

**DEPARTMENT OF LABOR****29 CFR Part 9****[Docket No. WHD–2025–0034]****RIN 1235–AA45****Nondisplacement of Qualified Workers Under Service Contracts; Rescission of Regulations****AGENCY:** Wage and Hour Division, Department of Labor.**ACTION:** Final rule; rescission of regulations.

**SUMMARY:** On January 20, 2025, President Trump issued an Executive order rescinding certain Executive orders and actions, which revoked an Executive order concerning nondisplacement of qualified workers under Federal service contracts and directed the heads of each agency to take immediate steps to effectuate the revocations listed. In accordance with this directive, the Department of Labor is issuing a final rule to rescind the regulations on nondisplacement of qualified workers under service contracts, which were promulgated solely pursuant to the authority provided by the revoked Executive order.

**DATES:** This rule is effective December 22, 2025.

**FOR FURTHER INFORMATION CONTACT:**

Daniel Navarrete, Director, Division of Regulations, Legislation, and Interpretation, Wage and Hour Division (WHD), U.S. Department of Labor, Room S–3502, 200 Constitution Avenue NW, Washington, DC 20210; telephone: (202) 693–0406 (this is not a toll-free number). Alternative formats are available upon request by calling 1–866–487–9243. If you are deaf, hard of hearing, or have a speech disability, please dial 7–1–1 to access telecommunications relay services.

Questions of interpretation or enforcement of the agency’s existing regulations may be directed to the nearest WHD district office. Locate the nearest office by calling the WHD’s toll-free help line at (866) 4US–WAGE ((866) 487–9243) between 8 a.m. and 5 p.m. in your local time zone, or log onto WHD’s website at <https://www.dol.gov/agencies/whd/contact/local-offices> for a nationwide listing of WHD district and area offices.

**SUPPLEMENTARY INFORMATION:****I. Executive Summary**

On January 20, 2025, President Trump issued Executive Order 14148, “Initial Rescissions of Harmful Executive Orders and Actions” (90 FR 8237 (Jan.

28, 2025)). Executive Order 14148 directs the heads of each agency to take immediate steps to effectuate the revocations listed in the Executive Order, including Executive Order 14055 of November 18, 2021, “Nondisplacement of Qualified Workers Under Service Contracts” (86 FR 66397 (Nov. 23, 2021)). Accordingly, the Department of Labor (Department) issues this final rule rescinding 29 CFR part 9 as these regulations implement Executive Order 14055.

**II. Background**

Executive Order 14055 provided that qualified employees on a Federal service contract be given the right of first refusal of employment with a successor contractor if they would otherwise lose their jobs as a result of expiration of the contract. The implementing regulations, 29 CFR part 9, were promulgated solely in accordance with the terms of Executive Order 14055 and were published in the **Federal Register** on December 14, 2023 (88 FR 86736).

On January 20, 2025, President Trump issued Executive Order 14148, *Initial Rescissions of Harmful Executive Orders and Actions*. Executive Order 14148 directs the heads of each agency to take immediate steps to effectuate the revocations listed in the Executive Order, including Executive Order 14055.

**III. Procedural Matters**

Section 553(b)(B) of the Administrative Procedure Act (APA) provides that an agency is not required to publish a notice of proposed rulemaking in the **Federal Register** and solicit public comments when the agency has good cause to find that doing so would be “impracticable, unnecessary, or contrary to the public interest.” 5 U.S.C. 553(b)(B). Section 553(d) of the APA further provides that substantive rules should take effect not less than 30 days after the date they are published in the **Federal Register** unless “otherwise provided by the agency for good cause found[.]” 5 U.S.C. 553(d)(3).

Since the sole authority for the regulations at 29 CFR part 9 no longer exists, the Department finds that good cause exists to dispense with public notice-and-comment rulemaking procedures in this final rule because such procedures are unnecessary. Executive Order 14055 was the sole authority for those regulations. Further, the express purpose of the regulations was to administer and implement that executive order (29 CFR 9.1(a)). With the rescission of Executive Order 14055, the nondisplacement regulations are

ultra vires and serve no purpose. No public comment could affect those underlying considerations and therefore such public process is unnecessary. See *EME Homer City Generation, L.P. v. E.P.A.*, 795 F.3d 118, 134 (D.C. Cir. 2015) (upholding agency’s invocation of the “unnecessary” prong where “commentators could not have said anything during a notice and comment period that would have changed” the need to issue the rule in response to a court order). For the same reason, the Department similarly finds good cause under 5 U.S.C. 553(d)(3) to make this final rule immediately effective.

Furthermore, this final rule is considered a deregulatory action for the purposes of Executive Order 14192, *Unleashing Prosperity Through Deregulation*, 90 FR 9065. Details on reduced burdens and cost savings of this final rule can be found in the rule’s economic analysis.

**IV. Paperwork Reduction Act**

The information collection requirements contained in the regulations at 29 CFR part 9 were previously approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1980 (Pub. L. 96–511) and assigned OMB Control Number 1235–0033. In light of the rescission of these regulations, the Department has submitted a request to OMB to discontinue the information collection under OMB control number 1235–0033.

**V. Executive Order 12866, Regulatory Planning and Review; Executive Order 13563, Improved Regulation and Regulatory Review**

Under Executive Order 12866, OMB’s Office of Information and Regulatory Affairs (OIRA) determines whether a regulatory action is significant and, therefore, subject to the requirements of the Executive Order and OMB review.<sup>1</sup> Section 3(f) of Executive Order 12866 defines a “significant regulatory action” as a regulatory action that is likely to result in a rule that may: (1) have an annual effect on the economy of \$100 million or more, or adversely affect in a material way a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or state, local, or tribal governments or communities (also referred to as economically significant); (2) create serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) materially alter the budgetary impact of entitlements, grants, user fees or loan

<sup>1</sup> See 58 FR 51735, 51741 (Oct. 4, 1993).

programs or the rights and obligations of recipients thereof; or (4) raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in the Executive Order. OIRA has determined this rule to be "economically significant" under Executive Order 12866 section 3(f)(1), and is therefore subject to review under section 6(a)(3)(C) of that order.

Executive Order 13563 directs agencies to, among other things, propose or adopt a regulation only upon a reasoned determination that its benefits justify its costs; that it is tailored to impose the least burden on society, consistent with obtaining the regulatory objectives; and that, in choosing among alternative regulatory approaches, the agency has selected those approaches that maximize net benefits. Executive Order 13563 recognizes that some costs and benefits are difficult to quantify and provides that, when appropriate and permitted by law, agencies may consider and discuss qualitatively values that are difficult or impossible to quantify, including equity, human dignity, fairness, and distributive impacts. The analysis below outlines the impacts that the Department anticipates may result from this rescission and was prepared pursuant to the above-mentioned executive orders.

#### A. Background

On December 14, 2023, the Department published the "Nondisplacement of Qualified Workers Under Service Contracts" final rule (Nondisplacement final rule) exclusively to implement Executive Order 14055.<sup>2</sup> The rule required that contractors and subcontractors performing on covered Federal service contracts must in good faith offer service employees employed under the predecessor contract a right of first refusal of employment. The order applied to contracts that are covered by the McNamara-O'Hara Service Contract Act (SCA) and are at or above the simplified acquisition threshold. Because section 11 of Executive Order 14055 stated that the Executive order applied to solicitations issued on or after the effective date of the final regulations issued by the FAR Council, and because the Federal Acquisition Regulatory Council (FAR Council) never promulgated regulations to implement the requirements of Executive Order 14055 as part of the Federal Acquisition Regulation (FAR), the Department's rule

effectively never became applicable.<sup>3</sup> The Department is unaware of any solicitations that incorporated the provisions outlined by either Executive Order 14055 or the Department's implementing regulations at 29 CFR part 9. The Department expects minimal rule familiarization costs from the rescission of the rule and provides a qualitative discussion of costs that may be avoided by rescinding the rule.

#### B. Number of Potentially Affected Contractor Firms

To determine the number of firms that could potentially be affected by this rulemaking, the Department used a broad measure of firms that may incur regulatory familiarization costs. To determine the number of firms that could potentially be affected by this rulemaking, the Department estimated a range of potentially affected firms. The more narrowly defined population (firms actively holding SCA-covered contracts) includes 119,695 firms (Table 1). The broader population consists of those bidding on SCA contracts but without active contracts (33,708) as well as those considering bidding in the future (409,053), for a total of 442,761 firms.

##### 1. Firms Currently Holding SCA Contracts

*USASpending.gov*—the official source for spending data for the U.S. Government—contains Government award data from the Federal Procurement Data System Next Generation (FPDS-NG), which is the system of record for Federal procurement data. The Department used these data to identify the number of firms that currently hold SCA contracts.<sup>4 5</sup> Although more recent data are available, the Department used data from 2019 to avoid any shifts in the data

<sup>3</sup> Because the rule never became applicable, WHD does not believe serious reliance interests are implicated by this action.

<sup>4</sup> The Department recognizes that some SCA-covered contracts that would be covered by this rule are not reflected in *USASpending.gov* (i.e., they are SCA-covered contracts that are not procuring services directly for the Federal Government, including certain licenses, permits, cooperative agreements, and concessions contracts, such as, for example, delegated leases of space on a military base from an agency to a contractor whereby the contractor operates a barber shop). However, the Department estimates that the number of firms holding such SCA-covered nonprocurement contracts is a small fraction of the number of firms identified based on *USASpending.gov*.

<sup>5</sup> The Department also acknowledges that prime contracts that are less than \$250,000 and their subcontracts would not be covered by this regulation, but the Department has not made an adjustment for these contracts in the estimation of covered contractors. Therefore, this estimate may be an overestimate of the number of contractors that are actually affected.

associated with the COVID-19 pandemic in 2020. Because many Federal employees were working remotely throughout 2020 and 2021, reliance on service contracts for Federal buildings may have been reduced during those years and may not reflect the level of employment on and incidence of SCA contracts going forward.<sup>6</sup>

To identify firms with SCA contracts, the Department included all firms with the "Labor Standards" element equal to "Y" for any of their contracts, meaning that the contracting agency flagged the contract as covered by the SCA. However, because this flag is often listed as "not applicable" and appears at times to be reported with error, the Department also included some other firms. Of the contracts not flagged as SCA, the Department excluded (1) those for the purchase of goods<sup>7</sup> and (2) those covered by the DBA.<sup>8</sup> The Department also excluded (1) awards for financial assistance such as direct payments, loans, and insurance; and (2) contracts performed outside the U.S. because SCA coverage is limited to the 50 states, the District of Columbia, and certain U.S. territories. The firms for the remaining contracts are included as potentially impacted by this rulemaking.

In 2019, there were approximately 86,000 unique prime contractors in *USASpending.gov* that fit the parameters discussed above, and the Department has used this number as an estimate of prime contractors with active SCA contracts. However, subcontractors are also impacted by this rule. The Department examined 5 years of *USASpending.gov* data (2015 through 2019) and identified 33,708 unique subcontractors that did not hold contracts as prime contractors in 2019.<sup>9</sup>

<sup>6</sup> The Department estimated the number of prime contractors using the 2021 *USASpending.gov* data and found that there were fewer contractors in 2021 than in 2019. The number of prime contractors in 2019 was 85,987 and the number of prime contractors in 2021 was 78,347. This finding is in line with the Department's hypothesis that remote work for Federal employees could have reduced the demand for SCA contractors in 2021.

<sup>7</sup> For example, the Government purchases pencils; however, a contract solely to purchase pencils is not covered by the SCA and so would not be covered by the Executive Order. Contracts for goods were identified in the *USASpending.gov* data if the product or service code begins with a number (the code for services begins with a letter).

<sup>8</sup> Contracts covered by DBA were identified in the *USASpending.gov* data where the "Construction Wage Rate Requirements" element for a contract is marked "Y," meaning that the contracting agency flagged that the contract is covered by the DBA.

<sup>9</sup> For subcontractors, the Department was unable to make restrictions to limit the data to SCA contracts because none of the necessary variables are available in the *USASpending.gov* database (i.e.,

Continued

<sup>2</sup> See 88 FR 86736 (Dec. 14, 2023).

The Department used 5 years of data for the count of subcontractors to compensate for lower-tier subcontractors that may not be included in *USASpending.gov*.

In total, the Department estimates 119,695 firms currently hold SCA contracts and could potentially be affected by this rulemaking under the narrow definition. Table 1 shows these firms by 2-digit NAICS code.<sup>10 11</sup>

## 2. All Potentially Affected Contractors

The Department also cast a wider net to identify other potentially affected contractors, both those directly affected (*i.e.*, holding contracts) and those that plan to bid on SCA-covered contracts in the future. To determine the estimated number of firms, the Department identified firms registered in the

General Services Administration's (GSA) System for Award Management (SAM) since all entities bidding on Federal procurement contracts or applying for grants must register in SAM. The Department believes that firms registered in SAM represent those that may be affected if they decide to bid on an SCA contract in the future. However, it is also possible that some firms that are not already registered in SAM may be considering bidding on SCA-covered contracts, but due to the uncertainty about the existence and potential number of these firms, no additional firm counts were included in the Department's estimate.

The Department used October 2022 SAM data and identified 409,053 registered firms.<sup>12</sup> The Department excluded firms with expired

registrations, firms only applying for grants,<sup>13</sup> government entities (such as city or county governments),<sup>14</sup> foreign organizations, and companies that only sell products and do not provide services. SAM includes all prime contractors and some subcontractors (those that are also prime contractors or that have otherwise registered in SAM). However, the Department is unable to determine the number of subcontractors that are not in the SAM database. Therefore, the Department added the subcontractors identified in *USASpending* to the estimate from the SAM database. Adding these 33,708 firms identified in *USASpending* to the number of firms in SAM (409,053) results in a total of 442,761 potentially affected firms.

TABLE 1—RANGE OF NUMBER OF POTENTIALLY AFFECTED FIRMS BY INDUSTRY

Industry	NAICS	Lower-bound estimate			Upper-bound estimate		
		Total	Primes from <i>USASpending.gov</i>	Subcontractors from <i>USASpending.gov</i>	Total	Firms from SAM	Subcontractors from <i>USASpending.gov</i>
Agriculture, forestry, fishing and hunting .....	11	2,482	2,482	0	5,769	5,769	0
Mining .....	21	145	102	43	959	916	43
Utilities .....	22	1,596	1,541	55	2,485	2,430	55
Construction .....	23	13,708	5,457	8,251	56,126	47,875	8,251
Manufacturing .....	31–33	13,958	5,637	8,321	51,299	42,978	8,321
Wholesale trade .....	42	1,205	564	641	18,092	17,451	641
Retail trade .....	44–45	344	317	27	7,979	7,952	27
Transportation and warehousing .....	48–49	3,387	2,998	389	17,921	17,532	389
Information .....	51	4,061	3,735	326	13,350	13,024	326
Finance and insurance .....	52	475	429	46	3,365	3,319	46
Real estate and rental and leasing .....	53	2,822	2,821	1	19,439	19,438	1
Professional, scientific, and technical services .....	54	37,739	26,103	11,636	115,007	103,371	11,636
Management of companies and enterprises .....	55	3	3	0	604	604	0
Administrative and waste services .....	56	15,120	11,509	3,611	36,187	32,576	3,611
Educational services .....	61	3,609	3,359	250	17,600	17,350	250
Health care and social assistance .....	62	7,004	6,987	17	36,758	36,741	17
Arts, entertainment, and recreation .....	71	916	915	1	5,172	5,171	1
Accommodation and food services .....	72	3,037	3,031	6	10,474	10,468	6
Other services .....	81	8,084	7,997	87	24,175	24,088	87
Total private .....	.....	119,695	85,987	33,708	442,761	409,053	33,708

the Labor Standards variable, the Construction Wage Rate Requirements variable, or the product or service code variable).

<sup>10</sup> The North American Industry Classification System (NAICS) is a method by which Federal statistical agencies classify business establishments in order to collect, analyze, and publish data about certain industries. Each industry is categorized by a sequence of codes ranging from 2 digits (most aggregated level) to 6 digits (most granular level). <https://www.census.gov/naics/>.

<sup>11</sup> In the data, a NAICS code is assigned to the contract and identifies the industry in which the contract work is typically performed. If a firm has contracts in several NAICS, the Department has assigned it to only one NAICS based on the ordering of the contracts in the data (this approximates a random assignment to one NAICS).

<sup>12</sup> Data released in monthly files. Available at: <https://www.sam.gov/SAM/pages/public/extracts/samPublicAccessData.jsf>.

<sup>13</sup> Entities registering in SAM are asked if they wish to bid on contracts. If the firm answers “yes,”

then they are included as “All Awards” in the “Purpose of Registration” column in the SAM data. The Department included only firms with a value of “Z2,” which denotes “All Awards.”

<sup>14</sup> While there are certain circumstances in which state and local government entities act as contractors that enter into contracts covered by the SCA, the number of such entities is minimal and including all government entities would result in an inappropriate overestimation.

## C. Costs

### 1. Rule Familiarization Costs

Some covered contractors will choose to read and review this rule rescinding the Nondisplacement final rule and will thus incur direct costs. To estimate these “regulatory familiarization costs,” three pieces of information must be estimated: (1) the number of affected firms; (2) a wage level for the employees reviewing the rule; and (3) the amount of time spent reviewing the rule.

As discussed above, the Department estimates an upper-bound of 442,761 potentially affected firms.<sup>15</sup> This is likely an overestimate as not all of the firms that are registered in SAM are predecessor contractors or will bid on an SCA contract, and because firms that are not interested in bidding on an SCA contract do not need to review the rescission final rule.

The Department estimates that, on average, affected firms will spend an average of 19 minutes reviewing this rule. The Department assumes that a Compensation, Benefits, and Job Analysis Specialist (SOC 13–1141) with a median hourly wage of \$30.83 will review this rulemaking. The Department also assumes that benefits are paid at a rate of 46 percent of the base wage and overhead costs are paid at a rate of 17 percent of the base wage, resulting in an hourly rate of \$50.25 per hour. Using the GDP deflator to inflate this into 2024 dollars corresponds to a rate of \$57.10 per hour.

The Department assumes that each reviewer will spend 1 minute per page reviewing the rule,<sup>16</sup> which is equivalent to 19 double-spaced pages at the time of publication. Therefore, the Department has estimated the undiscounted regulatory familiarization costs to be \$8.01 million (\$57.10 per hour × (19 minutes ÷ 60) hour × 442,761 contractors).

The Department believes that this average estimate is appropriate as some firms will spend more time reviewing the rescission, but as discussed above, many others will spend less or no time reviewing the rescission.<sup>17</sup> The

Department has included all regulatory familiarization costs in Year 1.

### D. Cost Savings

Because section 11 of Executive Order 14055 stated that the Executive order applied to solicitations issued on or after the effective date of the final regulations issued by the FAR Council, and because the FAR Council never promulgated regulations to implement Executive Order 14055, the requirements of the Nondisplacement final rule were effectively never applicable to the regulated community. The Department is unaware of any solicitations that incorporated the provisions outlined by either Executive Order 14055 or the Department’s implementation regulations at 29 CFR part 9, so assessing the cost savings of the rescission relative to the current practice would result in non-monetized cost savings.

#### 1. Implementation Cost Savings

The Nondisplacement final rule included a contract clause provision requiring contracting agencies to ensure that covered service contracts and subcontracts that succeed a contract for performance of the same or similar work, and solicitations for such contracts and subcontracts, include the nondisplacement contract clause. In the Nondisplacement final rule, the Department estimated that it would take an average of 30 minutes total for contractors to incorporate the contract clause into their covered subcontracts. With the rescission of the rule, these contractor costs to incorporate this contract clause into covered subcontracts will not be incurred. The Nondisplacement final rule also would have required that a contractor provide notices to affected workers and their collective bargaining representatives, if any, in writing of an agency’s determination to grant an exception to the Executive Order 14055 requirements, and of the opportunity to provide information relevant to an agency’s location continuity determination pursuant to 29 CFR 9.11(c)(3). Additionally, predecessor contractors would have been required to provide written notice to service employees employed under the contract of their possible right to an offer of employment on the successor contract. Contractors may have also been required to retroactively incorporate a contract clause into subcontracts when it was not initially incorporated. In the Nondisplacement final rule, the Department estimated that these requirements would take an average of 45 minutes for each contractor.

For these cost savings estimates, the Department used the lower-bound of potentially affected firms (119,695), because only the firms with a covered contract would incur these implementation costs. The cost of this time is the median loaded wage for a Compensation, Benefits, and Job Analysis Specialist of \$57.10 per hour. Therefore, the Department has estimated the undiscounted cost savings of these requirements to be \$8.54 million (\$57.10 per hour × 1.25 hour × 119,695 contractors). This is likely an underestimate because many SCA contracts last for several years.

Under the Nondisplacement final rule, contracting agencies would also, among other things, have been required to ensure contractors provide notice to employees on predecessor contracts of their possible right to an offer of employment, and consider whether performance of the work in the same locality or localities in which a predecessor contract is currently being performed is reasonably necessary to ensure economical and efficient provision of services. Contracting agencies would also have been required to provide the list of employees on the predecessor contract to the successor contractor, to forward complaints and other pertinent information to the Department, and to retroactively incorporate the contract clause when it was not initially incorporated. Contracting agencies will not incur these costs because of this rescission.

In the Nondisplacement final rule, the Department estimated that it would take the contracting agencies an extra 2.5 hours of work on average on each covered contract, and that the work would be performed by a GS 14, Step 1 Federal employee contracting officer, with a fully loaded hourly wage of \$97.04.<sup>18</sup> This includes the median base wage of \$52.17 from Office of Personnel Management salary tables,<sup>19</sup> plus benefits paid at a rate of 69 percent of the base wage,<sup>20</sup> and overhead costs of 17 percent. Using the GDP deflator to inflate this into 2024 dollars corresponds to a rate of \$110.26 per hour. Using the USASpending data mentioned above, the Department

<sup>15</sup> See Table 1, Range of Number of Potentially Affected Firms.

<sup>16</sup> Brysbaert, Marc (April 12, 2019), “How many words do we read per minute? A review and meta-analysis of reading rate,” <https://doi.org/10.31234/osf.io/xynwg>.

<sup>17</sup> This includes the median base wage of \$30.83 from the 2021 OEWS plus benefits paid at a rate of 46 percent of the base wage, as estimated from the BLS’s Employer Costs for Employee Compensation (ECEC) data, and overhead costs of 17 percent. OEWS data available at: <https://www.bls.gov/news.release/ocwage.t01.htm>.

<sup>18</sup> Because the work of the contracting agency may be split among different positions, the Department has used the wage of a more senior position for the estimate.

<sup>19</sup> The Department has used the 2025 Rest of United States salary table to estimate salary expenses. See [https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/21Tables/html/RUS\\_h.aspx](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/21Tables/html/RUS_h.aspx).

<sup>20</sup> See Congressional Budget Office, “Comparing the Compensation of Federal and Private-Sector Employees, 2011 to 2015,” April 25, 2017, <https://www.cbo.gov/publication/52637>.

estimated that there were 576,122 contracts. To estimate the share of these contracts that are new in a given year, the Department has used 20 percent (115,224), because the average length of an SCA contract is about 5 years. Therefore, the estimated undiscounted cost savings to contracting agencies is \$31.76 million ( $\$110.26 \text{ per hour} \times 2.5 \text{ hours} \times 115,224 \text{ contracts}$ ).

## 2. Recordkeeping Cost Savings

The rescinded rule would have required a predecessor contractor to, no less than 30 calendar days before completion of the contractor's performance of services on a contract, furnish the contracting officer a list of the names of all service employees under the contract and its subcontracts at that time. This list would have needed to include the anniversary dates of employment for each service employee under the contract and its predecessor contracts with either the current or predecessor contractors or their subcontractors. If changes to the workforce were made after the submission of this certified list, the rule also would have required a contractor to furnish the contracting officer with a certified list of the names of all service employees working under the contract and its subcontracts during the last month of contract performance not less than 10 business days before completion of the contract.

The rule specified the records successor contractors would have been required to maintain, including copies of or documentation of any written or oral offers of employment, a copy of any written notice that may have been distributed, and the names of the employees from the predecessor contract to whom an offer was made. The rule also would have required contractors to maintain a copy of any record that forms the basis for any exclusion or exception claimed, the employee list provided to the contracting agency, and the employee list received from the contracting agency.

The Department estimates that the extra time associated with keeping and providing these records, including the list of employees, to be an average of 1

hour per firm per year, and that the work will be completed by a Compensation, Benefits, and Job Analysis Specialist, at a rate of \$50.25 per hour. Using the GDP deflator to inflate this into 2024 dollars corresponds to a rate of \$57.10 per hour. The estimated undiscounted cost savings from eliminating the recordkeeping requirement is \$6.83 million ( $\$57.10 \text{ per hour} \times 1 \text{ hour} \times 119,695$ ).

## 3. Displacement of Successor Contractor Employees

There may be some limited cases of cost savings when a successor contractor has existing employees that they planned to assign to a newly-awarded contract, but the requirement to offer employment to predecessor contract workers might make their existing employees redundant. In this situation, if the successor contractor truly could not find another position for the employee on the new contract or on any of their other existing projects, the continued employment of a predecessor contract worker could be offset by the successor contract worker being laid off. The rescission of the rule may yield some additional cost savings to successor contractors in these cases.

### E. Summary of Costs and Cost Savings

Costs and cost savings in Year 1 consist of \$8.01 million in undiscounted rule rescission familiarization costs, \$40.30 million in implementation cost savings (\$8.54 million for contractors and \$31.76 million for contracting agencies), and \$6.83 million in recordkeeping cost savings. Therefore, the total Year 1 undiscounted net cost savings of the are \$39.12 million. Average annualized net cost savings over 10 years are \$11.13 million using a 7 percent discount rate.

### F. Congressional Review Act

Before a rule can take effect, 5 U.S.C. 801, the Congressional Review Act (CRA) requires agencies to submit the rule and a report indicating whether it is a major rule to Congress and the Comptroller General. This final rule meets the criteria at 5 U.S.C. 804(2)(a) under the CRA because the revocation

of 29 CFR part 9 is likely to have an annual effect on the economy of \$100,000,000 or more. However, this final rule is not subject to the CRA's general 60-day delayed effective date requirement, *see* 5 U.S.C. 801(a)(3), because the Department has determined that notice-and-comment rulemaking is unnecessary, for the reasons explained earlier. *See* 5 U.S.C. 808(2).

## VI. Regulatory Flexibility Act and Small Business Regulatory Enforcement Fairness Act

The Regulatory Flexibility Act of 1980 (RFA), 5 U.S.C. 601 et seq., as amended by the Small Business Regulatory Enforcement Fairness Act of 1996, Public Law 104–121 (March 29, 1996), requires Federal agencies engaged in rulemaking to consider the impact of their rules on small entities, consider alternatives to minimize that impact, and solicit public comment on their analyses. The RFA requires an assessment of the impact of a regulation on a wide range of small entities, including small businesses, not-for-profit organizations, and small governmental jurisdictions. Agencies must perform a review to determine whether a proposed or final rule would have a significant economic impact on a substantial number of small entities. 5 U.S.C. 603, 604.

### A. Estimating the Number of Small Businesses Affected by the Rulemaking

In order to determine the number of small businesses that will be affected by the rulemaking, the Department followed the same methodology laid out in section V.B.2. of the economic analysis. For the data from *USASpending.gov*, the business determination was based on the inclusion of “small” or “SBA” in the business type. For GSA's System for Award Management (SAM) for October 2022, if a company qualified as a small business in any reported NAICS, they were classified as “small.” Table 3 shows the range of potentially affected small firms by industry. The total number of potentially affected small firms ranges from 74,097 to 329,470.

TABLE 2—RANGE OF NUMBER OF POTENTIALLY AFFECTED SMALL FIRMS BY INDUSTRY

Industry	NAICS	Lower-bound estimate			Upper-bound estimate		
		Total	Small primes from <i>USASpending.gov</i>	Small subcontractors from <i>USASpending.gov</i>	Total	Small firms from SAM	Small subcontractors from <i>USASpending.gov</i>
Agriculture, forestry, fishing and hunting .....	11	2,198	2,198	0	3,849	3,849	0

TABLE 2—RANGE OF NUMBER OF POTENTIALLY AFFECTED SMALL FIRMS BY INDUSTRY—Continued

Industry	NAICS	Lower-bound estimate			Upper-bound estimate		
		Total	Small primes from USASpending.gov	Small subcontractors from USASpending.gov	Total	Small firms from SAM	Small subcontractors from USASpending.gov
Mining .....	21	94	72	22	888	866	22
Utilities .....	22	374	358	16	1,601	1,585	16
Construction .....	23	8,290	4,348	3,942	45,683	41,741	3,942
Manufacturing .....	31–33	6,621	4,243	2,378	39,631	37,253	2,378
Wholesale trade .....	42	516	411	105	15,810	15,705	105
Retail trade .....	44–45	227	222	5	7,500	7,495	5
Transportation and warehousing .....	48–49	2,120	1,989	131	14,854	14,723	131
Information .....	51	2,352	2,218	134	11,208	11,074	134
Finance and insurance .....	52	179	154	25	2,299	2,274	25
Real estate and rental and leasing .....	53	2,068	2,068	0	7,654	7,654	0
Professional, scientific, and technical services .....	54	24,371	20,164	4,207	90,547	86,340	4,207
Management of companies and enterprises .....	55	0	0	0	290	290	0
Administrative and waste services .....	56	10,251	9,060	1,191	30,932	29,741	1,191
Educational services .....	61	2,224	2,123	101	11,800	11,699	101
Health care and social assistance .....	62	4,060	4,054	6	16,904	16,898	6
Arts, entertainment, and recreation .....	71	546	546	0	3,944	3,944	0
Accommodation and food services .....	72	2,102	2,098	4	9,321	9,317	4
Other services .....	81	5,504	5,479	25	14,755	14,730	25
Total private .....	.....	74,097	61,805	12,292	329,470	317,178	12,292

### B. Calculating the Impact of the Rule on Small Business Firms

This rule could result in costs for small business firms in the form of rule familiarization costs, and cost savings through the elimination of implementation and recordkeeping costs that would otherwise have been imposed by the Nondisplacement final rule.

#### 1. Rule Familiarization Costs

As mentioned previously in section V, the Department estimates that, on average, affected firms will spend an average of 19 minutes reviewing this rule. Some firms will spend more time reviewing the rule, but many others will spend less or no time reviewing the rule, so the Department believes that this average estimate is appropriate. The Department assumes that a Compensation, Benefits, and Job Analysis Specialist (SOC 13–1141) with a median hourly wage of \$30.83 will review this rulemaking. The Department also assumes that benefits are paid at a rate of 46 percent of the base wage and overhead costs are paid at a rate of 17 percent of the base wage, resulting in a per firm cost of \$50.25. Using the GDP deflator to inflate this into 2024 dollars and applying the 19 minutes to review

the rule corresponds to a rate of \$18.08 per small firm.

#### 2. Cost Savings

Small entities should experience cost savings due to the elimination of the implementation costs that would otherwise have been imposed by the Nondisplacement final rule. In the Nondisplacement final rule, the Department estimated that it would take an average of 30 minutes total for contractors to incorporate the contract clause into their covered subcontracts and another 45 minutes for contractors to retroactively incorporate a contract clause into subcontracts when it was not initially incorporated. The Department has estimated the cost savings of eliminating this requirement to be \$62.81 per hour (\$50.25 per hour × 1.25 hours). Using the GDP deflator to inflate this into 2024 dollars corresponds to a rate of \$71.35 per small firm.

For cost savings incurred from the elimination of the recordkeeping requirement, the Department estimates that the extra time associated with keeping and providing these records to be an average of 1 hour and be completed by Compensation, Benefits, and Job Analysis Specialist of \$50.25 per hour. Using the GDP deflator to inflate this into 2024 dollars

corresponds to a cost savings of \$57.10 per small firm.

### C. Summary of Costs and Cost Savings

Undiscounted regulatory familiarization costs for small businesses are estimated to range between a lower-bound estimate of \$1.18 million (\$50.25 per hour × (19 minutes ÷ 60) hour × 74,097 contractors), to a higher-bound estimate of \$5.24 million (\$50.25 per hour × (19 minutes ÷ 60) hour × 329,470 contractors).

As discussed in section V, the Department used the lower-bound of potentially affected firms (119,695) to estimate total cost savings because only the firms with a covered contract are likely to incur implementation and recordkeeping costs. For purposes of estimating cost savings for small businesses, the Department applies this same methodology and uses the lower-bound of potentially affected small firms (*i.e.*, 74,097 contractors). As noted above, the Department estimates cost savings in the amount of \$128.45 per small firm (\$71.35 in implementation cost savings + \$57.10 in recordkeeping cost savings), which results in estimated cost savings of \$9.52 million on small businesses (\$128.45 per hour × 74,097 contractors).

Therefore, the Department estimates the total undiscounted net cost savings for small firms in the amount of \$4.28 million (\$9.52 million in cost savings – \$5.24 million in costs).

#### List of Subjects in 29 CFR Part 9

Employment, Federal buildings and facilities, Government contracts, Law enforcement, Labor.

#### PART 9—[REMOVED AND RESERVED]

■ Accordingly, and under the authority of Executive Order 14148, 90 FR 8237, part 9 of title 29 of the Code of Federal Regulations is hereby removed and reserved.

Dated: December 18, 2025.

Andrew B. Rogers,

Administrator, Wage and Hour Division.

[FR Doc. 2025–23626 Filed 12–19–25; 8:45 am]

BILLING CODE 4510–27–P

### DEPARTMENT OF HOMELAND SECURITY

#### Coast Guard

#### 33 CFR Part 165

[Docket No. USCG–2025–1056]

#### Safety Zone; Stage Nine Entertainment, Sacramento NYE Fireworks, CA

**AGENCY:** Coast Guard, DHS.

**ACTION:** Notification of enforcement of regulation.

**SUMMARY:** The Coast Guard will enforce the safety zone for the Stage Nine Entertainment, Sacramento New Year's Eve Fireworks display in the Captain of the Port, San Francisco area of responsibility during the dates and times noted below. This action is necessary to protect life and property of the maritime public from the hazards associated with the fireworks display. During the enforcement period, unauthorized persons or vessels are prohibited from entering into, transiting through, or anchoring in the safety zone, unless authorized by the Patrol Commander (PATCOM) or other federal, state, or local law enforcement agencies assisting the Coast Guard in enforcing the regulated area.

**DATES:** The regulations in 33 CFR 165.1191, will be enforced for the location in Table 1 to § 165.1191, Item number 25, from 8:30 p.m. through 9:45 p.m. on December 31, 2025.

**FOR FURTHER INFORMATION CONTACT:** If you have questions about this notification of enforcement, call or

email MST2 Erik Nadal, U.S. Coast Guard Sector San Francisco, Waterways Management Division; telephone (415) 399–7440, email [SFWaterways@uscg.mil](mailto:SFWaterways@uscg.mil).

**SUPPLEMENTARY INFORMATION:** The Coast Guard will enforce the safety zone established in 33 CFR 165.1191 Table 1, Item number 25, for the Stage Nine Entertainment, Sacramento New Year's Eve Fireworks display from 8:30 p.m. through 9:45 p.m. on December 31, 2025.

The safety zone will extend to all navigable waters of Sacramento River, from surface to bottom, within a circle formed by connecting all points 700 feet of the Delta King Hotel (38.582805°, –121.506880°), located near the Tower Bridge in Sacramento, CA. This zone will be in effect starting from 8:30 p.m., which is 30 minutes prior to the fireworks display scheduled to begin at approximately 9 p.m. and conclude at 9:45 p.m. on December 31, 2025.

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.

Under the provisions of 33 CFR 165.1191, unauthorized persons or vessels are prohibited from entering into, transiting through, or anchoring in the safety zone during all applicable effective dates and times, unless authorized to do so by the PATCOM or other Official Patrol defined as a federal, state, or local law enforcement agency on scene to assist the Coast Guard in enforcing the regulated area. Additionally, each person granted permission to enter the zone who receives notice of a lawful order or direction issued by the PATCOM or Official Patrol must obey the order or direction. The PATCOM or Official Patrol, may, upon request, allow the transit of commercial vessels through regulated areas when it is safe to do so.

If the Captain of the Port determines that the regulated area need not be enforced for the full duration stated in this notice, a Broadcast Notice to Mariners may be used to grant general permission to enter the regulated area.

Jordan M. Baldueza,

Captain, U.S. Coast Guard, Captain of the Port San Francisco.

[FR Doc. 2025–23551 Filed 12–19–25; 8:45 am]

BILLING CODE 9110–04–P

### DEPARTMENT OF COMMERCE

#### National Oceanic and Atmospheric Administration

#### 50 CFR Part 660

[Docket No. 250512–0084I; RTID 0648–XE941]

#### Fisheries Off West Coast States; Modification of the West Coast Salmon Fisheries; Inseason Actions #1–#5

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

**ACTION:** Inseason modification of 2025–2026 management measures.

**SUMMARY:** NMFS announces five inseason actions for the 2025 portion of the 2025–2026 ocean salmon fisheries. These inseason actions modify the commercial salmon fisheries in the area from the United States/Canada border to Cape Falcon, Oregon.

**DATES:** The effective dates for these inseason actions are set out in this document under the heading “Inseason Actions” and the actions remain in effect until superseded or modified.

**FOR FURTHER INFORMATION CONTACT:** Shannon Penna, (562) 980–4239, [Shannon.Penna@noaa.gov](mailto:Shannon.Penna@noaa.gov).

#### SUPPLEMENTARY INFORMATION:

##### Background

The annual management measures for the 2025–2026 ocean salmon fisheries (90 FR 20810, May 16, 2025; 90 FR 26943, June 25, 2025) govern the commercial and recreational fisheries in the area from the United States/Canada border to the United States/Mexico border, effective from 0001 hours Pacific Daylight Time (PDT), May 16, 2025, until the effective date of the 2026–2027 management measures, as published in the **Federal Register**. NMFS is authorized to implement inseason management actions to modify fishing seasons, catch limits, and quotas as necessary to provide fishing opportunities while meeting management objectives for the affected species (50 CFR 660.409). Inseason actions in the salmon fishery may be taken directly by NMFS (50 CFR 660.409(a)—Fixed inseason management provisions) or upon consultation with the Chairman of the Pacific Fishery Management Council (Council), and the appropriate State Directors (50 CFR 660.409(b)—Flexible inseason management provisions).