text{gas}}}{\text{CO}_{2\text{gas}}}$$

Where:

CO_{2alt} = The unrounded FTP-based vehicle configuration city or HFET-based vehicle configuration highway CO₂ emissions value from the alternative fuel, as determined in § 600.206.

5cycle CO_{2gas} = The unrounded vehicle-specific or derived 5-cycle vehicle configuration city or highway CO₂ emissions value as determined in paragraph (b)(1) or (b)(2) of this section.

CO_{2gas} = The unrounded FTP-based city or HFET-based vehicle configuration highway CO₂ emissions value from gasoline, as determined in § 600.206.

(ii) Optionally, if complete 5-cycle testing has been performed using the alternative fuel, the manufacturer may choose to use the alternative fuel label city or highway fuel economy and CO₂ emission values determined in § 600.207–12(a)(4)(ii), rounded to the nearest whole number.

(4) *Specific alternative fuel economy and CO₂ emissions label values for electric vehicles.* Determine FTP-based city and HFET-based highway fuel economy label values for electric vehicles as described in § 600.116. Determine these values by running the appropriate repeat test cycles. Convert W-hour/mile results to miles per kW-hr and miles per gasoline gallon equivalent. CO₂ label information is based on tailpipe emissions only, so CO₂ emissions from electric vehicles are assumed to be zero.

(5) *Specific alternate fuel economy and CO₂ emissions label values for fuel cell vehicles.* Determine FTP-based city and HFET-based highway fuel economy label values for fuel cell vehicles using procedures specified by the Administrator. Convert kilograms of hydrogen/mile results to miles per kilogram of hydrogen and miles per gasoline gallon equivalent. CO₂ label information is based on tailpipe emissions only, so CO₂ emissions from fuel cell vehicles are assumed to be zero.

* * * * *

■ 62. Revise the heading of subpart F as set forth above.

■ 63. Amend § 600.507–12 by revising paragraphs (a) introductory text, (b), and (d) to read as follows:

§ 600.507–12 Running change data requirements.

(a) Except as specified in paragraph (d) of this section, the manufacturer shall submit additional running change fuel economy data as specified in paragraph (b) of this section for any running change approved or implemented under § 86.1842 of this chapter, which:

* * * * *

(b)(1) The additional running change fuel economy data requirement in paragraph (a) of this section will be determined based on the sales of the vehicle configurations in the created or affected base level(s) as updated at the time of running change approval.

(2) Within each newly created base level as specified in paragraph (a)(1) of this section, the manufacturer shall submit data from the highest projected total model year sales subconfiguration within the highest projected total model year sales vehicle configuration in the base level.

(3) Within each base level affected by a running change as specified in paragraph (a)(2) of this section, fuel economy data shall be submitted for the vehicle configuration created or affected by the running change which has the highest total model year projected sales. The test vehicle shall be of the subconfiguration created by the running change which has the highest projected total model year sales within the applicable vehicle configuration.

* * * * *

(d) For those model types created under § 600.208–12(a)(2), the manufacturer shall submit fuel economy data for each subconfiguration added by a running change.

■ 64. Revise § 600.509–12 to read as follows:

§ 600.509–12 Voluntary submission of additional data.

(a) The manufacturer may optionally submit data in addition to the data required by the Administrator.

(b) Additional fuel economy data may be submitted by the manufacturer for any vehicle configuration which is to be tested as required in § 600.507 or for which fuel economy data were previously submitted under paragraph (c) of this section.

(c) Within a base level, additional fuel economy data may be submitted by the manufacturer for any vehicle configuration which is not required to be tested by § 600.507.

■ 65. Amend § 600.510–12 by:

■ a. Revising the section heading;

■ b. Removing and reserving paragraph (a)(2);

■ c. Revising paragraphs (b) and (g)(1) introductory text; and

■ d. Removing paragraphs (i), (j), and (k).

The revisions read as follows:

§ 600.510–12 Calculation of average fuel economy.

* * * * *

(b) For the purpose of calculating average fuel economy under paragraph (c) of this section:

(1) All fuel economy data submitted in accordance with § 600.006(e) or § 600.512(c) shall be used.

(2) The combined city/highway fuel economy values will be calculated for each model type in accordance with § 600.208 except that:

(i) Separate fuel economy values will be calculated for model types and base levels associated with car lines for each category of passenger automobiles and light trucks as determined by the Secretary of Transportation pursuant to paragraph (a)(1) of this section.

(ii) Total model year production data, as required by this subpart, will be used instead of sales projections;

(iii) [Reserved]

(iv) The fuel economy value will be rounded to the nearest 0.1 mpg; and

(v) [Reserved]

(vi) At the manufacturer's option, those vehicle configurations that are self-compensating to altitude changes may be separated by sales into high-altitude sales categories and low-altitude sales categories. These separate sales categories may then be treated (only for the purpose of this section) as separate vehicle configurations in accordance with the procedure of § 600.208–12(a)(4)(ii).

(3) The fuel economy values for each vehicle configuration are the combined fuel economy calculated according to § 600.206–12(a)(3) except that:

(i) Separate fuel economy values will be calculated for vehicle configurations

associated with car lines for each category of passenger automobiles and light trucks as determined by the Secretary of Transportation pursuant to paragraph (a)(1) of this section; and

(ii) Total model year production data, as required by this subpart will be used instead of sales projections.

* * * * *

(g)(1) Dual fuel automobiles must provide equal or greater energy efficiency while operating on the alternative fuel as while operating on gasoline or diesel fuel to obtain the CAFE credit determined in paragraphs (c)(2)(iv) and (v) of this section. The following equation must hold true:

* * * * *

■ 66. Amend § 600.512–12 by:

■ a. Revising paragraph (a) introductory text;

■ b. Removing and reserving paragraph (a)(2), (c)(1)(ii), and (c)(2)(ii);

■ c. Revising paragraphs (c)(3);

■ d. Removing and reserving paragraphs (c)(4)(ii), and (c)(5)(ii); and

■ e. Removing paragraph (c)(11).

The revisions read as follows:

§ 600.512–12 Model year report.

(a) For each model year, the manufacturer shall submit to the Administrator a report, known as the model year report, containing all information necessary for the calculation of the manufacturer's average fuel economy.

(c) * * *

(3)(i) For manufacturers calculating air conditioning efficiency credits in support of fuel consumption improvement values under § 600.510(c), a description of the air conditioning system and the total credits earned for each averaging set, model year, and region, as applicable.

(ii) Any additional fuel economy data submitted by the manufacturer under § 600.509;

* * * * *

§ 600.514–12 [Removed]

■ 67. Remove § 600.514–12.

PART 1036—CONTROL OF EMISSIONS FROM NEW AND IN-USE HEAVY-DUTY HIGHWAY ENGINES

■ 68. The authority citation for part 1036 continues to read as follows:

Authority: 42 U.S.C. 7401–7671q.

■ 69. Amend § 1036.1 by revising paragraph (a) introductory text to read as follows:

§ 1036.1 Applicability.

(a) Except as specified in § 1036.5, the provisions of this part apply for engines that will be installed in heavy-duty

vehicles (including glider vehicles). Heavy-duty engines produced before December 20, 2026 are subject to exhaust emission standards for NO_x, HC, PM, and CO, and related provisions under 40 CFR part 86, subpart A and subpart N, instead of this part, except as follows:

* * * * *

■ 70. Amend § 1036.5 by revising paragraph (a) and removing paragraph (e). The revision reads as follows:

§ 1036.5 Excluded engines.

(a) The provisions of this part do not apply to engines used in medium-duty passenger vehicles or other heavy-duty vehicles that are subject to regulation under 40 CFR part 86, subpart S, except as specified in 40 CFR part 86, subpart S. For example, this exclusion may apply for engines used in incomplete vehicles or high-GCWR vehicles as specified in 40 CFR 86.1801–12.

* * * * *

■ 71. Amend § 1036.15 by revising paragraph (b) to read as follows:

§ 1036.15 Other applicable regulations.

* * * * *

(b) Part 1037 of this chapter describes emission standards and other requirements for heavy-duty vehicles, whether or not they use engines certified under this part.

* * * * *

■ 72. Amend § 1036.101 by revising paragraph (a) to read as follows:

§ 1036.101 Overview of exhaust emission standards.

(a) You must show that engines meet the criteria pollutant standards for NO_x, HC, PM, and CO as described in § 1036.104. These pollutants are sometimes described collectively as “criteria pollutants” because they are either criteria pollutants under the Clean Air Act or precursors to the criteria pollutants ozone and PM.

* * * * *

§ 1036.108 [Removed]

■ 73. Remove § 1036.108.

§ 1036.115 [Amended]

■ 74. Amend § 1036.115 by removing and reserving paragraph (b).

■ 75. Amend § 1036.130 by revising paragraph (b)(5) and removing and reserving paragraph (c). The revision reads as follows:

§ 1036.130 Installation instructions for vehicle manufacturers.

* * * * *

(b) * * *

(5) Describe how your certification is limited for any type of application. For

example, if you certify engines only for use in emergency vehicles, you must make clear that the engine may only be installed in emergency vehicles.

* * * * *

■ 76. Amend § 1036.135 by revising paragraphs (c)(9) and (e) to read as follows:

§ 1036.135 Labeling.

* * * * *

(c) * * *

(9) Identify any limitations on your certification. For example, if you certify engines with one or more approved AECDs for emergency vehicle applications under § 1036.115(h)(4), include the statement: “THIS ENGINE IS FOR INSTALLATION IN EMERGENCY VEHICLES ONLY”.

* * * * *

(e) You may ask us to approve modified labeling requirements in this part if you show that it is necessary or appropriate. We will approve your request if your alternate label is consistent with the requirements of this part.

* * * * *

■ 77. Amend § 1036.150 by:

■ a. Removing and reserving paragraphs (b), (d), and (e);

■ b. Revising paragraph (f);

■ c. Removing and reserving paragraphs (g) through (j), (l) through (n), (p) through (s), and (w); and

■ d. Removing paragraph (aa).

The revision reads as follows:

§ 1036.150 Interim provisions.

* * * * *

(f) *Testing exemption for hydrogen engines.* Tailpipe HC, and CO emissions from engines fueled with neat hydrogen are deemed to comply with the applicable standard. Testing for HC or CO is optional under this part for these engines.

* * * * *

■ 78. Amend § 1036.205 by revising paragraphs (b) introductory text, (l), (m), (o)(2), and (t) and removing paragraph (aa). The revisions read as follows:

§ 1036.205 Requirements for an application for certification.

* * * * *

(b) Explain how the emission control system operates. Describe in detail all system components for controlling criteria pollutant emissions, including all auxiliary emission control devices (AECDs) and all fuel-system components you will install on any production or test engine. Identify the part number of each component you describe. For this paragraph (b), treat as separate AECDs any devices that

modulate or activate differently from each other. Include all the following:

* * * * *

(l) Identify the duty-cycle emission standards from § 1036.104(a) and (b) that apply for the engine family. Also identify the NO_x FEL over the FTP for the engine family.

(m) Identify the engine family's deterioration factors and describe how you developed them (see § 1036.240). Present any test data you used for this. For engines designed to discharge crankcase emissions to the ambient atmosphere, use the deterioration factors for crankcase emission to determine deteriorated crankcase emission levels of NO_x, HC, PM, and CO as specified in § 1036.240(e).

* * * * *

(o) * * *

(2) Identify the value of e_{CO2FTP} from § 1036.235(b).

* * * * *

(t) State whether your certification is limited for certain engines. For example, you might certify engines only for use in emergency vehicles or in vehicles with hybrid powertrains. If this is the case, describe how you will prevent use of these engines in vehicles for which they are not certified.

* * * * *

■ 79. Amend § 1036.225 by removing paragraph (a)(3) and revising paragraph (f). The revision reads as follows:

§ 1036.225 Amending applications for certification.

* * * * *

(f) You may ask us to approve a change to your FEL in certain cases after the start of production, but before the end of the model year. The changed FEL may not apply to engines you have already introduced into U.S. commerce, except as described in this paragraph (f). You may ask us to approve a change to your FEL in the following cases:

(1) You may ask to raise your FEL for your engine family at any time. In your request, you must show that you will still be able to meet the emission standards as specified in subparts B and H of this part. Use the appropriate FELs with corresponding production volumes to calculate emission credits for the model year, as described in subpart H of this part.

(2) You may ask to lower the FEL for your engine family only if you have test data from production engines showing that emissions are below the proposed lower FEL. The lower FEL applies only to engines you produce after we approve the new FEL. Use the appropriate FEL with corresponding production volumes to calculate emission credits for the

model year, as described in subpart H of this part.

* * * * *

§ 1036.230 [Amended]

■ 80. Amend § 1036.230 by removing paragraph (f).

■ 81. Add § 1036.231 to subpart C to read as follows:

§ 1036.231 Powertrain families.

(a) If you choose to perform powertrain testing as specified in § 1036.545, use good engineering judgment to divide your product line into powertrain families that are expected to have similar criteria emissions throughout the useful life as described in this section. Your powertrain family is limited to a single model year.

(b) Except as specified in paragraph (c) of this section, group powertrains in the same powertrain family if they share all the following attributes:

(1) Have the same engine design aspects as specified in § 1036.230.

(2) [Reserved]

(3) Number of clutches.

(4) Type of clutch (e.g., wet or dry).

(5) Presence and location of a fluid coupling such as a torque converter.

(6) Gear configuration, as follows:

(i) Planetary (e.g., simple, compound, meshed-planet, stepped-planet, multi-stage).

(ii) Countershaft (e.g., single, double, triple).

(iii) Continuously variable (e.g., pulley, magnetic, toroidal).

(7) Number of available forward gears, and transmission gear ratio for each available forward gear, if applicable. Count forward gears as being available only if the vehicle has the hardware and software to allow operation in those gears.

(8) Transmission oil sump configuration (e.g., conventional or dry).

(9) The power transfer configuration of any hybrid technology (e.g., series or parallel).

(10) The type of any RESS (e.g., hydraulic accumulator, Lithium-ion battery pack, ultracapacitor bank).

(c) For powertrains that share all the attributes described in paragraph (b) of this section, divide them further into separate powertrain families based on common calibration attributes. Group powertrains in the same powertrain family to the extent that powertrain test results and corresponding emission levels are expected to be similar throughout the useful life.

(d) You may subdivide a group of powertrains with shared attributes under paragraph (b) of this section into different powertrain families.

(e) In unusual circumstances, you may group powertrains into the same powertrain family even if they do not have shared attributes under in paragraph (b) of this section if you show that their emission characteristics throughout the useful life will be similar.

(f) If you include the axle when performing powertrain testing for the family, you must limit the family to include only those axles represented by the test results. You may include multiple axle ratios in the family if you test with the axle expected to produce the highest emission results.

■ 82. Amend § 1036.235 by revising the introductory text and paragraphs (a) and (b) and removing and reserving paragraph (c)(5). The revisions read as follows:

§ 1036.235 Testing requirements for certification.

This section describes the emission testing you must perform to show compliance with the emission standards in § 1036.104.

(a) Select and configure one or two emission-data engines from each engine family.

(1) For criteria pollutant emission testing, select the engine configuration with the highest volume of fuel injected per cylinder per combustion cycle at the point of maximum torque—unless good engineering judgment indicates that a different engine configuration is more likely to exceed (or have emissions nearer to) an applicable emission standard or FEL. If two or more engines have the same fueling rate at maximum torque, select the one with the highest fueling rate at rated speed. In making this selection, consider all factors expected to affect emission-control performance and compliance with the standards, including emission levels of all exhaust constituents, especially NO_x and PM. To the extent we allow it for establishing deterioration factors, select for testing those engine components or subsystems whose deterioration best represents the deterioration of in-use engines.

(2) In the case of powertrain testing under § 1036.545, select a test engine, test hybrid components, test axle and test transmission as applicable, by considering the whole range of vehicle models covered by the powertrain family. If the powertrain has more than one transmission calibration, for example economy vs. performance, you may weight the results from the powertrain testing in § 1036.545 by the percentage of vehicles in the family by prior model year for each configuration. This can be done, for example, through

the use of survey data or based on the previous model year's sales volume. Weight the results of $M_{fuel[cycle]}$, $f_{powertrain}/V_{powertrain}$, and $W_{[cycle]}$ from table 5 to paragraph (o)(8)(i) of § 1036.545 according to the percentage of vehicles in the family that use each transmission calibration.

(b) Test your emission-data engines using the procedures and equipment specified in subpart F of this part. In the case of dual-fuel and flexible-fuel engines, measure emissions when operating with each type of fuel for which you intend to certify the engine. For criteria pollutant emission testing, measure NO_x, PM, CO, and NMHC emissions using each duty cycle specified in § 1036.104. Determine brake-specific CO₂ emissions over the FTP, e_{CO_2FTP} , as a reference value for calculating emission rates from in-use engines under § 1036.530, as applicable. You may alternatively determine e_{CO_2FTP} , based on brake-specific CO₂ emissions over the SET, with our advance approval, if you demonstrate that engines from the engine family will be used only with tractors.

* * * * *

§ 1036.241 [Removed]

■ 83. Remove § 1036.241.

■ 84. Amend § 1036.245 by revising paragraph (c)(3) to read as follows:

§ 1036.245 Deterioration factors for exhaust emission standards.

* * * * *

(c) * * *

(3) Perform service accumulation in the laboratory by operating the engine or hybrid powertrain repeatedly over one of the following test sequence, or a different test sequence that we approve in advance:

- (i) Operate at idle for 2 hours.
- (ii) Operate for 105 ± 1 hours over a repeat sequence of one FTP followed by one RMC.
- (iii) Operate over one LLC.
- (iv) Operate at idle for 2 hours.
- (v) Shut down the engine for cooldown to ambient temperature.

* * * * *

■ 85. Revise § 1036.301 to read as follows:

§ 1036.301 Selective enforcement audits.

Selective enforcement audits apply for engines and powertrains as specified in 40 CFR part 1068, subpart E.

■ 86. Amend § 1036.415 by revising paragraph (g) to read as follows:

§ 1036.415 Preparing and testing engines.

* * * * *

(g) For stop-start and automatic engine shutdown systems, override idle-

reduction features if they are adjustable. If those systems are not adjustable, set the 1-Hz emission rate to zero for all regulated pollutants when the idle-reduction feature is active. Do not exclude these data points under § 1036.530(c)(3)(ii). Note that systems are considered “adjustable” if vehicle owners, dealers, or other service outlets can override the idle-reduction features.

■ 87. Amend § 1036.501 by revising paragraphs (a), (d), and (h) to read as follows:

§ 1036.501 General testing provisions.

(a) Use the equipment and procedures specified in this subpart and 40 CFR part 1065 to determine whether engines meet the emission standards in § 1036.104.

* * * * *

(d) If your engine is intended for installation in a vehicle equipped with nonadjustable stop-start technology as described in § 1036.415(g), you may shut the engine down during idle portions of the duty cycle to represent in-use operation. We recommend installing a production engine starter motor and letting the engine's ECM manipulate the starter motor to control the engine stop and start events. Use good engineering judgment to address the effects of dynamometer inertia on restarting the engine by, for example, using a larger starter motor or declutching the engine from the dynamometer during restart.

* * * * *

(h) For testing engines that use regenerative braking through the crankshaft only to power an electric heater for aftertreatment devices, you may use the nonhybrid engine testing procedures in §§ 1036.510, 1036.512, and 1036.514 only if the recovered energy is less than 10 percent of the total positive work for each applicable test interval. Otherwise, use powertrain testing procedures specified for hybrid powertrains to measure emissions. For engines that power an electric heater with a battery, you must meet the requirements related to charge-sustaining operation as described in 40 CFR 1066.501(a)(3).

§ 1036.505 [Removed]

■ 88. Remove § 1036.505.

■ 89. Amend § 1036.510 by:

- a. Revising paragraphs (b)(2) introductory text and (b)(2)(vii) and (viii); and
- b. Removing and reserving paragraph (e).

The revisions read as follows:

§ 1036.510 Supplemental Emission Test.

* * * * *

(b) * * *

(2) Test hybrid powertrains as described in § 1036.545, except as specified in this paragraph (b)(2). Do not compensate the duty cycle for the distance driven as described in § 1036.545(g)(4). For hybrid engines, select the transmission model parameters as described in § 1036.510(b)(viii). Disregard duty cycles in § 1036.545(j). For cycles that begin with idle, leave the transmission in neutral or park for the full initial idle segment. Place the transmission into drive no earlier than 5 seconds before the first nonzero vehicle speed setpoint. For SET testing only, place the transmission into park or neutral when the cycle reaches the final idle segment. Use the following vehicle parameters instead of those in § 1036.545 to define the vehicle model in § 1036.545(a)(3):

* * * * *

(vii) Select a combination of drive axle ratio, k_a , and a tire radius, r , that represents the worst-case combination of top gear ratio, drive axle ratio, and tire size for emissions expected for vehicles in which the hybrid engine or hybrid powertrain will be installed. This is typically the highest axle ratio and smallest tire radius. Disregard configurations or settings corresponding to a maximum vehicle speed below 60 mi/hr in selecting a drive axle ratio and tire radius, unless you can demonstrate that in-use vehicles will not exceed that speed. You may request preliminary approval for selected drive axle ratio and tire radius consistent with the provisions of § 1036.210. If the hybrid engine or hybrid powertrain is used exclusively in vehicles not capable of reaching 60 mi/hr, you may request that we approve an alternate test cycle and cycle-validation criteria as described in 40 CFR 1066.425(b)(5). Note that hybrid engines rely on a specified transmission that is different for each duty cycle; the transmission's top gear ratio therefore depends on the duty cycle, which will in turn change the selection of the drive axle ratio and tire size. For example, § 1036.520 prescribes a different top gear ratio than this paragraph (b)(2).

(viii) If you are certifying a hybrid engine, use a default transmission efficiency of 0.95 and create the vehicle model along with its default transmission shift strategy as described in § 1036.545(a)(3)(ii). Specify the transmission type as Automatic Transmission for all engines and for all duty cycles, except that the transmission type is Automated Manual Transmission for Heavy HDE operating over the SET duty cycle. For automatic transmissions set neutral idle to “Y” in

the vehicle file. Select gear ratios for each gear as shown in the following table:

TABLE 1 TO PARAGRAPH (b)(2)(vii) OF § 1036.510—GEM HIL INPUT FOR GEAR RATIO

Gear number	Spark-ignition HDE, light HDE, and medium HDE— all duty cycles	Heavy HDE— LLC and FTP duty cycles	Heavy HDE— SET duty cycle
1	3.10	3.51	12.8
2	1.81	1.91	9.25
3	1.41	1.43	6.76
4	1.00	1.00	4.90
5	0.71	0.74	3.58
6	0.61	0.64	2.61
7 .....	.....	.....	1.89
8 .....	.....	.....	1.38
9 .....	.....	.....	1.00
10 .....	.....	.....	0.73
Lockup Gear	3	3	.....

* * * * *

■ 90. Amend § 1036.512 by revising paragraphs (b)(2)(iv) and removing and reserving paragraph (e). The revision reads as follows:

§ 1036.512 Federal Test Procedure.

* * * * *

(b) * * *

(2) * * *

(iv) For plug-in hybrid powertrains, test over the FTP in both charge-sustaining and charge-depleting operation for criteria pollutant determination.

* * * * *

■ 91. Amend § 1036.514 by revising paragraph (b)(4) to read as follows:

§ 1036.514 Low Load Cycle.

* * * * *

(b) * * *

(4) Adjust procedures in this section as described in § 1036.510(d) and (e) for plug-in hybrid powertrains to determine criteria pollutant emissions, replacing “SET” with “LLC”. Note that the LLC is therefore the preconditioning duty cycle for plug-in hybrid powertrains.

* * * * *

■ 92. Amend § 1036.520 by revising paragraph (b)(1) to read as follows:

§ 1036.520 Determining power and vehicle speed values for powertrain testing.

* * * * *

(b) * * *

(1) Use vehicle parameters, other than power, as specified in § 1036.510(b)(2).

Use the applicable automatic transmission as specified in § 1036.510(b)(2)(vii).

* * * * *

■ 93. Amend § 1036.530 by revising paragraphs (e) and (g) to read as follows:

§ 1036.530 Test procedures for off-cycle testing.

* * * * *

(e) *Normalized CO₂ emission mass over a 300 second test interval.* For engines subject to compression-ignition standards, determine the normalized CO₂ emission mass over each 300 second test interval, $m_{CO_2,norm,testinterval}$, to the nearest 0.01% using the following equation:

$$m_{CO_2,norm,testinterval} = \frac{m_{CO_2,testinterval}}{e_{CO_2FTP} \cdot P_{max} \cdot t_{testinterval}}$$

Eq. 1036.530–2

Where:

$m_{CO_2,testinterval}$ = total CO₂ emission mass over the test interval.

e_{CO_2FTP} = the engine's brake-specific CO₂ over the FTP duty cycle, as described in § 1036.235(b).

P_{max} = the highest value of rated power for all the configurations included in the engine family.

$t_{testinterval}$ = duration of the test interval. Note that the nominal value is 300 seconds.

Example

$m_{CO_2,testinterval}$ = 3948 g

e_{CO_2FTP} = 428.2 g/hp-hr

P_{max} = 406.5 hp

$t_{testinterval}$ = 300.01 s = 0.08 hr

$$m_{CO_2,norm,testinterval} = \frac{3948}{428.2 \cdot 406.5 \cdot 0.08}$$

$m_{CO_2,norm,testinterval} = 0.2722 = 27.22\%$

* * * * *

(g) *Off-cycle emissions quantities.* Determine the off-cycle emissions quantities as follows:

(1) *Spark-ignition.* For engines subject to spark-ignition standards, the off-cycle emission quantity, $e_{[emission],offcycle}$, is the value for CO₂-specific emission mass for a given pollutant over the test interval

representing the shift-day converted to a brake-specific value, as calculated for each measured pollutant using the following equation:

$$e_{[emissions],offcycle} = \frac{m_{[emission]}}{m_{CO_2}} \cdot e_{CO_2,FTP}$$

Eq. 1036.530–3

Where:

$m_{[emission]}$ = total emission mass for a given pollutant over the test interval as determined in paragraph (d)(2) of this section.

m_{CO_2} = total CO₂ emission mass over the test interval as determined in paragraph (d)(2) of this section.

$e_{CO_2,FTP}$ = the engine's brake-specific CO₂ over the FTP duty cycle.

Example

$m_{NO_x} = 1.337$ g
 $m_{CO_2} = 18778$ g
 $e_{CO_2,FTP} = 505.1$ g/hp-hr

$$e_{NO_x,offcycle} = \frac{1.337}{18778} \cdot 505.1$$

$e_{NO_x, offcycle} = 0.035$ g/hp-hr = 35 mg/hp-hr

(2) *Compression-ignition.* For engines subject to compression-ignition standards, determine the off-cycle emission quantity for each bin. When

calculating mean bin emissions from ten engines to apply the pass criteria for engine families in § 1036.425(c), set any negative off-cycle emissions quantity to zero before calculating mean bin emissions.

(i) *Off-cycle emissions quantity for bin 1.* The off-cycle emission quantity for bin 1, is the mean NO_x mass emission rate from all test intervals associated with bin 1 as calculated using the following equation:

$$\bar{m}_{NO_x,offcycle,bin1} = \frac{\sum_{i=1}^N m_{NO_x,testinterval,i}}{\sum_{i=1}^N t_{testinterval,i}}$$

Eq. 1036.530–4

Where:

i = an indexing variable that represents one 300 second test interval.

N = total number of 300 second test intervals in bin 1.

$m_{NO_x,testinterval,i}$ = total NO_x emission mass over the test interval i in bin 1 as

determined in paragraph (d)(2) of this section.

$t_{testinterval,i}$ = total time of test interval i in bin 1 as determined in paragraph (d)(1) of this section. Note that the nominal value is 300 seconds.

Example

$N = 10114$

$m_{NO_x,testinterval,1} = 0.021$ g

$m_{NO_x,testinterval,2} = 0.025$ g

$m_{NO_x,testinterval,3} = 0.031$ g

$t_{testinterval,1} = 299.99$ s

$t_{testinterval,2} = 299.98$ s

$t_{testinterval,3} = 300.04$ s

$$\bar{m}_{NO_x,offcycle,bin1} = \frac{(0.021 + 0.025 + 0.031 \dots + m_{NO_x,testinterval,10114})}{(299.99 + 299.98 + 300.04 \dots + t_{testinterval,10114})}$$

$\bar{m} = 0.000285$ g/s = 1.026 g/hr

(ii) *Off-cycle emissions quantity for bin 2.* The off-cycle emission quantity

for bin 2, $e_{[emission],offcycle,bin2}$, is the value for CO₂-specific emission mass for a given pollutant of all the 300 second test intervals in bin 2 combined and

converted to a brake-specific value, as calculated for each measured pollutant using the following equation:

$$e_{[emissions],offcycle,bin2} = \frac{\sum_{i=1}^N m_{[emission],testinterval,i}}{\sum_{i=1}^N m_{CO_2,testinterval,i}} \cdot e_{CO_2,FTP}$$

Eq. 1036.530–5

Where:

i = an indexing variable that represents one 300 second test interval.

N = total number of 300 second test intervals in bin 2.

$m_{[emission],testinterval,i}$ = total emission mass for a given pollutant over the test interval i

in bin 2 as determined in paragraph (d)(2) of this section.

$m_{CO_2,testinterval,i}$ = total CO₂ emission mass over the test interval i in bin 2 as determined in paragraph (d)(2) of this section.

$e_{CO_2,FTP}$ = the engine's brake-specific CO₂ over the FTP duty cycle.

Example

$N = 15439$

$m_{NO_x1} = 0.546$ g

$m_{NO_x2} = 0.549$ g

$m_{NO_x3} = 0.556$ g

$m_{CO_2,1} = 10950.2$ g

$m_{CO_2,2} = 10961.3$ g

$m_{CO_2,3} = 10965.3$ g

$e_{CO_2,FTP} = 428.1$ g/hp-hr

$$e_{NO_x,offcycle,bin2} = \frac{(0.546 + 0.549 + 0.556 \dots + m_{NO_x,testinterval,15439})}{(10950.2 + 10961.3 + 10965.3 \dots + m_{CO_2,testinterval,15439})} \cdot 428.1$$

$$\epsilon_{\text{NOx,offcycle,bin2}} = 0.026 \text{ g/hp}\cdot\text{hr} = 26 \text{ mg/hp}\cdot\text{hr}$$

* * * * *

§§ 1036.535, 1036.540, and 1036.543

[Removed]

■ 94. Remove §§ 1036.535, 1036.540, and 1036.543.

■ 95. Revise and republish § 1036.545 to read as follows:

§ 1036.545 Powertrain testing.

This section describes the procedure to test a powertrain that includes an engine coupled with a transmission, drive axle, and hybrid components or any assembly with one or more of those hardware elements. The powertrain test procedure is one option for certifying hybrid powertrains to the engine standards in § 1036.104.

(a) *General test provisions.* The following provisions apply broadly for testing under this section:

(1) [Reserved]

(2) The procedures of 40 CFR part 1065 apply for testing in this section except as specified. This section uses engine parameters and variables that are consistent with 40 CFR part 1065.

(3) Powertrain testing depends on models to calculate certain parameters. You can use the detailed equations in this section to create your own models, or use the GEM HIL model contained within GEM Phase 2, Version 4.0 (incorporated by reference, see § 1036.810) to simulate vehicle hardware elements as follows:

(i) Create driveline and vehicle models that calculate the angular speed setpoint for the test cell dynamometer, $f_{\text{nref,dyno}}$, based on the torque

measurement location. Use the detailed equations in paragraph (f) of this section, the GEM HIL model's driveline and vehicle submodels, or a combination of the equations and the submodels. You may use the GEM HIL model's transmission submodel in paragraph (f) to simulate a transmission only if testing hybrid engines. For hybrid engines intended for vehicles with automatic transmissions, update the driver_in_gear signal within the driver interface block in the GEM HIL model with the transmission state (in-gear or idle) as a function of time as defined by the duty cycles in this part.

(ii) Create a driver model or use the GEM HIL model's driver submodel to simulate a human driver modulating the throttle and brake pedals to follow the test cycle as closely as possible.

(iii) Create a cycle-interpolation model or use the GEM HIL model's cycle submodel to interpolate the duty-cycles and feed the driver model the duty-cycle reference vehicle speed for each point in the duty-cycle.

(4) The powertrain test procedure in this section is designed to simulate operation of different vehicle configurations over specific duty cycles. See paragraph (j) of this section.

(5) [Reserved]

(6) For hybrid powertrains with no plug-in capability, correct for the net energy change of the energy storage device as described in 40 CFR 1066.501(a)(3). For plug-in hybrid electric powertrains, follow 40 CFR 1066.501(a)(3) to determine End-of-Test for charge-depleting operation.

(7) through (8) [Reserved]

(9) If you test a powertrain over the Low Load Cycle specified in § 1036.514, control and apply the electrical accessory loads. We recommend using a load bank connected directly to the powertrain's electrical system. You may instead use an alternator with dynamic electrical load control. Use good engineering judgment to account for the efficiency of the alternator or the efficiency of the powertrain to convert the mechanical energy to electrical energy.

(10) The following instruments are required with plug-in hybrid systems to determine required voltages and currents during testing and must be installed on the powertrain to measure these values during testing:

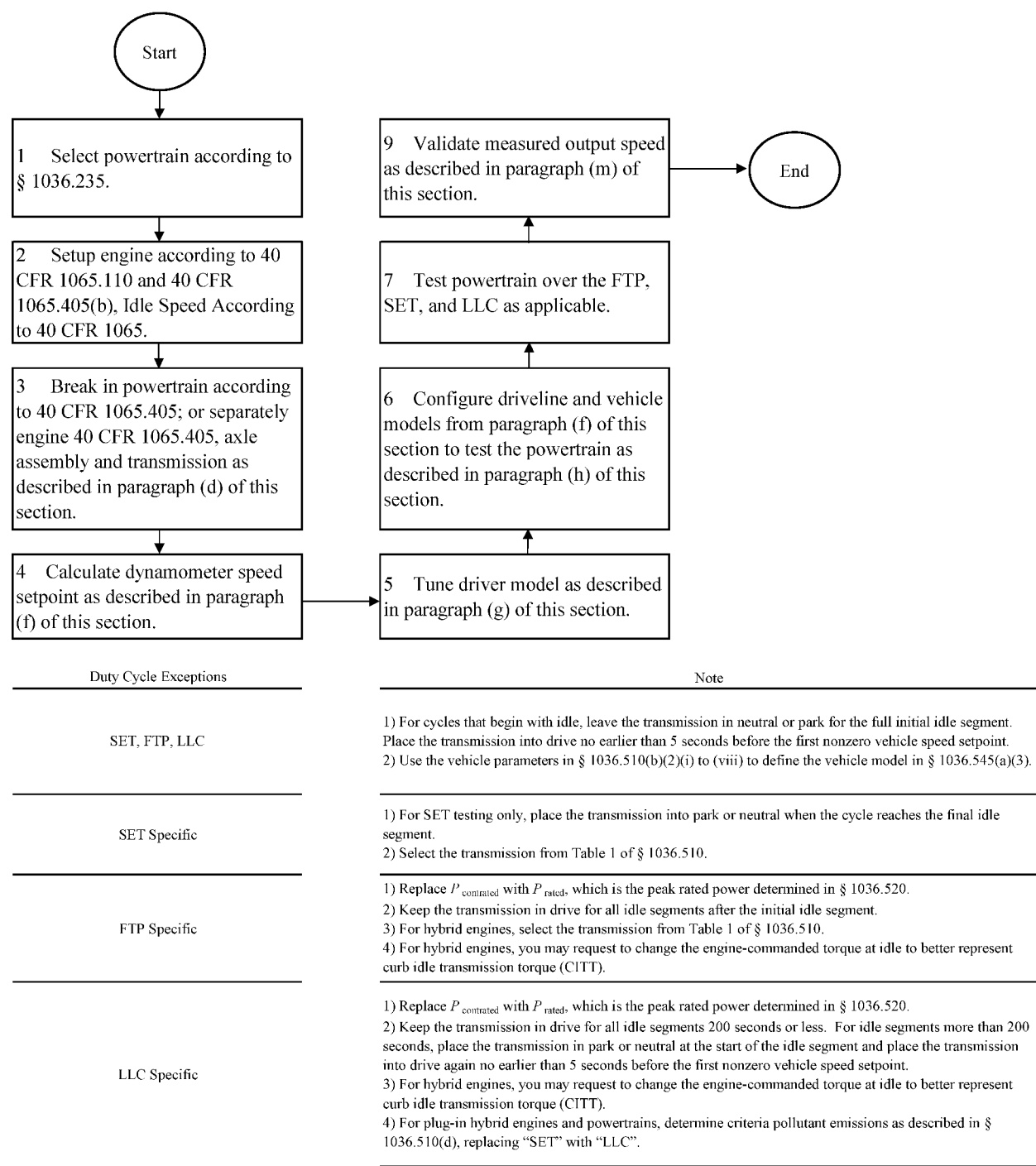
(i) Measure the voltage and current of the battery pack directly with a DC wideband power analyzer to determine power. Measure all current entering and leaving the battery pack. Do not measure voltage upstream of this measurement point. The maximum integration period for determining amp-hours is 0.05 seconds. The power analyzer must have an accuracy for measuring current and voltage of 1% of point or 0.3% of maximum, whichever is greater. The power analyzer must not be susceptible to offset errors while measuring current.

(ii) If safety considerations do not allow for measuring voltage, you may determine the voltage directly from the powertrain ECM.

(11) The following figure provides an overview of testing under this section:

BILLING CODE 6560-50-P

FIGURE 1 TO PARAGRAPH (a)(11) OF § 1036.545—OVERVIEW OF POWERTRAIN TESTING



BILLING CODE 6560–50–C

(b) *Test configuration.* Select a powertrain for testing as described in § 1036.235. Set up the engine according to 40 CFR 1065.110 and 1065.405(b). Set the engine's idle speed to warm idle speed defined in 40 CFR 1065.1001.

(1) The default test configuration consists of a powertrain with all components upstream of the axle. This involves connecting the powertrain's

output shaft directly to the dynamometer or to a gear box with a fixed gear ratio and measuring torque at the axle input shaft. You may instead set up the dynamometer to connect at the wheel hubs and measure torque at that location. The preceding sentence may apply if your powertrain configuration requires it, such as for hybrid powertrains or if you want to

represent the axle performance with powertrain test results. You may alternatively test the powertrain with a chassis dynamometer if you measure speed and torque at the powertrain's output shaft or wheel hubs.

(2) For testing hybrid engines, connect the engine's crankshaft directly to the dynamometer and measure torque at that location.

(c) *Powertrain temperatures during testing.* Cool the powertrain during testing so temperatures for oil, coolant, block, head, transmission, battery, and power electronics are within the manufacturer's expected ranges for normal operation. You may use electronic control module outputs to comply with this paragraph (c). You may use auxiliary coolers and fans.

(d) *Powertrain break in.* Break in the powertrain as a complete system using the engine break-in procedure in 40 CFR 1065.405(c), or take the following steps to break in the engine, axle assembly, and transmission separately as applicable: (1) Break in the engine according to 40 CFR 1065.405(c).

(2) Break in the axle assembly using good engineering judgment. Maintain gear oil temperature at or below 100 °C throughout the break-in period.

(3) Break in the transmission using good engineering judgment. Maintain transmission oil temperature at (87 to 93) °C for automatic transmissions and transmissions having more than two friction clutches, and at (77 to 83) °C for all other transmissions. You may ask us to approve a different range of transmission oil temperatures if you have data showing that it better represents in-use operation.

(e) *Dynamometer setup.* Set the dynamometer to operate in speed-control mode (or torque-control mode for hybrid engine testing at idle, including idle portions of transient duty cycles). Record data as described in 40 CFR 1065.202. Command and control the dynamometer speed at a minimum of 5 Hz, or 10 Hz for testing hybrid engines. Run the vehicle model to calculate the dynamometer setpoints at a rate of at least 100 Hz. If the dynamometer's command frequency is less than the vehicle model dynamometer setpoint frequency, subsample the calculated setpoints for commanding the dynamometer setpoints.

(f) *Driveline and vehicle model.* Use the GEM HIL model's driveline and vehicle submodels or the equations in this paragraph (f) to calculate the dynamometer speed setpoint, $f_{nref,dyno}$, based on the torque measurement location. For all powertrains, configure GEM with the accessory load set to zero. For hybrid engines, configure GEM with the applicable accessory load as specified in §§ 1036.514 and 1036.525. For all powertrains and hybrid engines, configure GEM with the tire slip model disabled.

(1) *Driveline model with a transmission in hardware.* For testing with torque measurement at the axle input shaft or wheel hubs, calculate, $f_{nref,dyno}$, using the GEM HIL model's driveline submodel or the following equation:

$$f_{nrefi,dyno} = \frac{k_{a[speed]} \cdot v_{refi}}{2 \cdot \pi \cdot r_{[speed]}}$$

Eq. 1036.545–1

Where:

$k_{a[speed]}$ = drive axle ratio as determined in paragraph (h) of this section. Set $k_{a[speed]}$ equal to 1.0 if torque is measured at the wheel hubs.

v_{refi} = simulated vehicle reference speed as calculated in paragraph (f)(3) of this section.

$r_{[speed]}$ = tire radius as determined in paragraph (h) of this section.

(2) *Driveline model with a simulated transmission.* For testing with the torque measurement at the engine's crankshaft, $f_{nref,dyno}$ is the dynamometer target speed from the GEM HIL model's transmission submodel. You may request our approval to change the transmission submodel, as long as the changes do not affect the gear selection logic. Before testing, initialize the transmission model with the engine's measured torque curve and the applicable steady-state fuel map from the GEM HIL model. Configure the torque converter to simulate neutral idle when using this procedure to perform the Supplemental

Emission Test (SET) testing under § 1036.510. You may change engine commanded torque at idle to better represent CITT for transient testing under § 1036.512. You may change the simulated engine inertia to match the inertia of the engine under test. We will evaluate your requests under this paragraph (f)(2) based on your demonstration that the adjusted testing better represents in-use operation.

(i) The transmission submodel needs the following model inputs:

(A) Torque measured at the engine's crankshaft.

(B) Engine estimated torque determined from the electronic control module or by converting the instantaneous operator demand to an instantaneous torque in N-m.

(C) Dynamometer mode when idling (speed-control or torque-control).

(D) Measured engine speed when idling.

(E) Transmission output angular speed, $f_{ni,transmission}$, calculated as follows:

$$f_{ni,transmission} = \frac{k_{a[speed]} \cdot v_{refi}}{2 \cdot \pi \cdot r_{[speed]}}$$

Eq. 1036.545–2

Where:

$k_{a[speed]}$ = drive axle ratio as determined in paragraph (h) of this section.

v_{refi} = simulated vehicle reference speed as calculated in paragraph (f)(3) of this section.

$r_{[speed]}$ = tire radius as determined in paragraph (h) of this section.

(ii) The transmission submodel generates the following model outputs:

(A) Dynamometer target speed.

(B) Dynamometer idle load.

(C) Transmission engine load limit.

(D) Engine speed target.

(3) *Vehicle model.* Calculate the simulated vehicle reference speed, v_{refi} , using the GEM HIL model's vehicle submodel or the equations in this paragraph (f)(3):

$$v_{refi} = \left(\frac{k_a \cdot T_{i-1}}{r} \cdot (Eff_{axle}) - \left(M \cdot g \cdot C_{rr} \cdot \cos(\text{atan}(G_{i-1})) + \frac{\rho \cdot C_d A}{2} \cdot v_{ref,i-1}^2 \right) - F_{brake,i-1} - F_{grade,i-1} \right) \cdot \frac{\Delta t_{i-1}}{M + M_{rotating}} + v_{ref,i-1}$$

Eq. 1036.545–3

Where:

i = a time-based counter corresponding to each measurement during the sampling

period. Let $v_{ref1} = 0$; start calculations at

$i = 2$. A 10-minute sampling period will generally involve 60,000 measurements. T = instantaneous measured torque at the axle input, measured at the wheel hubs, or simulated by the GEM HIL model's transmission submodel. For configurations with multiple torque measurements, such as when measuring torque at the wheel hubs, T is the sum of all torque measurements.

Eff_{axle} = axle efficiency. Use $Eff_{axle} = 0.955$ for $T \geq 0$, and use $Eff_{axle} = 1/0.955$ for $T < 0$. Use $Eff_{axle} = 1.0$ if torque is measured at the wheel hubs.

M = vehicle mass for a vehicle class as determined in paragraph (h) of this section.

g = gravitational constant = 9.80665 m/s².

C_{rr} = coefficient of rolling resistance for a vehicle class as determined in paragraph (h) of this section.

G_{i-1} = the percent grade interpolated at distance, D_{i-1} , from the duty cycle in § 1036.510 and appendix B to this part, corresponding to measurement ($i-1$).

$$D_{i-1} = \sum_{i=1}^N (v_{ref,i-1} \cdot \Delta t_{i-1})$$

Eq. 1036.545–4

ρ = air density at reference conditions. Use $\rho = 1.1845$ kg/m³.

C_{dA} = drag area for a vehicle class as determined in paragraph (h) of this section.

$F_{brake,i-1}$ = instantaneous braking force applied by the driver model.

$$F_{grade,i-1} = M \cdot g \cdot \sin(\text{atan}(G_{i-1}))$$

Eq. 1036.545–5

Δt = the time interval between measurements. For example, at 100 Hz, $\Delta t = 0.0100$ seconds.

$M_{rotating}$ = inertial mass of rotating components. Let $M_{rotating} = 340$ kg for Light HDE or Medium HDE, and 1,021 kg for Heavy HDE.

(g) *Driver model*. Use the GEM HIL model's driver submodel or design a driver model to simulate a human driver modulating the throttle and brake pedals. In either case, tune the model to follow the test cycle as closely as possible meeting the following specifications:

(1) The driver model must meet the following speed requirements:

(i) [Reserved]

(ii) For operation over the SET as defined § 1036.510, the Federal Test Procedure (FTP) as defined in § 1036.512, and the Low Load Cycle (LLC) as defined in § 1036.514, the speed requirements described in 40 CFR 1066.425(b) and (c).

(iii) The exceptions in 40 CFR 1066.425(b)(4) apply to the SET, FTP, and LLC.

(iv) If the speeds do not conform to these criteria, the test is not valid and must be repeated.

(2) Send a brake signal when operator demand is zero and vehicle speed is

greater than the reference vehicle speed from the test cycle. Include a delay before changing the brake signal to prevent dithering, consistent with good engineering judgment.

(3) Allow braking only if operator demand is zero.

(h)–(i) [Reserved]

(j) *Duty cycles to evaluate*. Operate the powertrain over each of the duty cycles specified in §§ 1036.510, 1036.512, and 1036.514 as applicable.

(k)–(l) [Reserved]

(m) *Measured output speed validation*. For each test point, validate the measured output speed with the corresponding reference values. If speed is measured at more than one location, the measurements at each location must meet validation requirements. If the range of reference speed is less than 10 percent of the mean reference speed, you need to meet only the standard error of the estimate in table 4 to this paragraph (m). You may delete points when the vehicle is stopped. If your speed measurement is not at the location of f_{nref} , correct your measured speed using the constant speed ratio between the two locations. Apply cycle-validation criteria for each separate transient or highway cruise cycle based on the following parameters:

TABLE 4 TO PARAGRAPH (m) OF § 1036.545—CYCLE-VALIDATION CRITERIA

Parameter ^a	Speed control
Slope, a_1	$0.990 \leq a_1 \leq 1.010$.
Absolute value of intercept, $|a_0|$ .....	$\leq 2.0\%$ of maximum f_{nref} speed.
Standard error of the estimate, SEE	$\leq 2.0\%$ of maximum f_{nref} speed.
Coefficient of determination, r^2	≥ 0.990 .

^a Determine values for specified parameters as described in 40 CFR 1065.514(e) by comparing measured and reference values for $f_{nref,dyno}$.

§ 1036.550 [Removed]

■ 96. Remove § 1036.550.

■ 97. Amend § 1036.580 by revising the introductory text and paragraph (c) to read as follows:

§ 1036.580 Infrequently regenerating aftertreatment devices.

For engines using aftertreatment technology with infrequent regeneration events that may occur during testing, take one of the following approaches to account for the emission impact of regeneration on criteria pollutant emissions:

* * * * *

(c) You may choose to make no adjustments to measured emission results if you determine that regeneration does not significantly affect emission levels for an engine family (or configuration) or if it is not practical to

identify when regeneration occurs. You may omit adjustment factors under this paragraph (c) individual pollutants under this paragraph (c) as appropriate. If you choose not to make adjustments under paragraph (a) or (b) of this section, your engines must meet emission standards for all testing, without regard to regeneration.

* * * * *

■ 98. Amend § 1036.605 by revising paragraphs (b) and (g) to read as follows:

§ 1036.605 Alternate emission standards for engines used in specialty vehicles.

* * * * *

(b) Compression-ignition engines must be of a configuration that is identical to one that is certified under 40 CFR part 1039, and must be certified with a family emission limit for PM of 0.020 g/kW-hr using the same duty

cycles that apply under 40 CFR part 1039.

* * * * *

(g) Engines certified under this section may not generate or use emission credits under this part or under 40 CFR part 1039.

§§ 1036.610, 1036.615, 1036.620, 1036.625, 1036.630, and 1036.635 [Removed]

■ 99. Remove §§ 1036.610, 1036.615, 1036.620, 1036.625, 1036.630, 1036.635.

■ 100. Revise and republish § 1036.701 to read as follows:

§ 1036.701 General provisions.

(a) You may average, bank, and trade (ABT) emission credits for purposes of certification as described in this subpart and in subpart B of this part to show compliance with the standards of §§ 1036.104. Participation in this

program is voluntary. Note that certification to NO_x standards in § 1036.104 is based on a family emission limit (FEL).

(b) The definitions of subpart I of this part apply to this subpart in addition to the following definitions:

(1) *Actual emission credits* means emission credits you have generated that we have verified by reviewing your final report.

(2) *Averaging set* means a set of engines in which emission credits may be exchanged. See § 1036.740.

(3) *Broker* means any entity that facilitates a trade of emission credits between a buyer and seller.

(4) *Buyer* means the entity that receives emission credits as a result of a trade.

(5) *Reserved emission credits* means emission credits you have generated that we have not yet verified by reviewing your final report.

(6) *Seller* means the entity that provides emission credits during a trade.

(7) *Standard* means the emission standard that applies under subpart B of this part for engines not participating in the ABT program of this subpart.

(8) *Trade* means to exchange emission credits, either as a buyer or seller.

(c) Emission credits may be exchanged only within an averaging set, except as specified in § 1036.740.

(d) You may not use emission credits generated under this subpart to offset any emissions that exceed an FEL or standard. This paragraph (d) applies for all testing, including certification testing, in-use testing, selective enforcement audits, and other production-line testing. However, if emissions from an engine exceed an FEL or standard (for example, during a selective enforcement audit), you may use emission credits to recertify the engine family with a higher FEL that applies only to future production.

(e) You may use either of the following approaches to retire or forego emission credits:

(1) You may retire emission credits generated from any number of your engines. This may be considered donating emission credits to the environment. Identify any such credits in the reports described in § 1036.730. Engines must comply with the applicable FELs even if you donate or sell the corresponding emission credits. Donated credits may no longer be used by anyone to demonstrate compliance with any EPA emission standards.

(2) You may certify an engine family using an FEL below the emission standard as described in this part and choose not to generate emission credits

for that family. If you do this, you do not need to calculate emission credits for those engine families, and you do not need to submit or keep the associated records described in this subpart for that family.

(f) Emission credits may be used in the model year they are generated. Surplus emission credits may be banked for future model years.

(g) You may increase or decrease an FEL during the model year by amending your application for certification under § 1036.225. The new FEL may apply only to engines you have not already introduced into commerce.

(h)–(j) [Reserved]

(k) Engine families you certify with a nonconformance penalty under 40 CFR part 86, subpart L, may not generate emission credits.

■ 101. Revise and republish § 1036.705 to read as follows:

§ 1036.705 Generating and calculating emission credits.

(a) The provisions of this section apply separately for calculating NO_x emission credits.

(b) For each participating family, calculate positive or negative emission credits relative to the otherwise applicable emission standard. Calculate positive emission credits for a family that has an FEL below the standard. Calculate negative emission credits for a family that has an FEL above the standard. Sum your positive and negative credits for the model year before rounding. Calculate emission credits to the nearest megagram (Mg) for each family using the following equation:

$$\text{Emission credits (Mg)} = (\text{Std} - \text{FL}) \cdot \text{CF} \cdot \text{Volume} \cdot \text{UL} \cdot c$$

Eq. 1036.705–1

Where:

Std = the emission standard, in (mg NO_x)/hp-hr that applies under subpart B of this part for engines not participating in the ABT program of this subpart (the “otherwise applicable standard”).

FL = the engine family’s FEL, in mg/hp-hr, rounded to the same number of decimal places as the emission standard.

CF = a transient cycle conversion factor (hp-hr/mile), calculated by dividing the total (integrated) horsepower-hour over the applicable duty cycle by 6.3 miles for engines subject to spark-ignition standards and 6.5 miles for engines subject to compression-ignition standards. This represents the average work performed over the duty cycle.

Volume = the number of engines eligible to participate in the averaging, banking, and trading program within the given engine family during the model year, as described in paragraph (c) of this section.

UL = the useful life for the standard that applies for a given primary intended service class, in miles.

$$c = 10^{-9}.$$

Example for Model Year 2028 Heavy HDE Generating NO_x credits

Std = 35 mg/hp-hr

FEL = 20 mg/hp-hr

CF = 9.78 hp-hr/mile

Volume = 15,342

UL = 650,000 miles

$$c = 10^{-6}$$

$$\text{Emission credits} = (35 - 20) \cdot 9.78 \cdot 15,342 \cdot 650,000 \cdot 10^{-9}$$

$$\text{Emission credits} = 1,463 \text{ Mg}$$

(c) Compliance with the requirements of this subpart is determined at the end of the model year by calculating emission credits based on actual production volumes, excluding the following engines:

(1) Engines that you do not certify to the standards of this part because they are permanently exempted under subpart G of this part or under 40 CFR part 1068.

(2) Exported engines.

(3) Engines not subject to the requirements of this part, such as those excluded under § 1036.5.

(4) Engines certified to state emission standards that are different than the emission standards referenced in this section, and intended for sale in a state that has adopted those emission standards.

(5) Any other engines if we indicate elsewhere in this part that they are not to be included in the calculations of this subpart.

■ 102. Revise § 1036.710 to read as follows:

§ 1036.710 Averaging.

(a) Averaging is the exchange of emission credits among your engine families. You may average emission credits only within the same averaging set, except as specified in § 1036.740.

(b) You may certify one or more engine families to an FEL above the applicable standard, subject to any applicable FEL caps and other the provisions in subpart B of this part, if you show in your application for certification that your projected balance of all emission-credit transactions in that model year is greater than or equal to zero.

(c) If you certify an engine family to an FEL that exceeds the otherwise applicable standard, you must obtain enough emission credits to offset the engine family’s deficit by the due date for the final report required in § 1036.730. The emission credits used to address the deficit may come from your other engine families that generate emission credits in the same model

year, from emission credits you have banked, or from emission credits you obtain through trading.

■ 103. Amend § 1036.720 by revising paragraph (c) to read as follows:

§ 1036.720 Trading.

* * * * *

(c) If a negative emission credit balance results from a transaction, both the buyer and seller are liable, except in cases we deem to involve fraud. See § 1036.255(e) for cases involving fraud. We may void the certificates of all engine families participating in a trade that results in a manufacturer having a negative balance of emission credits.

■ 104. Revise § 1036.725 to read as follows:

§ 1036.725 Required information for certification.

(a) You must declare in your application for certification your intent to use the provisions of this subpart for each engine family that will be certified using the ABT program. You must also declare the FEL you select for the engine family for each pollutant for which you are using the ABT program. Your FELs must comply with the specifications of subpart B of this part, including the FEL caps.

(b) Include the following in your application for certification:

(1) A statement that, to the best of your belief, you will not have a negative balance of emission credits for any averaging set when all emission credits are calculated at the end of the year.

(2) Calculations of projected emission credits (positive or negative) based on projected production volumes as described in § 1036.705(c). We may require you to include similar calculations from your other engine families to project your net credit balances for the model year. If you project negative emission credits for a family, state the source of positive emission credits you expect to use to offset the negative emission credits.

■ 105. Amend § 1036.730 by revising paragraphs (b)(3) and (4), (c)(1), and (f)(1) to read as follows:

§ 1036.730 ABT reports.

* * * * *

(b) * * *

(3) The FEL for each pollutant. If you change the FEL after the start of production, identify the date that you started using the new FEL and/or give the engine identification number for the first engine covered by the new FEL. In this case, identify each applicable FEL and calculate the positive or negative emission credits as specified in § 1036.225(f).

(4) The projected and actual production volumes for calculating emission credits for the model year. If you changed an FEL during the model year, identify the actual production volume associated with each FEL.

* * * * *

(c) * * *

(1) Show that your net balance of emission credits from all your participating engine families in each averaging set in the applicable model year is not negative. Your credit tracking must account for the limitation on credit life under § 1036.740(d).

* * * * *

(f) * * *

(1) If you notify us by the deadline for submitting the final report that errors mistakenly decreased your balance of emission credits, you may correct the errors and recalculate the balance of emission credits.

* * * * *

■ 106. Amend § 1036.735 by revising paragraph (d) to read as follows:

§ 1036.735 Recordkeeping.

* * * * *

(d) Keep appropriate records to document production volumes of engines that generate or use emission credits under the ABT program. For example, keep available records of the engine identification number (usually the serial number) for each engine you produce that generates or uses emission credits. You may identify these numbers as a range. If you change the FEL after the start of production, identify the date you started using each FEL and the range of engine identification numbers associated with each FEL. You must also identify the purchaser and destination for each engine you produce to the extent this information is available.

* * * * *

■ 107. Amend § 1036.740 by removing and reserving paragraphs (b) and (c) and revising paragraph (d) to read as follows:

§ 1036.740 Restrictions for using emission credits.

* * * * *

(d) *NO_x* credit life. *NO_x* credits may be used only for five model years after the year in which they are generated. For example, credits you generate in model year 2027 may be used to demonstrate compliance with emission standards only through model year 2032.

* * * * *

§ 1036.745 [Removed]

■ 108. Remove § 1036.745.

■ 109. Amend § 1036.750 by revising paragraph (b) to read as follows:

§ 1036.750 Consequences for noncompliance.

* * * * *

(b) You may certify your engine family to an FEL above an applicable standard based on a projection that you will have enough emission credits to offset the deficit for the engine family.

* * * * *

§ 1036.755 [Removed]

■ 110. Remove § 1036.755.

■ 111. Revise and republish § 1036.801 to read as follows:

§ 1036.801 Definitions.

The following definitions apply to this part. The definitions apply to all subparts unless we note otherwise. All undefined terms have the meaning the Act gives to them. The definitions follow:

Act means the Clean Air Act, as amended, 42 U.S.C. 7401–7671q.

Adjustable parameter has the meaning given in 40 CFR 1068.50.

Aftertreatment means relating to a catalytic converter, particulate filter, or any other system, component, or technology mounted downstream of the exhaust valve (or exhaust port) whose design function is to decrease emissions in the engine exhaust before it is exhausted to the environment. Exhaust gas recirculation (EGR) and turbochargers are not aftertreatment.

Aircraft means any vehicle capable of sustained air travel more than 100 feet above the ground.

Alcohol-fueled engine mean an engine that is designed to run using an alcohol fuel. For purposes of this definition, alcohol fuels do not include fuels with a nominal alcohol content below 25 percent by volume.

Automated manual transmission (AMT) means a transmission that operates mechanically similar to a manual transmission, except that an automated clutch actuator controlled by the onboard computer disengages and engages the drivetrain instead of a human driver. An automated manual transmission does not include a torque converter or a clutch pedal controllable by the driver.

Automatic transmission (AT) means a transmission with a torque converter (or equivalent) that uses computerize or other internal controls to shift gears in response to a single driver input for controlling vehicle speed. Note that automatic manual transmissions are not automatic transmissions because they do not include torque converters.

Auxiliary emission control device means any element of design that senses

temperature, motive speed, engine speed (r/min), transmission gear, or any other parameter for the purpose of activating, modulating, delaying, or deactivating the operation of any part of the emission control system.

Averaging set has the meaning given in § 1036.740.

Axle ratio or Drive axle ratio, k_a , means the dimensionless number representing the angular speed of the transmission output shaft divided by the angular speed of the drive axle.

Calibration means the set of specifications and tolerances specific to a particular design, version, or application of a component or assembly capable of functionally describing its operation over its working range.

Carbon-containing fuel has the meaning given in 40 CFR 1065.1001.

Carryover means relating to certification based on emission data generated from an earlier model year as described in § 1036.235(d).

Certification means relating to the process of obtaining a certificate of conformity for an engine family that complies with the emission standards and requirements in this part.

Certified emission level means the highest deteriorated emission level in an engine family for a given pollutant from the applicable transient and/or steady-state testing, rounded to the same number of decimal places as the applicable standard.

Charge-depleting has the meaning given in 40 CFR 1066.1001.

Charge-sustaining has the meaning given in 40 CFR 1066.1001.

Complete vehicle means a vehicle meeting the definition of complete vehicle in 40 CFR 1037.801 when it is first sold as a vehicle. For example, where a vehicle manufacturer sells an incomplete vehicle to a secondary vehicle manufacturer, the vehicle is not a complete vehicle under this part, even after its final assembly.

Compression-ignition means relating to a type of reciprocating, internal-combustion engine that is not a spark-ignition engine. Note that § 1036.1 also deems gas turbine engines and other engines to be compression-ignition engines.

Crankcase emissions means airborne substances emitted to the atmosphere from any part of the engine crankcase's ventilation or lubrication systems. The crankcase is the housing for the crankshaft and other related internal parts.

Critical emission-related component has the meaning given in 40 CFR 1068.30.

Defeat device has the meaning given in § 1036.115(h).

Designated Compliance Officer means one of the following:

(1) For engines subject to compression-ignition standards, *Designated Compliance Officer* means Director, Diesel Engine Compliance Center, U.S. Environmental Protection Agency, 2000 Traverwood Drive, Ann Arbor, MI 48105; complianceinfo@epa.gov; www.epa.gov/ve-certification.

(2) For engines subject to spark-ignition standards, *Designated Compliance Officer* means Director, Gasoline Engine Compliance Center, U.S. Environmental Protection Agency, 2000 Traverwood Drive, Ann Arbor, MI 48105; complianceinfo@epa.gov; www.epa.gov/ve-certification.

Deteriorated emission level means the emission level that results from applying the appropriate deterioration factor to the official emission result of the emission-data engine. Note that where no deterioration factor applies, references in this part to the *deteriorated emission level* mean the official emission result.

Deterioration factor means the relationship between emissions at the end of useful life (or point of highest emissions if it occurs before the end of useful life) and emissions at the low-hour/low-mileage point, expressed in one of the following ways:

(1) For multiplicative deterioration factors, the ratio of emissions at the end of useful life (or point of highest emissions) to emissions at the low-hour point.

(2) For additive deterioration factors, the difference between emissions at the end of useful life (or point of highest emissions) and emissions at the low-hour point.

Diesel exhaust fluid (DEF) means a liquid reducing agent (other than the engine fuel) used in conjunction with selective catalytic reduction to reduce NO_x emissions. *Diesel exhaust fluid* is generally understood to be an aqueous solution of urea conforming to the specifications of ISO 22241.

Drive idle means idle operation during which the vehicle operator remains in the vehicle cab, as evidenced by engaging the brake or clutch pedals, or by other indicators we approve.

Dual-fuel means relating to an engine designed for operation on two different types of fuel but not on a continuous mixture of those fuels (see § 1036.601(d)). For purposes of this part, such an engine remains a dual-fuel engine even if it is designed for operation on three or more different fuels.

Electronic control module (ECM) means an engine's electronic device that

uses data from engine sensors to control engine parameters.

Emergency vehicle means a vehicle that meets one of the following criteria:

(1) It is an ambulance or a fire truck.

(2) It is a vehicle that we have determined will likely be used in emergency situations where emission control function or malfunction may cause a significant risk to human life. For example, we would consider a truck that is certain to be retrofitted with a slip-on firefighting module to become an emergency vehicle, even though it was not initially designed to be a fire truck. Also, a mobile command center that is unable to manually regenerate its DPF while on duty could be an emergency vehicle. In making this determination, we may consider any factor that has an effect on the totality of the actual risk to human life. For example, we may consider how frequently a vehicle will be used in emergency situations or how likely it is that the emission controls will cause a significant risk to human life when the vehicle is used in emergency situations. We would not consider the truck in the example above to be an emergency vehicle if there is merely a possibility (rather than a certainty) that it will be retrofitted with a slip-on firefighting module.

Emission control system means any device, system, or element of design that controls or reduces the emissions of regulated pollutants from an engine.

Emission-data engine means an engine that is tested for certification. This includes engines tested to establish deterioration factors.

Emission-related component has the meaning given in 40 CFR part 1068, appendix A.

Emission-related maintenance means maintenance that substantially affects emissions or is likely to substantially affect emission deterioration.

Engine configuration means a unique combination of engine hardware and calibration (related to the emission standards) within an engine family, which would include hybrid components for engines certified as hybrid engines and hybrid powertrains. Engines within a single engine configuration differ only with respect to normal production variability or factors unrelated to compliance with emission standards.

Engine family has the meaning given in § 1036.230.

Excluded means relating to engines that are not subject to some or all of the requirements of this part as follows:

(1) An engine that has been determined not to be a heavy-duty engine is excluded from this part.

(2) Certain heavy-duty engines are excluded from the requirements of this part under § 1036.5.

(3) Specific regulatory provisions of this part may exclude a heavy-duty engine generally subject to this part from one or more specific standards or requirements of this part.

Exempted has the meaning given in 40 CFR 1068.30.

Exhaust gas recirculation means a technology that reduces emissions by routing exhaust gases that had been exhausted from the combustion chamber(s) back into the engine to be mixed with incoming air before or during combustion. The use of valve timing to increase the amount of residual exhaust gas in the combustion chamber(s) that is mixed with incoming air before or during combustion is not considered exhaust gas recirculation for the purposes of this part.

Family emission limit (FEL) means a NO_x emission level declared by the manufacturer to serve in place of an otherwise applicable emission standard under the ABT program in subpart H of this part. The FEL serves as the emission standard for the engine family with respect to all required testing.

Federal Test Procedure (FTP) means the applicable transient duty cycle described in § 1036.512 designed to measure exhaust emissions during urban driving.

Final drive ratio, k_d , means the dimensionless number representing the angular speed of the transmission input shaft divided by the angular speed of the drive axle when the vehicle is operating in its highest available gear. The *final drive ratio* is the transmission gear ratio (in the highest available gear) multiplied by the drive axle ratio.

Flexible-fuel means relating to an engine designed for operation on any mixture of two or more different types of fuels (see § 1036.601(d)).

Fuel type means a general category of fuels such as diesel fuel, gasoline, or natural gas. There can be multiple grades within a single fuel type, such as premium gasoline, regular gasoline, or gasoline with 10 percent ethanol.

Gear ratio or Transmission gear ratio, k_g , means the dimensionless number representing the angular speed of the transmission's input shaft divided by the angular speed of the transmission's output shaft when the transmission is operating in a specific gear.

Good engineering judgment has the meaning given in 40 CFR 1068.30. See 40 CFR 1068.5 for the administrative process we use to evaluate good engineering judgment.

Greenhouse gas Emissions Model (GEM) means the GEM simulation tool referenced in § 1036.810.

Gross vehicle weight rating (GVWR) means the value specified by the vehicle manufacturer as the maximum design loaded weight of a single vehicle, consistent with good engineering judgment.

Heavy-duty engine means any engine which the engine manufacturer could reasonably expect to be used for motive power in a heavy-duty vehicle. For purposes of this definition in this part, the term "engine" includes internal combustion engines and other devices that convert chemical fuel into motive power. For example, a gas turbine used in a heavy-duty vehicle is a heavy-duty engine.

Heavy-duty vehicle means any motor vehicle above 8,500 pounds GVWR. An incomplete vehicle is also a heavy-duty vehicle if it has a curb weight above 6,000 pounds or a basic vehicle frontal area greater than 45 square feet. *Curb weight* and *basic vehicle frontal area* have the meaning given in 40 CFR 86.1803–01.

Hybrid means relating to an engine or powertrain that includes a Rechargeable Energy Storage System. Hybrid engines store and recover energy in a way that is integral to the engine or otherwise upstream of the vehicle's transmission. Examples of hybrid engines include engines with hybrid components connected to the front end of the engine (P0), connected to the crankshaft before the clutch (P1), or connected between the clutch and the transmission where the clutch upstream of the hybrid feature is in addition to the transmission clutch or clutches (P2). Engine-based systems that recover kinetic energy to power an electric heater in the aftertreatment are themselves not sufficient to qualify as a hybrid engine. The provisions in this part that apply for hybrid powertrains apply equally for hybrid engines, except as specified. Note that certain provisions in this part treat hybrid powertrains intended for vehicles that include regenerative braking different than those intended for vehicles that do not include regenerative braking. The definition of hybrid includes plug-in hybrid electric powertrains.

Hydrocarbon (HC) has the meaning given in 40 CFR 1065.1001.

Identification number means a unique specification (for example, a model number/serial number combination) that allows someone to distinguish a particular engine from other similar engines.

Incomplete vehicle means a vehicle meeting the definition of incomplete

vehicle in 40 CFR 1037.801 when it is first sold (or otherwise delivered to another entity) as a vehicle.

Liquefied petroleum gas (LPG) means a liquid hydrocarbon fuel that is stored under pressure and is composed primarily of nonmethane compounds that are gases at atmospheric conditions. Note that, although this commercial term includes the word "petroleum", LPG is not considered to be a petroleum fuel under the definitions of this section.

Low-hour means relating to an engine that has stabilized emissions and represents the undeteriorated emission level. This would generally involve less than 300 hours of operation for engines with NO_x aftertreatment and 125 hours of operation for other engines.

Manual transmission (MT) means a transmission that requires the driver to shift the gears and manually engage and disengage the clutch.

Manufacture means the physical and engineering process of designing, constructing, and/or assembling a heavy-duty engine or a heavy-duty vehicle.

Manufacturer has the meaning given in 40 CFR 1068.30.

Medium-duty passenger vehicle has the meaning given in 40 CFR 86.1803.

Model year means the manufacturer's annual new model production period, except as restricted under this definition. It must include January 1 of the calendar year for which the model year is named, may not begin before January 2 of the previous calendar year, and it must end by December 31 of the named calendar year. Manufacturers may not adjust model years to circumvent or delay compliance with emission standards or to avoid the obligation to certify annually.

Motorcoach means a heavy-duty vehicle designed for carrying 30 or more passengers over long distances. Such vehicles are characterized by row seating, rest rooms, and large luggage compartments, and facilities for stowing carry-on luggage.

Motor vehicle has the meaning given in 40 CFR 85.1703.

Natural gas means a fuel whose primary constituent is methane.

Neat has the meaning given in 40 CFR 1065.1001.

New motor vehicle engine has the meaning given in the Act. This generally means a motor vehicle engine meeting any of the following:

(1) A motor vehicle engine for which the ultimate purchaser has never received the equitable or legal title is a *new motor vehicle engine*. This kind of engine might commonly be thought of as "brand new" although a *new motor*

vehicle engine may include previously used parts. Under this definition, the engine is new from the time it is produced until the ultimate purchaser receives the title or places it into service, whichever comes first.

(2) An imported motor vehicle engine is a *new motor vehicle engine* if it was originally built on or after January 1, 1970.

(3) Any motor vehicle engine installed in a new motor vehicle.

Noncompliant engine means an engine that was originally covered by a certificate of conformity, but is not in the certified configuration or otherwise does not comply with the conditions of the certificate.

Nonconforming engine means an engine not covered by a certificate of conformity that would otherwise be subject to emission standards.

Nonmethane hydrocarbon (NMHC) means the sum of all hydrocarbon species except methane, as measured according to 40 CFR part 1065.

Nonmethane hydrocarbon equivalent (NMHCE) has the meaning given in 40 CFR 1065.1001.

Nonmethane nonethane hydrocarbon equivalent (NMNEHC) has the meaning given in 40 CFR 1065.1001.

Official emission result means the measured emission rate for an emission-data engine on a given duty cycle before the application of any deterioration factor, but after the applicability of any required regeneration or other adjustment factors.

Owners manual means a document or collection of documents prepared by the engine or vehicle manufacturer for the owner or operator to describe appropriate engine maintenance, applicable warranties, and any other information related to operating or keeping the engine. The owners manual is typically provided to the ultimate purchaser at the time of sale. The owners manual may be in paper or electronic format.

Oxides of nitrogen has the meaning given in 40 CFR 1065.1001.

Percent has the meaning given in 40 CFR 1065.1001. Note that this means percentages identified in this part are assumed to be infinitely precise without regard to the number of significant figures. For example, one percent of 1,493 is 14.93.

Placed into service means put into initial use for its intended purpose, excluding incidental use by the manufacturer or a dealer.

Preliminary approval means approval granted by an authorized EPA representative prior to submission of an application for certification, consistent with the provisions of § 1036.210.

Primary intended service class has the meaning given in § 1036.140.

Rechargeable Energy Storage System (RESS) has the meaning given in 40 CFR 1065.1001.

Relating to as used in this section means relating to something in a specific, direct manner. This expression is used in this section only to define terms as adjectives and not to broaden the meaning of the terms.

Revoke has the meaning given in 40 CFR 1068.30.

Round has the meaning given in 40 CFR 1065.1001.

Sample means the collection of engines selected from the population of an engine family for emission testing. This may include testing for certification, production-line testing, or in-use testing.

Scheduled maintenance means adjusting, removing, disassembling, cleaning, or replacing components or systems periodically to keep a part or system from failing, malfunctioning, or wearing prematurely.

Small manufacturer means a manufacturer meeting the criteria specified in 13 CFR 121.201. The employee and revenue limits apply to the total number of employees and total revenue together for all affiliated companies (as defined in 40 CFR 1068.30). Note that manufacturers with low production volumes may or may not be “small manufacturers”.

Spark-ignition means relating to a gasoline-fueled engine or any other type of engine with a spark plug (or other sparking device) and with operating characteristics significantly similar to the theoretical Otto combustion cycle. Spark-ignition engines usually use a throttle to regulate intake air flow to control power during normal operation.

Stop-start means a vehicle technology that automatically turns the engine off when the vehicle is stopped.

Steady-state has the meaning given in 40 CFR 1065.1001. This includes idle testing where engine speed and load are held at a finite set of nominally constant values.

Suspend has the meaning given in 40 CFR 1068.30.

Test engine means an engine in a sample.

Ultimate purchaser means, with respect to any new engine or vehicle, the first person who in good faith purchases such new engine or vehicle for purposes other than resale.

United States has the meaning given in 40 CFR 1068.30.

Upcoming model year means for an engine family the model year after the one currently in production.

U.S.-directed production volume means the number of engines, subject to

the requirements of this part, produced by a manufacturer for which the manufacturer has a reasonable assurance that sale was or will be made to ultimate purchasers in the United States.

Vehicle has the meaning given in 40 CFR 1037.801.

Void has the meaning given in 40 CFR 1068.30.

We (us, our) means the Administrator of the Environmental Protection Agency and any authorized representatives.

§ 1036.805 [Amended]

■ 112. Amend § 1036.805 by revising Table 5 to Paragraph (e) to remove entries for “FCL”, “Heavy HDV”, “Light HDV”, and “Medium HDV”.

§ 1036.810 [Amended]

■ 113. Amend § 1036.810 by removing and reserving paragraphs (a)(2) and (3).

■ 114. Amend § 1036.815 by revising paragraph (b) to read as follows:

§ 1036.815 Confidential information.

* * * * *

(b) Emission data or information that is publicly available cannot be treated as confidential business information as described in 40 CFR 1068.11.

Appendix C to Part 1036 [Removed]

■ 115. Remove appendix C to part 1036.

PART 1037—CONTROL OF EMISSIONS FROM NEW HEAVY-DUTY MOTOR VEHICLES

■ 116. The authority citation for part 1036 continues to read as follows:

Authority: 42 U.S.C. 7401–7671q.

§ 1037.5 [Amended]

■ 117. Amend § 1037.5 by removing and reserving paragraphs (c) and (d).

■ 118. Amend § 1037.10 by revising paragraph (b) and removing and reserving paragraphs (d) through (f) and (h). The revision reads as follows:

§ 1037.10 How is this part organized?

* * * * *

(b) Subpart B of this part describes the emission standards and other requirements that must be met to certify vehicles under this part.

* * * * *

■ 119. Amend § 1037.15 by revising paragraph (a) to read as follows:

§ 1037.15 Do any other regulation parts apply to me?

(a) Parts 1065 and 1066 of this chapter describe procedures and equipment specifications for testing engines and vehicles to measure exhaust emissions.

* * * * *

§ 1037.101 [Amended]

- 120. Amend § 1037.101 by removing and reserving paragraphs (a)(2) and (b)(2).
- 121. Revise and republish § 1037.102 to read as follows:

§ 1037.102 Criteria pollutant exhaust emission standards—NO_x, HC, PM, and CO.

(a) Engines installed in heavy-duty vehicles are subject to criteria pollutant standards for NO_x, HC, PM, and CO under 40 CFR part 86 through model year 2026 and 40 CFR part 1036 for model years 2027 and later.

(1) The following vehicles are deemed to meet the criteria pollutant exhaust emission standards of this part and you may state in the application for certification that your vehicles comply with all the requirements of this part related to criteria pollutant exhaust emission standards instead of submitting test data:

(i) Model year 2026 and earlier vehicles with installed engines certified to the standards specified in 40 CFR 86.007–11 or 86.008–10.

(ii) Model year 2027 and later vehicles with installed engines certified to the standards specified in 40 CFR part 1036.

(iii) Specialty vehicles with installed engines certified as specified in § 1037.605.

(iv) Glider kits and glider vehicles with installed engines certified as specified in § 1037.635.

(2) This part includes additional specific requirements for the following types of vehicles:

(i) New tractors that include auxiliary power units. See paragraph (c) of this section.

(ii) Vehicles subject to evaporative or refueling standards under § 1037.103.

(b) Heavy-duty vehicles with no installed propulsion engine, such as battery electric vehicles, are subject to criteria pollutant standards under this part. The emission standards that apply are the same as the standards that apply for compression-ignition engines under 40 CFR 86.007–11 or 1036.104 for a given model year.

(1) You may state in the application for certification that vehicles with no installed propulsion engine comply with all the requirements of this part related to criteria emission standards instead of submitting test data. Tailpipe emissions of criteria pollutants from vehicles with no installed propulsion engine are deemed to be zero.

(2) Vehicles with no installed propulsion engines may not generate NO_x credits.

(c) Starting in model year 2024, auxiliary power units installed on new tractors, including tractors that are

glider vehicles or tractors with no installed propulsion engine, must be certified to the PM emission standard specified in 40 CFR 1039.699. For model years 2021 through 2023, the APU engine must be certified under 40 CFR part 1039 with a deteriorated emission level for PM at or below 0.15 g/kW-hr. Selling, offering for sale, or introducing or delivering into commerce in the United States or importing into the United States a new tractor subject to this standard is a violation of 40 CFR 1068.101(a)(1) unless the auxiliary power unit has a valid certificate of conformity and the required label showing that it meets the PM standard specified in 40 CFR 1039.699 as described in this paragraph (c).

§§ 1037.105 and 1037.106 [Removed]

- 122. Remove §§ 1037.105 and 1037.106.

§ 1037.115 [Amended]

- 123. Amend § 1037.115 by removing paragraphs (e) and (f).

- 124. Amend § 1037.120 by revising paragraphs (a), (b), and (c) to read as follows:

§ 1037.120 Emission-related warranty requirements.

(a) *General requirements.* You must warrant to the ultimate purchaser and each subsequent purchaser that each new vehicle, including all parts of its emission control system, meets two conditions:

(1) It is designed, built, and equipped so it conforms at the time of sale to the ultimate purchaser with the requirements of this part.

(2) It is free from defects in materials and workmanship that cause the vehicle to fail to conform to the requirements of this part during the applicable warranty period.

(b) *Warranty period.* (1) Your emission-related warranty must be valid for at least:

(i) 5 years or 50,000 miles for heavy-duty vehicles at or below 19,500 pounds GVWR.

(ii) 5 years or 100,000 miles for heavy-duty vehicles above 19,500 pounds GVWR.

(2) You may offer an emission-related warranty more generous than we require. The emission-related warranty for the vehicle may not be shorter than any basic mechanical warranty you provide to that owner without charge for the vehicle. Similarly, the emission-related warranty for any component may not be shorter than any warranty you provide to that owner without charge for that component. This means that your warranty for a given vehicle

may not treat emission-related and nonemission-related defects differently for any component. The warranty period begins when the vehicle is placed into service.

(c) *Components covered.* The emission-related warranty covers fuel cell stacks, RESS, and other components used with battery electric vehicles and fuel cell electric vehicles. The emission-related warranty covers all components whose failure would increase a vehicle's evaporative and refueling emissions (for vehicles subject to evaporative and refueling emission standards). The emission-related warranty covers components that are part of your certified configuration even if another company produces the component.

* * * * *

- 125. Revise § 1037.125 to read as follows:

§ 1037.125 Maintenance instructions and allowable maintenance.

Give the ultimate purchaser of each new vehicle written instructions for properly maintaining and using the vehicle with respect to evaporative and refueling emission control system, as applicable.

- 126. Amend § 1037.135 by removing and reserving paragraphs (c)(6) and (7) and revising paragraph (e). The revision reads as follows:

§ 1037.135 Labeling.

* * * * *

(e) You may ask us to approve modified labeling requirements in this part 1037 if you show that it is necessary or appropriate. For example, if you certify both the engine and vehicle, you may ask for approval to comply with labeling requirements with a single emission control information label. We will approve your request if your alternate label is consistent with the requirements of this part.

§§ 1037.140 and 1037.150 [Removed]

- 127. Remove §§ 1037.140 and 1037.150.

- 128. Amend § 1037.201 by removing and reserving paragraph (g) and revising paragraph (i). The revision reads as follows:

§ 1037.201 General requirements for obtaining a certificate of conformity.

* * * * *

(i) Vehicles and installed engines must meet exhaust, evaporative, and refueling emission standards and certification requirements as described in §§ 1037.102 and 1037.103, as applicable. Include the information described in 40 CFR part 86, subpart S, or 40 CFR 1036.205 in your application

for certification in addition to what we specify in § 1037.205 so we can issue a single certificate of conformity for all the requirements that apply for your vehicle and the installed engine.

■ 129. Revise § 1037.205 to read as follows:

§ 1037.205 What must I include in my application?

This section specifies the information that must be in your application, unless we ask you to include less information under § 1037.201(c). We may require you to provide additional information to evaluate your application.

(a) List the fuel type on which your vehicles are designed to operate (for example, diesel fuel or gasoline).

(b) For vehicles with propulsion engines, name all the engine families associated with the vehicle family.

(c) For any new tractors with auxiliary power units, name all the engine families associated with those auxiliary power units.

(d) For any vehicle using RESS (such as hybrid vehicles, fuel cell electric vehicles and battery electric vehicles), describe in detail all components needed to charge the system, store energy, and transmit power to move the vehicle.

(e) For vehicles subject to evaporative and refueling emission standards, include the following information:

(1) Describe the vehicle family's specifications and other basic parameters of the vehicle's design and emission controls. Explain how the emission control system operates. As applicable, describe in detail all system components for controlling emissions, including all auxiliary emission control devices (AECDs) and all fuel-system components you will install on any production vehicle. Identify the part number of each component you describe. For this paragraph (e), treat as separate AECDs any devices that modulate or activate differently from each other.

(2) Where applicable, describe all adjustable operating parameters (see § 1037.115), including production tolerances. For any operating parameters that do not qualify as adjustable parameters, include a description supporting your conclusion (see 40 CFR 1068.50(c)). Include the following in your description of each adjustable parameter:

(i) The nominal or recommended setting.

(ii) The intended practically adjustable range.

(iii) The limits or stops used to establish adjustable ranges.

(iv) Information showing why the limits, stops, or other means of

inhibiting adjustment are effective in preventing adjustment of parameters on in-use engines to settings outside your intended practically adjustable ranges.

(3) Identify the vehicle family's useful life.

(4) Describe your engineering analysis to demonstrate compliance with standards as described in § 1037.103(c), or include the following testing information:

(i) Describe any vehicles or components you selected for testing and the reasons for selecting them.

(ii) Describe any test equipment and procedures that you used, including any special or alternate test procedures you used.

(iii) Describe how you operated any emission-data vehicle before testing, including the duty cycle and the number of vehicle operating miles used to stabilize emission-related performance. Explain why you selected the method of service accumulation. Describe any scheduled maintenance you did, and any practices or specifications that should apply for our testing.

(iv) List the specifications of any test fuel to show that it falls within the required ranges we specify in 40 CFR part 1065.

(v) Identify the emission standards or FELs to which you are certifying vehicles in the vehicle family.

(vi) Where applicable, identify the vehicle family's deterioration factors and describe how you developed them. Present any emission test data you used for this.

(vii) Where applicable, state that you operated your emission-data vehicles as described in the application (including the test procedures, test parameters, and test fuels) to show you meet the requirements of this part.

(f) Include any maintenance instructions and warranty statements you will give to the ultimate purchaser of each new vehicle (see §§ 1037.120 and 1037.125).

(g) Describe your emission control information label (see § 1037.135).

(h) Unconditionally certify that all the vehicles in the vehicle family comply with the requirements of this part, other referenced parts of the CFR, and the Clean Air Act.

(i) Include good-faith estimates of U.S.-directed production volumes. We may require you to describe the basis of your estimates.

(j) Include other applicable information, such as information specified in this part or 40 CFR part 1068 related to requests for exemptions.

(k) Name an agent for service located in the United States. Service on this

agent constitutes service on you or any of your officers or employees for any action by EPA or otherwise by the United States related to the requirements of this part.

■ 130. Amend § 1037.225 by revising paragraphs (a)(1) and (f) to read as follows:

§ 1037.225 Amending applications for certification.

* * * * *

(a) * * *

(1) Add any vehicle configurations to a vehicle family that are not already covered by your application. For example, if your application identifies three possible engine models, and you plan to produce vehicles using an additional engine model, then you must amend your application before producing vehicles with the fourth engine model.

* * * * *

(f) You may ask us to approve a change to your FEL in certain cases after the start of production. The changed FEL may not apply to vehicles you have already introduced into U.S. commerce, except as described in this paragraph (f). You may ask us to approve a change to your FEL in the following cases:

(1) You may ask to raise your FEL for your vehicle family at any time. In your request, you must show that you will still be able to meet the emission standards as specified in subparts B and H of this part. Use the appropriate FELs with corresponding production volumes to calculate emission credits for the model year, as described in subpart H of this part.

(2) Where testing applies, you may ask to lower the FEL for your vehicle family only if you have test data from production vehicles showing that emissions are below the proposed lower FEL. Otherwise, you may ask to lower your FEL for your vehicle family at any time. The lower FEL applies only to vehicles you produce after we approve the new FEL. Use the appropriate FELs with corresponding production volumes to calculate emission credits for the model year, as described in subpart H of this part.

(3) You may ask to add an FEL for your vehicle family at any time.

* * * * *

■ 131. Revise § 1037.230 to read as follows:

§ 1037.230 Vehicle families.

For purposes of certifying your vehicles, divide your product line into vehicle families as follows:

(a) All vehicles identified in § 1037.102(a)(1)(i) and (ii) for a given

model year may be in a single vehicle family, except as follows:

(1) New tractors with auxiliary power units need to be in a separate vehicle family.

(2) Divide vehicles subject to evaporative or refueling standards into vehicle families as described in 40 CFR 86.1821.

(b) All specialty vehicles identified in § 1037.102(a)(1)(iii) for a given model year may be in a single vehicle family.

(c) All glider kits and glider vehicles in § 1037.102(a)(1)(iv) for a given model year may be in a single vehicle family.

(d) All vehicles with no installed propulsion engine for a given model year may be in a single vehicle family, except that new tractors with auxiliary power units must be in a separate vehicle family.

§§ 1037.231 and 1036.232 [Removed]

■ 132. Remove §§ 1037.231 and 1037.232.

■ 133. Revise and republish § 1037.235 to read as follows:

§ 1037.235 Testing requirements for certification.

This section describes the emission testing you must perform to show compliance with respect to the standards in subpart B of this part, and to determine any input values.

(a) Select emission-data vehicles that represent production vehicles and components for the vehicle family. Where the test results will represent multiple vehicles or components with different emission performance, use good engineering judgment to select worst-case emission data vehicles or components.

(b) Test your emission-data vehicles (including emission-data components) using the procedures and equipment referenced in subpart B of this part. Measure emissions (or other parameters, as applicable) using the specified procedures.

(c) We may perform confirmatory testing by measuring emissions (or other parameters, as applicable) from any of your emission-data vehicles.

(1) We may decide to do the testing at your plant or any other facility. If we do this, you must deliver the vehicle or component to a test facility we designate. The vehicle or component you provide must be in a configuration that is suitable for testing. If we do the testing at your plant, you must schedule it as soon as possible and make available the instruments, personnel, and equipment we need (see paragraph (g) of this section for provisions that apply specifically for testing a tractor's aerodynamic performance).

(2) If we measure emissions (or other parameters, as applicable) from your vehicle or component, the results of that testing become the official emission results for the vehicle or component. Note that changing the official emission result does not necessarily require a change in the declared modeling input value. Unless we later invalidate these data, we may decide not to consider your data in determining if your vehicle family meets applicable requirements in this part.

(3) Before we test one of your vehicles or components, we may set its adjustable parameters to any point within the practically adjustable ranges, if applicable.

(4) Before we test one of your vehicles or components, we may calibrate it within normal production tolerances for anything we do not consider an adjustable parameter. For example, this would apply for a vehicle parameter that is subject to production variability because it is adjustable during production, but is not considered an adjustable parameter (as defined in § 1037.801) because it is permanently sealed. For parameters that relate to a level of performance that is itself subject to a specified range (such as maximum power output), we will generally perform any calibration under this paragraph (c)(4) in a way that keeps performance within the specified range. Note that this paragraph (c)(4) does not allow us to test your vehicles in a condition that would be unrepresentative of production vehicles.

(d) You may ask to use carryover data for a vehicle or component from a previous model year instead of doing new tests if the applicable emission-data vehicle from the previous model year remains the appropriate emission-data vehicle under paragraph (b) of this section.

(e) We may require you to test a second vehicle or component of the same configuration in addition to the vehicle or component tested under paragraph (a) of this section.

(f) If you use an alternate test procedure under 40 CFR 1065.10 and later testing shows that such testing does not produce results that are equivalent to the procedures referenced in subpart B of this part, we may reject data you generated using the alternate procedure.

§ 1037.241 [Removed]

■ 134. Remove § 1037.241.

■ 135. Amend § 1037.250 by revising paragraph (a) to read as follows:

§ 1037.250 Reporting and recordkeeping.

(a) By September 30 following the end of the model year, send the Designated Compliance Officer a report including the total U.S.-directed production volume of vehicles you produced in each vehicle family during the model year (based on information available at the time of the report) by engine family. Report uncertified vehicles sold to secondary vehicle manufacturers. We may waive the reporting requirements of this paragraph (a) for small manufacturers.

* * * * *

Subparts D through F [Reserved]

■ 136. Remove and reserve:

■ a. Subpart D, consisting of §§ 1037.301 through 1037.320;

■ b. Subpart E, consisting of § 1037.401; and

■ c. Subpart F, consisting of §§ 1037.501 through 1037.570.

■ 137. Amend § 1037.601 by revising paragraph (a)(1) to read as follows:

§ 1037.601 General compliance provisions.

(a) * * *

(1) Except as specifically allowed by this part or 40 CFR part 1068, it is a violation of 40 CFR 1068.101(a)(1) to introduce into U.S. commerce a vehicle containing an engine that is not certified to the applicable requirements of 40 CFR part 86 or 1036.

* * * * *

■ 138. Amend § 1037.605 by revising paragraph (d) to read as follows:

§ 1037.605 Installing engines certified to alternate standards for specialty vehicles.

* * * * *

(d) *Vehicle standards.* Vehicles qualifying under this section are subject to evaporative emission standards as specified in § 1037.103, but are exempt from the other requirements of this part, except as specified in this section and in § 1037.601. These vehicles must include a label as specified in § 1037.135.

§§ 1037.610 and 1037.615 [Removed]

■ 139. Remove §§ 1037.610 and 1037.615.

■ 140. Amend § 1037.620 by revising paragraph (c) introductory text to read as follows:

§ 1037.620 Responsibilities for multiple manufacturers.

* * * * *

(c) Component manufacturers providing test data to certifying vehicle manufacturers are responsible as follows for test components and emission test results provided to vehicle

manufacturers for the purpose of certification under this part:

* * * * *

■ 141. Amend § 1037.621 by revising paragraphs (b) and (d) introductory text and removing paragraph (g). The revisions read as follows:

§ 1037.621 Delegated assembly.

* * * * *

(b) You do not need an exemption to ship a vehicle that does not include installation or assembly of certain emission-related components if those components are shipped along with the vehicle. For example, you may generally ship fuel tanks along with vehicles rather than installing them on the vehicle before shipment. We may require you to describe how you plan to use this provision.

* * * * *

(d) Delegated-assembly provisions apply as specified in this paragraph (d) if the certifying vehicle manufacturer relies on a secondary vehicle manufacturer to procure and install auxiliary power units or natural gas fuel tanks. Apply the provisions of 40 CFR 1068.261, with the following exceptions and clarifications:

* * * * *

■ 142. Amend § 1037.622 by revising the introductory text and paragraph (a) and removing paragraph (d). The revisions read as follows:

§ 1037.622 Shipment of partially complete vehicles to secondary vehicle manufacturers.

This section specifies how manufacturers may introduce partially complete vehicles into U.S. commerce (or in the case of certain custom vehicles, introduce complete vehicles into U.S. commerce for modification by a small manufacturer). The provisions of this section are intended to accommodate normal business practices without compromising the effectiveness of certified emission controls. You may not use the provisions of this section to circumvent the intent of this part.

(a) The provisions of this section allow manufacturers to ship partially complete vehicles to secondary vehicle manufacturers or otherwise introduce them into U.S. commerce in the following circumstances:

(1) *Certified vehicles.* Manufacturers may introduce partially complete tractors into U.S. commerce if they are covered by certificates of conformity and are in certified configurations. See § 1037.621 for vehicles not yet in a certified configuration when introduced into U.S. commerce.

(2) *Uncertified vehicles that will be certified by secondary vehicle*

manufacturers. Manufacturers may introduce into U.S. commerce partially complete vehicles for which they do not hold the required certificate of conformity only as allowed by paragraph (b) of this section.

(3) *Exempted vehicles.* Manufacturers may introduce into U.S. commerce partially complete vehicles without a certificate of conformity if the vehicles are exempt under this part or under 40 CFR part 1068. This may involve the secondary vehicle manufacturer qualifying for the exemption.

* * * * *

§§ 1037.630 and 1037.631 [Removed]

■ 143. Remove §§ 1037.630 and 1037.631.

■ 144. Amend § 1037.635 by removing the introductory text and revising paragraphs (a) and (b). The revision reads as follows:

§ 1037.635 Glider kits and glider vehicles.

(a) Vehicles produced from glider kits and other glider vehicles are subject to the same standards as other new vehicles. For example, APUs installed on new glider tractors are subject to the certification requirement described in § 1037.102.

(b) Section 1037.601(a)(1) disallows the introduction into U.S. commerce of a new vehicle (including a vehicle assembled from a glider kit) unless it has an engine that is certified to the applicable standards in 40 CFR parts 86 and 1036. Except as specified otherwise in this part, the standards apply for engines used in glider vehicles as follows:

(1) [Reserved]

(2) The engine must meet the criteria pollutant standards of 40 CFR part 86 or 1036 that apply for the engine model year corresponding to the vehicle's date of manufacture.

(3) The engine may be from an earlier model year if the standards were identical to the currently applicable engine standards.

* * * * *

§§ 1037.640, 1037.645, 1037.655, 1037.660, 1037.665, and 1037.670 [Removed]

■ 145. Remove §§ 1037.640, 1037.645, 1037.655, 1037.660, 1037.665, and 1037.670.

Subpart H [Reserved]

■ 146. Remove and reserve subpart H, consisting of §§ 1037.701 through 1037.755.

■ 147. Revise and republish § 1037.801 to read as follows:

§ 1037.801 Definitions.

The following definitions apply to this part. The definitions apply to all subparts unless we note otherwise. All undefined terms have the meaning the Act gives to them. The definitions follow:

Act means the Clean Air Act, as amended, 42 U.S.C. 7401–7671q.

Adjustable parameter has the meaning given in 40 CFR 1068.30.

Adjusted Loaded Vehicle Weight means the numerical average of vehicle curb weight and GVWR.

Aftertreatment means relating to a catalytic converter, particulate filter, or any other system, component, or technology mounted downstream of the exhaust valve (or exhaust port) whose design function is to decrease emissions in the vehicle exhaust before it is exhausted to the environment. Exhaust gas recirculation (EGR) and turbochargers are not aftertreatment.

Aircraft means any vehicle capable of sustained air travel more than 100 feet off the ground.

Alcohol-fueled vehicle means a vehicle that is designed to run using an alcohol fuel. For purposes of this definition, alcohol fuels do not include fuels with a nominal alcohol content below 25 percent by volume.

Alternative fuel conversion has the meaning given for clean alternative fuel conversion in 40 CFR 85.502.

Amphibious vehicle means a motor vehicle that is also designed for operation on water. Note that high ground clearance that enables a vehicle to drive through water rather than floating on the water does not make a vehicle amphibious.

Auxiliary emission control device means any element of design that senses temperature, motive speed, engine speed (r/min), transmission gear, or any other parameter for the purpose of activating, modulating, delaying, or deactivating the operation of any part of the emission control system.

Auxiliary power unit means a device installed on a vehicle that uses an engine to provide power for purposes other than to (directly or indirectly) propel the vehicle.

Battery electric vehicle means a motor vehicle powered solely by an electric motor where energy for the motor is supplied by one or more batteries that receive power from an external source of electricity. Note that this definition does not include hybrid vehicles or plug-in hybrid electric vehicles.

Calibration means the set of specifications and tolerances specific to a particular design, version, or application of a component or assembly

capable of functionally describing its operation over its working range.

Carryover means relating to certification based on emission data generated from an earlier model year.

Certification means relating to the process of obtaining a certificate of conformity for a vehicle family that complies with the emission standards and requirements in this part.

Certified emission level means the highest deteriorated emission level in a vehicle family for a given pollutant from either transient or steady-state testing.

Class means relating to GVWR classes, as follows:

(1) *Class 2b* means relating to heavy-duty motor vehicles at or below 10,000 pounds GVWR.

(2) *Class 3* means relating to heavy-duty motor vehicles above 10,000 pounds GVWR but at or below 14,000 pounds GVWR.

(3) *Class 4* means relating to heavy-duty motor vehicles above 14,000 pounds GVWR but at or below 16,000 pounds GVWR.

(4) *Class 5* means relating to heavy-duty motor vehicles above 16,000 pounds GVWR but at or below 19,500 pounds GVWR.

(5) *Class 6* means relating to heavy-duty motor vehicles above 19,500 pounds GVWR but at or below 26,000 pounds GVWR.

(6) *Class 7* means relating to heavy-duty motor vehicles above 26,000 pounds GVWR but at or below 33,000 pounds GVWR.

(7) *Class 8* means relating to heavy-duty motor vehicles above 33,000 pounds GVWR.

Complete vehicle has the meaning given in the definition for *vehicle* in this section.

Compression-ignition has the meaning given in § 1037.101.

Date of manufacture means the date on which the certifying vehicle manufacturer completes its manufacturing operations, except as follows:

(1) Where the certificate holder is an engine manufacturer that does not manufacture the chassis, the date of manufacture of the vehicle is based on the date assembly of the vehicle is completed.

(2) We may approve an alternate date of manufacture based on the date on which the certifying (or primary) manufacturer completes assembly at the place of main assembly, consistent with the provisions of § 1037.601 and 49 CFR 567.4.

Designated Compliance Officer means one of the following:

(1) For compression-ignition engines, *Designated Compliance Officer* means

Director, Diesel Engine Compliance Center, U.S. Environmental Protection Agency, 2000 Traverwood Drive, Ann Arbor, MI 48105; *complianceinfo@epa.gov*; *www.epa.gov/ve-certification*.

(2) For spark-ignition engines, *Designated Compliance Officer* means Director, Gasoline Engine Compliance Center, U.S. Environmental Protection Agency, 2000 Traverwood Drive, Ann Arbor, MI 48105; *complianceinfo@epa.gov*; *www.epa.gov/ve-certification*.

Deteriorated emission level means the emission level that results from applying the appropriate deterioration factor to the official emission result of the emission-data vehicle. Note that where no deterioration factor applies, references in this part to the *deteriorated emission level* mean the official emission result.

Deterioration factor means the relationship between the highest emissions during the useful life and emissions at the low-hour test point, expressed in one of the following ways:

(1) For multiplicative deterioration factors, the ratio of the highest emissions to emissions at the low-hour test point.

(2) For additive deterioration factors, the difference between the highest emissions and emissions at the low-hour test point.

Diesel exhaust fluid (DEF) means a liquid reducing agent (other than the engine fuel) used in conjunction with selective catalytic reduction to reduce NO_x emissions. *Diesel exhaust fluid* is generally understood to be an aqueous solution of urea conforming to the specifications of ISO 22241.

Dual-fuel means relating to a vehicle or engine designed for operation on two different fuels but not on a continuous mixture of those fuels. For purposes of this part, such a vehicle or engine remains a dual-fuel vehicle or engine even if it is designed for operation on three or more different fuels.

Electronic control module has the meaning given in 40 CFR 1065.1001.

Emission control system means any device, system, or element of design that controls or reduces the emissions of regulated pollutants from a vehicle.

Emission-data component means a vehicle component that is tested for certification. This includes vehicle components tested to establish deterioration factors.

Emission-data vehicle means a vehicle (or vehicle component) that is tested for certification. This includes vehicles tested to establish deterioration factors.

Emission-related component has the meaning given in 40 CFR part 1068, appendix A.

Emission-related maintenance means maintenance that substantially affects emissions or is likely to substantially affect emission deterioration.

Excluded means relating to vehicles that are not subject to some or all of the requirements of this part as follows:

(1) A vehicle that has been determined not to be a “motor vehicle” is excluded from this part.

(2) Certain vehicles are excluded from the requirements of this part under § 1037.5.

(3) Specific regulatory provisions of this part may exclude a vehicle generally subject to this part from one or more specific standards or requirements of this part.

Exempted has the meaning given in 40 CFR 1068.30. Note that exempted vehicles are not considered to be excluded.

Extended idle means tractor idle operation during which the engine is operating to power accessories for a sleeper compartment or other passenger compartment. Although the vehicle is generally parked during extended idle, the term “parked idle” generally refers to something different than extended idle.

Family emission limit (FEL) means an emission level declared by the manufacturer to serve in place of an otherwise applicable emission standard under the ABT program in subpart H of this part. The *family emission limit* must be expressed to the same number of decimal places as the emission standard it replaces.

Flexible-fuel means relating to an engine designed for operation on any mixture of two or more different fuels.

Fuel cell electric vehicle means a motor vehicle powered solely by an electric motor where energy for the motor is supplied by hydrogen fuel cells. Fuel cell electric vehicles may include energy storage from the fuel cells or from regenerative braking in a battery.

Fuel system means all components involved in transporting, metering, and mixing the fuel from the fuel tank to the combustion chamber(s), including the fuel tank, fuel pump, fuel filters, fuel lines, carburetor or fuel-injection components, and all fuel-system vents. It also includes components for controlling evaporative emissions, such as fuel caps, purge valves, and carbon canisters.

Fuel type means a general category of fuels such as diesel fuel or natural gas. There can be multiple grades within a single fuel type, such as high-sulfur or low-sulfur diesel fuel.

Gaseous fuel means a fuel that has a boiling point below 20 °C.

Glider kit means either of the following:

(1) A new vehicle that is incomplete because it lacks an engine, transmission, and/or axle(s).

(2) Any other new equipment that is substantially similar to a complete motor vehicle and is intended to become a complete motor vehicle with a previously used engine (including a rebuilt or remanufactured engine). For example, incomplete heavy-duty tractor assemblies that are produced on the same assembly lines as complete tractors and that are made available to secondary vehicle manufacturers to complete assembly by installing used/remanufactured engines, transmissions and axles are glider kits.

Glider vehicle means a new motor vehicle produced from a glider kit, or otherwise produced as a new motor vehicle with a with a used/remanufactured engine.

Good engineering judgment has the meaning given in 40 CFR 1068.30. See 40 CFR 1068.5 for the administrative process we use to evaluate good engineering judgment.

Gross combination weight rating (GCWR) means the value specified by the vehicle manufacturer as the maximum weight of a loaded vehicle and trailer, consistent with good engineering judgment. For example, compliance with SAE J2807 is generally considered to be consistent with good engineering judgment, especially for Class 3 and smaller vehicles.

Gross vehicle weight rating (GVWR) means the value specified by the vehicle manufacturer as the maximum design loaded weight of a single vehicle, consistent with good engineering judgment.

Heavy-duty engine means any engine used for (or for which the engine manufacturer could reasonably expect to be used for) motive power in a heavy-duty vehicle.

Heavy-duty vehicle means any motor vehicle that has a GVWR above 8,500 pounds. An incomplete vehicle is also a heavy-duty vehicle if it has a curb weight above 6,000 pounds or a basic vehicle frontal area greater than 45 square feet.

Hybrid has the meaning given in 40 CFR 1036.801. Note that a hybrid vehicle is a vehicle with a hybrid engine or other hybrid powertrain. This includes plug-in hybrid electric vehicles.

Hydrocarbon (HC) means the hydrocarbon group on which the emission standards are based for each fuel type. For alcohol-fueled vehicles, HC means nonmethane hydrocarbon equivalent (NMHCE) for exhaust

emissions and total hydrocarbon equivalent (THCE) for evaporative emissions. For all other vehicles, HC means nonmethane hydrocarbon (NMHC) for exhaust emissions and total hydrocarbon (THC) for evaporative emissions.

Identification number means a unique specification (for example, a model number/serial number combination) that allows someone to distinguish a particular vehicle from other similar vehicles.

Incomplete vehicle has the meaning given in the definition of *vehicle* in this section.

Light-duty truck has the meaning given in 40 CFR 86.1803–01.

Light-duty vehicle has the meaning given in 40 CFR 86.1803–01.

Low-mileage means relating to a vehicle with stabilized emissions and represents the undeteriorated emission level. This would generally involve approximately 4000 miles of operation.

Manufacture means the physical and engineering process of designing, constructing, and/or assembling a vehicle.

Manufacturer has the meaning given in section 216(1) of the Act. In general, this term includes any person who manufactures or assembles a vehicle (including an incomplete vehicle) for sale in the United States or otherwise introduces a new motor vehicle into commerce in the United States. This includes importers who import vehicles for resale, entities that manufacture glider kits, and entities that assemble glider vehicles.

Medium-duty passenger vehicle (MDPV) has the meaning given in 40 CFR 86.1803.

Model year means one of the following for compliance with this part. Note that manufacturers may have other model year designations for the same vehicle for compliance with other requirements or for other purposes:

(1) For vehicles with a date of manufacture on or after January 1, 2021, *model year* means the manufacturer's annual new model production period based on the vehicle's date of manufacture, where the model year is the calendar year corresponding to the date of manufacture, except as follows:

(i) The vehicle's model year may be designated as the year before the calendar year corresponding to the date of manufacture if the engine's model year is also from an earlier year. You may ask us to extend your prior model year certificate to include such vehicles. Note that § 1037.601(a)(2) limits the extent to which vehicle manufacturers may install engines built in earlier calendar years.

(ii) The vehicle's model year may be designated as the year after the calendar year corresponding to the vehicle's date of manufacture. For example, a manufacturer may produce a new vehicle by installing the engine in December 2023 and designating it as a model year 2024 vehicle.

(2) For Phase 1 vehicles with a date of manufacture before January 1, 2021, *model year* means the manufacturer's annual new model production period, except as restricted under this definition and 40 CFR part 85, subpart X. It must include January 1 of the calendar year for which the model year is named, may not begin before January 2 of the previous calendar year, and it must end by December 31 of the named calendar year. The model year may be set to match the calendar year corresponding to the date of manufacture.

(i) The manufacturer who holds the certificate of conformity for the vehicle must assign the model year based on the date when its manufacturing operations are completed relative to its annual model year period. In unusual circumstances where completion of your assembly is delayed, we may allow you to assign a model year one year earlier, provided it does not affect which regulatory requirements will apply.

(ii) Unless a vehicle is being shipped to a secondary vehicle manufacturer that will hold the certificate of conformity, the model year must be assigned prior to introduction of the vehicle into U.S. commerce. The certifying manufacturer must redesignate the model year if it does not complete its manufacturing operations within the originally identified model year. A vehicle introduced into U.S. commerce without a model year is deemed to have a model year equal to the calendar year of its introduction into U.S. commerce unless the certifying manufacturer assigns a later date.

Motor vehicle has the meaning given in 40 CFR 85.1703.

New motor vehicle has the meaning given in the Act. It generally means a motor vehicle meeting the criteria of either paragraph (1) or (2) of this definition. *New motor vehicles* may be complete or incomplete.

(1) A motor vehicle for which the ultimate purchaser has never received the equitable or legal title is a *new motor vehicle*. This kind of vehicle might commonly be thought of as “brand new” although a *new motor vehicle* may include previously used parts. For example, vehicles commonly known as “glider kits,” “glider vehicles,” or “gliders” are new motor vehicles. Under this definition, the vehicle is new from

the time it is produced until the ultimate purchaser receives the title or places it into service, whichever comes first.

(2) An imported heavy-duty motor vehicle originally produced after the 1969 model year is a *new motor vehicle*.

Noncompliant vehicle means a vehicle that was originally covered by a certificate of conformity, but is not in the certified configuration or otherwise does not comply with the conditions of the certificate.

Nonconforming vehicle means a vehicle not covered by a certificate of conformity that would otherwise be subject to emission standards.

Nonmethane hydrocarbon (NMHC) means the sum of all hydrocarbon species except methane, as measured according to 40 CFR part 1065.

Nonmethane hydrocarbon equivalent (NMHCE) has the meaning given in 40 CFR 1065.1001.

Official emission result means the measured emission rate for an emission-data vehicle on a given duty cycle before the application of any required deterioration factor, but after the applicability of regeneration adjustment factors.

Owners manual means a document or collection of documents prepared by the vehicle manufacturer for the owners or operators to describe appropriate vehicle maintenance, applicable warranties, and any other information related to operating or keeping the vehicle. The owners manual is typically provided to the ultimate purchaser at the time of sale. The owners manual may be in paper or electronic format.

Oxides of nitrogen has the meaning given in 40 CFR 1065.1001.

Particulate trap means a filtering device that is designed to physically trap all particulate matter above a certain size.

Percent (%) has the meaning given in 40 CFR 1065.1001. Note that this means percentages identified in this part are assumed to be infinitely precise without regard to the number of significant figures. For example, one percent of 1,493 is 14.93.

Petroleum means gasoline or diesel fuel or other fuels normally derived from crude oil. This does not include methane or liquefied petroleum gas.

Placed into service means put into initial use for its intended purpose, excluding incidental use by the manufacturer or a dealer.

Plug-in hybrid electric vehicle means a hybrid vehicle that has the capability to charge one or more batteries from an external source of electricity while the vehicle is parked.

Preliminary approval means approval granted by an authorized EPA representative prior to submission of an application for certification, consistent with the provisions of § 1037.210.

Rechargeable Energy Storage System (RESS) has the meaning given in 40 CFR 1065.1001.

Relating to as used in this section means relating to something in a specific, direct manner. This expression is used in this section only to define terms as adjectives and not to broaden the meaning of the terms.

Revoke has the meaning given in 40 CFR 1068.30.

Round has the meaning given in 40 CFR 1065.1001.

Scheduled maintenance means adjusting, repairing, removing, disassembling, cleaning, or replacing components or systems periodically to keep a part or system from failing, malfunctioning, or wearing prematurely. It also may mean actions you expect are necessary to correct an overt indication of failure or malfunction for which periodic maintenance is not appropriate.

Secondary vehicle manufacturer anyone that produces a vehicle by modifying a complete vehicle or completing the assembly of a partially complete vehicle. For the purpose of this definition, “modifying” generally does not include making changes that do not remove a vehicle from its original certified configuration. However, custom sleeper modifications and alternative fuel conversions that change actual vehicle aerodynamics are considered to be modifications, even if they are permitted without recertification. This definition applies whether the production involves a complete or partially complete vehicle and whether the vehicle was previously certified to emission standards or not. Manufacturers controlled by the manufacturer of the base vehicle (or by an entity that also controls the manufacturer of the base vehicle) are not secondary vehicle manufacturers; rather, both entities are considered to be one manufacturer for purposes of this part.

Spark-ignition has the meaning given in § 1037.101.

Suspend has the meaning given in 40 CFR 1068.30.

Test sample means the collection of vehicles or components selected from the population of a vehicle family for emission testing. This may include testing for certification, production-line testing, or in-use testing.

Test vehicle means a vehicle in a test sample.

Test weight means the vehicle weight used or represented during testing.

Total hydrocarbon has the meaning given in 40 CFR 1065.1001. This generally means the combined mass of organic compounds measured by the specified procedure for measuring total hydrocarbon, expressed as a hydrocarbon with an atomic hydrogen-to-carbon ratio of 1.85:1.

Total hydrocarbon equivalent has the meaning given in 40 CFR 1065.1001. This generally means the sum of the carbon mass contributions of non-oxygenated hydrocarbon, alcohols and aldehydes, or other organic compounds that are measured separately as contained in a gas sample, expressed as exhaust hydrocarbon from petroleum-fueled vehicles. The atomic hydrogen-to-carbon ratio of the equivalent hydrocarbon is 1.85:1.

Tractor means a truck designed primarily for drawing other motor vehicles and not so constructed as to carry a load other than a part of the weight of the vehicle and the load so drawn. This includes most heavy-duty vehicles specifically designed for the primary purpose of pulling trailers, but does not include vehicles designed to carry other loads. For purposes of this definition “other loads” would not include loads carried in the cab, sleeper compartment, or toolboxes. Examples of vehicles that are similar to tractors but that are not *tractors* under this part include dromedary tractors, automobile haulers, straight trucks with trailers hitches, and tow trucks. *Ultimate purchaser* means, with respect to any new vehicle, the first person who in good faith purchases such new vehicle for purposes other than resale.

United States has the meaning given in 40 CFR 1068.30.

Upcoming model year means for a vehicle family the model year after the one currently in production.

U.S.-directed production volume means the number of vehicle units, subject to the requirements of this part, produced by a manufacturer for which the manufacturer has a reasonable assurance that sale was or will be made to ultimate purchasers in the United States.

Useful life means the period during which a vehicle is required to comply with all applicable emission standards.

Vehicle means equipment intended for use on highways that meets at least one of the criteria of paragraph (1) of this definition, as follows:

(1) The following equipment are vehicles:

(i) A piece of equipment that is intended for self-propelled use on highways becomes a vehicle when it

includes at least an engine, a transmission, and a frame. (*Note:* For purposes of this definition, any electrical, mechanical, and/or hydraulic devices attached to engines for the purpose of powering wheels are considered to be transmissions.)

(ii) A piece of equipment that is intended for self-propelled use on highways becomes a vehicle when it includes a passenger compartment attached to a frame with one or more axles.

(2) Vehicles may be complete or incomplete vehicles as follows:

(i) A *complete vehicle* is a functioning vehicle that has the primary load carrying device or container (or equivalent equipment) attached when it is first sold as a vehicle. Examples of equivalent equipment would include fifth wheel trailer hitches, firefighting equipment, and utility booms.

(ii) An *incomplete vehicle* is a vehicle that is not a complete vehicle.

Incomplete vehicles may also be cab-complete vehicles. This may include vehicles sold to secondary vehicle manufacturers.

(iii) You may ask us to allow you to certify a vehicle as incomplete if you manufacture the engines and sell the unassembled chassis components, as long as you do not produce and sell the body components necessary to complete the vehicle.

Vehicle configuration means a unique combination of vehicle hardware and calibration (related to measured or modeled emissions) within a vehicle family. Vehicles with hardware or software differences, but that have no hardware or software differences related to measured or modeled emissions may be included in the same vehicle configuration. Vehicles within a vehicle configuration differ only with respect to normal production variability or factors unrelated to measured or modeled emissions.

Vehicle family has the meaning given in § 1037.230.

Void has the meaning given in 40 CFR 1068.30.

Volatile liquid fuel means any fuel other than diesel or biodiesel that is a liquid at atmospheric pressure and has a Reid Vapor Pressure higher than 2.0 pounds per square inch.

We (us, our) means the Administrator of the Environmental Protection Agency and any authorized representatives.

■ 148. Amend § 1037.805 by removing “CO2DEF” and “CO2PTO” from table 4 to paragraph (d) and revise paragraph (e). The revision reads as follows:

§ 1037.805 Symbols, abbreviations, and acronyms.

* * * * *

(e) *Other acronyms and abbreviations.* This part uses the following additional abbreviations and acronyms:

TABLE 5 TO PARAGRAPH (e) OF § 1037.805—OTHER ACRONYMS AND ABBREVIATIONS

Acronym	Meaning
AECD	auxiliary emission control device.
AES	automatic engine shutdown.
APU	auxiliary power unit.
CD	charge-depleting.
CFR	Code of Federal Regulations.
CITT	curb idle transmission torque.
CS	charge-sustaining.
DOT	Department of Transportation.
EPA	Environmental Protection Agency.
FEL	Family Emission Limit.
GAWR	gross axle weight rating.
GCWR	gross combination weight rating.
GVWR	gross vehicle weight rating.
HVAC	heating, ventilating, and air conditioning.
ISO	International Organization for Standardization.
NARA	National Archives and Records Administration.
NHTSA	National Highway Traffic Safety Administration.
RESS	rechargeable energy storage system.
SAE	SAE International.
SEE	standard error of the estimate.
SKU	stock-keeping unit.
U.S.C.	United States Code.

* * * * *

§ 1037.810 [Removed]

■ 149. Remove § 1037.810.

§ 1037.825 [Amended]

■ 150. Amend § 1037.825 by removing and reserving paragraph (e)(1)(i) and removing paragraph (e)(1)(iv).

Appendices A Through E to Part 1037 [Removed]

■ 151. Remove appendices A through E to part 1037.

PART 1039—CONTROL OF EMISSIONS FROM NEW AND IN-USE NONROAD COMPRESSION-IGNITION ENGINES

■ 152. The authority citation for part 1039 continues to read as follows:

Authority: 42 U.S.C. 7401–7671q.

■ 153. Amend § 1039.699 by revising paragraphs (a) and (n) to read as follows:

§ 1039.699 Emission standards and certification requirements for auxiliary power units for highway tractors.

(a) This section describes emission standards and certification requirements

for auxiliary power units (APU) installed on highway tractors subject to standards under 40 CFR 1037.102 starting in model year 2024.

* * * * *

(n) If a highway tractor manufacturer violates 40 CFR 1037.102 by installing an APU from you that is not properly certified and labeled, you are presumed to have caused the violation (see 40 CFR 1068.101(c)).

[FR Doc. 2025–14572 Filed 7–31–25; 8:45 am]

BILLING CODE 6560–50–P



FEDERAL REGISTER

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Friday,

No. 146

August 1, 2025

Part III

The President

Proclamation 10960—Captive Nations Week, 2025

Proclamation 10961—Made in America Week, 2025

Presidential Documents

Title 3—

Proclamation 10960 of July 25, 2025

The President

Captive Nations Week, 2025

By the President of the United States of America**A Proclamation**

This Captive Nations Week, I offer my heartfelt support to every person living under a totalitarian regime and I reaffirm my commitment to advancing a new era of peace where freedom is cherished, sovereignty is respected, and every nation can live without fear of tyranny or oppression.

In 1959, President Dwight D. Eisenhower first proclaimed Captive Nations Week to counter the emerging threat of communism and declare America's resolve to defend the fundamental rights of free speech, religious liberty, and self-government. As President, I continue that work today, as far too often, oppressive regimes still silence dissent and persecute their own citizens for practicing their faith.

The Religious Liberty Commission, the White House Faith Office, and the Department of State's Office of International Religious Freedom are working together to expand and strengthen America's efforts to defend religious freedom around the world. In the United States, we will always uphold the simple truth that our rights do not come from Government, but from God in Heaven. We believe that legitimate governments derive their power from the consent of the governed and that freedom of religion forms the foundation of free Government.

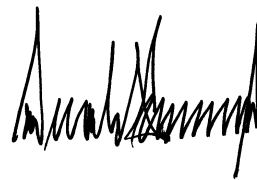
Guided by these truths, my Administration continues to work for a more stable and peaceful world. We remain fiercely committed to working with our allies and adversaries alike to pursue strong diplomacy, resolve conflicts, and forge lasting peace everywhere.

America stands with all people who resist tyranny, defend their faith, and fight for the God-given rights of every human being. We will continue to lead with strength, speak truth in the face of oppression, and advance the cause of peace, liberty, and human dignity across the globe.

The Congress, by Joint Resolution approved July 17, 1959 (73 Stat. 212), has authorized and requested the President to issue a proclamation designating the third week of July of each year as "Captive Nations Week."

NOW, THEREFORE, I, DONALD J. TRUMP, President of the United States of America, by virtue of the authority vested in me by the Constitution and the laws of the United States, do hereby proclaim July 20 through July 26, 2025, as Captive Nations Week. I call upon all Americans to reaffirm our commitment to supporting those around the world striving for liberty, justice, and the rule of law with appropriate ceremonies and activities.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-fifth day of July, in the year of our Lord two thousand twenty-five, and of the Independence of the United States of America the two hundred and fiftieth.

A handwritten signature in black ink, appearing to be "Donald Trump", located on the right side of the page.

Presidential Documents

Proclamation 10961 of July 25, 2025

Made in America Week, 2025

By the President of the United States of America

A Proclamation

Since the earliest days of our history, our Nation's future has been forged by skilled American hands and proud American hearts. From the settlers at Jamestown to the titans of industrialization and manufacturing, America has understood that, in order to be a great Nation, we must be a Nation that builds, creates, innovates, and fights for the needs of our own workers, families, and industries first. This Made in America Week, my Administration recommits to furthering this legacy—and we pledge to embolden our workers, reenergize our industries, and bring back those beautiful words: “Made in the U.S.A.”

Though the United States has long been a hub of manufacturing and an epicenter of ingenuity, over the decades, a globalist ruling class closed our factories, shipped away our jobs, and stripped our families and our communities of their homes, fortunes, and dreams. They hollowed out America as they built up China, and American citizens suffered as a result.

Every day, my Administration is once again reclaiming American sovereignty by modernizing and improving existing trade agreements, negotiating new deals based on the principles of fairness and reciprocity, and taking strong enforcement actions against trading partners that break the rules. We are putting our Nation's interests first.

In March, I proudly signed an Executive Order to create the United States Investment Accelerator, establishing an office within the Department of Commerce tasked with facilitating investments higher than \$1 billion in America. I also signed a Presidential Memorandum to bolster foreign investment while defending our national security interests. To further unleash domestic production, with the enactment of the historic One Big Beautiful Bill earlier this month, we delivered interest deduction for loans on new American-made vehicles, as well as 100 percent expensing for new factories, equipment, and machinery. These pro-worker, pro-family policies are leveling the playing field for American businesses and boosting production on American shores.

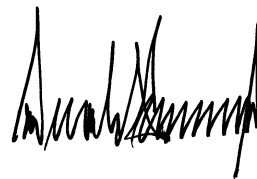
I have also directed the Federal Trade Commission to crack down on sellers who falsely claim their products are “Made in the U.S.A.” Americans want to support their fellow citizens rather than send their money overseas in exchange for poor-quality goods. The “Made in the U.S.A.” label is not just a slogan, but a sign that a product truly connects us with the ingenuity, quality craftsmanship, and livelihood of our Nation.

As a result of my Administration's leadership and America First vision, companies are lining up to do business with the United States. Already, we have attracted trillions of dollars' worth of foreign and domestic investments—and our work is only just beginning. These historic investments are drastically increasing our domestic manufacturing capabilities, reinvigorating struggling industries, and unleashing a new wave of American innovation. Thanks to my Administration's commonsense policies, for 4 months in a row, job numbers have beat market expectations, with American-born workers accounting for all of the job gains since I took office.

Together, we are rebuilding our Nation with American heart, hands, and grit. We are bringing back a culture of boldness and creativity that will empower the next generation of innovators, unleash the full strength of the American spirit, and ensure our economy, our culture, and our way of life remain the envy of the world. Above all, under my leadership, we are proudly building, inventing, and creating in the United States of America once again.

NOW, THEREFORE, I, DONALD J. TRUMP, President of the United States of America, by virtue of the authority vested in me by the Constitution and the laws of the United States, do hereby proclaim this week, July 20 through July 26, 2025, as Made in America Week. I call upon all Americans to pay special tribute to the builders, the ranchers, the crafters, the entrepreneurs, and all those who work with their hands every day to make America great.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-fifth day of July, in the year of our Lord two thousand twenty-five, and of the Independence of the United States of America the two hundred and fiftieth.



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TABLE OF EFFECTIVE DATES AND TIME PERIODS—AUGUST 2025

This table is used by the Office of the Federal Register to compute certain dates, such as effective dates and comment deadlines, which appear in agency documents. In computing these

dates, the day after publication is counted as the first day.

When a date falls on a weekend or holiday, the next Federal business day is used. (See 1 CFR 18.17)

A new table will be published in the first issue of each month.

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