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DEPARTMENT OF AGRICULTURE

Farm Service Agency

7 CFR Part 760

Commodity Credit Corporation

7 CFR Part 1430

[Docket ID FSA–2025–0007]

RIN 0560–AI81

Supplemental Disaster Relief Program and Dairy Margin Coverage Program; Correction

AGENCY: Commodity Credit Corporation and Farm Service Agency, U.S. Department of Agriculture (USDA).

ACTION: Correcting amendments.

SUMMARY: The Commodity Credit Corporation and Farm Service Agency (FSA) are making technical corrections to the regulations for the Supplemental Disaster Relief Program (SDRP) and the Dairy Margin Coverage (DMC) Program. The changes for SDRP correct the Stage 2 eligibility provisions for producers of sugar beets and some producers who had Federal crop insurance coverage under a Pasture, Rangeland, and Forage policy; the provisions related to calculation of the quality loss percentage for Stage 1 and Stage 2; and paragraph references and the order of steps for some Stage 2 payment calculations. The correction for DMC addresses eligibility of dairy operations that have stopped producing and marketing milk before or during the annual coverage election period.

DATES: Effective on March 9, 2026.

FOR FURTHER INFORMATION CONTACT: For SDRP, Chris Vazquez; telephone: (202) 923–1585; or email:

Christopher.Vazquez@usda.gov. For DMC, Douglas E. Kilgore; telephone: (717) 887–0963; or email:

Douglas.E.Kilgore@usda.gov. Individuals with disabilities who require alternative means for

communication should contact the USDA Target Center at (202) 720–2600 (voice and text telephone (TTY mode)) or dial 711 for Telecommunications Relay Service (both voice and text telephone users can initiate this call from any telephone).

SUPPLEMENTARY INFORMATION:

Background

On November 18, 2025, FSA published a final rule implementing SDRP Stage 1 assistance for quality losses and SDRP Stage 2 (90 FR 51956). On January 12, 2026, the Commodity Credit Corporation (CCC) published a final rule amending the DMC regulations to implement changes made by the One Big Beautiful Bill Act (ÖBBBA) (91 FR 1043; Pub. L. 119–21). This document corrects technical errors in the regulations for SDRP and DMC as described below.

SDRP

The final rule published on November 18, 2025, specified that a producer would not be eligible for an SDRP Stage 2 payment for sugar beets for which a member of a cooperative processor received a payment through a block grant or cooperative agreement. This rule amends that provision in 7 CFR 760.2205(d)(4) to indicate that such a loss is ineligible only if the payment through a block grant or cooperative agreement was for the same loss covered by SDRP Stage 2.

The SDRP Stage 2 Final Rule includes losses for units that were indemnified under a Federal crop insurance Annual Forage policy and were ineligible for Stage 1 because the unit included ineligible acreage that was intended for grazing, in addition to eligible acreage intended for forage or grain. Some producers who had Federal crop insurance Pasture, Rangeland, and Forage (PRF) policies were similarly ineligible under Stage 1 because some of their acreage was intended for grazing. However, some of these producers experienced losses of eligible crops for which the producer had a PRF policy. FSA inadvertently omitted provisions for these losses of eligible crops from the Stage 2 regulations. Therefore, FSA is amending the regulations in § 760.2205(a)(5) to indicate that producers with PRF policies that were ineligible for SDRP Stage 1 because a unit included acreage that was intended

for grazing, but also included acreage intended for forage or grain, will be eligible for SDRP Stage 2. As provided in the previous rule, in cases where crops were insured under an area plan, producers must provide the eligible acreage percentage to FSA for payment. FSA is amending § 760.2212(f) to specify that this percentage excludes acres of grazed crops covered by a PRF policy.

FSA is also correcting the calculation for quality loss percentages for forage crops in § 760.2209(b)(3), which included an erroneous step and inadvertently omitted the maximum percentage quality loss that could be claimed by a producer and the related example that was included in the preamble of the previous final rule, as described below (90 FR 51957). As provided by this rule, a producer will calculate their forage crop quality loss by subtracting the nutritional value from their verifiable test from the high nutritional value determined by FSA, and will then compute the quality loss percentage by dividing the calculated quality loss by the range determined by FSA. The quality loss percentage cannot exceed 100 percent. For example, if FSA determines that the high relative feed value (RFV) is 185 and the low RFV is 130; the resulting range is then 55. If the producer's verifiable test indicates an RFV of 150, the producer would then subtract 150 from 185 (the high value determined by FSA), which equals 35, and then divides 35 by 55 (the range determined by FSA), which equals a 64 percent quality loss. FSA is also correcting a paragraph reference in the calculation for Stage 1 quality loss payments for NAP-covered yield-based crops in § 760.2209(e)(2) due to a typographical error.

This rule corrects several errors in the Stage 2 payment calculations. Specifically, it corrects paragraph references and the order of steps in the payment calculations for insured crops with dollar plans and other revenue plans (§ 760.2220), NAP-covered yield-based crops with an approved NAP application for payment (§ 760.2223), NAP-covered yield-based crops without an approved NAP application for payment (§ 760.2224), and uninsured yield-based crops (§ 760.2227). This rule also adds a missing step in the payment calculation for insured value loss crops (§ 760.2221).

FSA is also correcting the example of a Stage 2 payment calculation for a loss of an insured crop under an Actual Production History (APH) plan that was included in the preamble of the previous final rule (90 FR 51961). The steps of the calculation are described correctly in the preamble and in § 760.2218; however, the example of the calculation contained minor typographical errors in the dollar amounts for each step. For clarity, the entire example is provided below with corrections:

To illustrate how this calculation applies to a specific producer's loss, suppose a producer had 100 acres of soybeans that were insured under an APH plan with a 65 percent coverage level with a price election of 100 percent. The producer's yield is 55 bushels per acre, their production was 2,550 bushels, and they had a quality loss of 3 percent (calculated as explained above for Stage 1 quality losses). The SDRP liability provided by RMA is \$48,269.30, which is the crop's expected value based on the producer's crop insurance plan multiplied by the SDRP factor of 87.5 percent. The price used by RMA to calculate the liability is \$10.03 per bushel. The producer paid a premium of \$1,500 and an administrative fee of \$100 for their insurance coverage.

- a. $\$48,269.30 - (2,550 \text{ bushels} \times (1 - 0.03) \times \$10.03) = \$23,460.10$
- b. $(\$48,269.30 / 0.875) \times 0.65 - (2,550 \text{ bushels} \times \$10.03 \times 1.00) = \$10,280.69$
- c. $(\$23,460.10 - \$10,280.69 + \$1,500 + \$100) \times 0.35 = \$5,172.79$

DMC

As amended by the final rule published on January 12, 2026, the DMC regulation in § 1430.403(a)(1) currently requires a dairy operation be commercially marketing milk at the time of each annual election. Prior to the amendments to implement the changes in the OBBBA, § 1430.403(a)(1) also provided that dairy operations that stopped producing and marketing milk before or during the annual coverage election period for 2019 or 2024 were eligible for DMC for the period in which they were commercially marketing milk during the coverage year. This provision was necessary because the election periods for 2019 and 2024 began after the beginning of the coverage year.

As in 2019 and 2024, the 2026 DMC election period began after the beginning of the 2026 coverage year. When amending § 1430.403(a)(1) in the previous final rule, CCC inadvertently omitted the provision regarding eligibility of dairy operations that had

stopped producing or marketing milk before or during the election period. This correction restores and updates that provision to allow dairy operations that dissolved prior to or during the 2026 election period to enroll in DMC for the days that they commercially marketed milk in 2026. This provision also applies for any future years in which the election period begins after the start of the coverage year.

List of Subjects

7 CFR Part 760

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

7 CFR Part 1430

Dairy products, Fraud, Penalties, Price support programs, Reporting and recordkeeping requirements.

For the reasons discussed above, FSA and CCC correct 7 CFR parts 760 and 1430 by making the following correcting amendments:

PART 760—INDEMNITY PAYMENT PROGRAMS

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

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

Subpart V—Supplemental Disaster Relief Program

§ 760.2205 [Amended]

- 2. Amend § 760.2205 as follows:
 - a. In paragraph (a)(5), add the words “or Pasture, Rangeland, and Forage policy” after “Annual Forage policy”; and

b. In paragraph (d)(4), add the words “for the same loss” after “payment”.

- 3. Amend § 760.2209 as follows:
 - a. Revise paragraphs (b)(3)(ii) and (iii); and
 - b. In paragraph (e)(2), remove the cross-reference “paragraph (d)(1)” and add in its place the cross-reference “paragraph (e)(1)”.

The revisions read as follows.

§ 760.2209 Quality loss percentage calculation.

* * * * *

(b) * * *

(3) * * *

(ii) Divide the quality loss by the range specified in paragraph (b)(1)(ii) of this section; and

(iii) Determine the quality loss percentage to be the lesser of the result of paragraph (b)(3)(ii) of this section or 100 percent.

* * * * *

§ 760.2212 [Amended]

■ 4. In § 760.2212(f), add the words “or a Pasture, Rangeland, and Forage policy” after “Annual Forage policy”.

■ 5. Amend § 760.2220 by revising paragraphs (c)(1)(iii) through (v) and (c)(2)(iii) through (v) to read as follows.

§ 760.2220 Stage 2 payment calculation for insured crops with dollar plans and other revenue plans.

* * * * *

(c) * * *

(1) * * *

(iii) Subtracting the result of paragraph (c)(1)(ii) of this section from the SDRP liability;

(iv) Multiplying the result of paragraph (c)(1)(iii) of this section by the unharvested payment factor; and

(v) Multiplying the result of paragraph (c)(1)(iv) of this section by the producer's share;

(2) * * *

(iii) Subtracting the result of this paragraph by (c)(2)(ii) of this section from the insured liability, which is specified in paragraph (c)(2)(i) of this section;

(iv) Multiplying the result from paragraph (c)(2)(iii) of this section by the producer's price election under the dollar based or other revenue insurance plan; and

(v) Multiplying the result from paragraph (c)(2)(iv) of this section by the producer's share;

* * * * *

■ 6. Amend § 760.2221 as follows:

- a. Revise paragraph (b)(2)(iii); and
- b. Add new paragraph (b)(2)(iv).

The revision and addition read as follows.

§ 760.2221 Stage 2 payment calculation for insured value loss crops.

* * * * *

(b) * * *

(2) * * *

(iii) Multiplying the result of paragraph (b)(2)(ii) of this section by the price election; and

(iv) Multiplying the result of paragraph (b)(2)(iii) of this section by the producer's share;

* * * * *

■ 7. Revise § 760.2223(c)(1)(iii) through (c)(1)(vi) to read as follows.

§ 760.2223 Stage 2 payment calculation for NAP-covered yield-based crops with an approved NAP application for payment.

* * * * *

(c) * * *

(1) * * *

(iii) Subtracting the result of paragraph (c)(1)(ii) of this section from the SDRP liability specified in paragraph (b)(1) of this section;

(iv) Multiplying the result of paragraph (c)(1)(iii) of this section by the unharvested payment factor, if applicable;

(v) Subtracting the salvage value from the result of paragraph (c)(1)(iv) of this section; and

(vi) Multiplying the result of paragraph (c)(1)(v) of this section by the producer's share;

* * * * *

■ 8. Amend § 760.2224 as follows:

■ a. Revise paragraphs (c)(1)(iii) through (v) and (c)(2)(iii) and (iv); and

■ b. Add new paragraph (c)(2)(v).

The revisions and additions read as follows.

§ 760.2224 Stage 2 payment calculation for NAP-covered yield-based crops without an approved NAP application for payment.

* * * * *

(c) * * *

(1) * * *

(iii) Subtracting the result of paragraph (c)(1)(ii) of this section from the SDRP liability;

(iv) Multiplying the result of paragraph (c)(1)(iii) of this section by the unharvested payment factor, if applicable, and then subtracting the salvage value from the result; and

(v) Multiplying the result of paragraph (c)(1)(iv) of this section by the producer's share;

(2) * * *

(iii) Subtracting the salvage value from the result of paragraph (c)(2)(ii) of this section and multiplying the result by the producer's share;

(iv) Multiplying the result of paragraph (c)(2)(iii) of this section by the price election under NAP, and then by the unharvested payment factor; and

(v) Multiplying the result of paragraph (c)(2)(iv) of this section by the producer's share;

* * * * *

■ 9. Amend § 760.2227 as follows:

■ a. Revise paragraphs (e)(1)(iii) and (iv); and

■ b. Add new paragraph (e)(1)(v).

The revisions and addition read as follows.

§ 760.2227 Stage 2 payment calculation for uninsured yield-based crops.

* * * * *

(e) * * *

(1) * * *

(iii) Subtracting the result of paragraph (e)(1)(ii) of this section from the SDRP liability, and

(iv) Multiplying the result of paragraph (e)(1)(iii) of this section by the stage factor, if applicable, and subtracting the salvage value from the result; and

(v) Multiplying by the result of paragraph (e)(1)(iv) of this section by the producer's share;

* * * * *

PART 1430—DAIRY PRODUCTS

■ 10. The authority citation for part 1430 continues to read as follows:

Authority: 7 U.S.C. 9051–9060 and 9071 and 15 U.S.C. 714b and 714c.

■ 11. Revise § 1430.403(a)(1) to read as follows.

Subpart D—Dairy Margin Coverage Program**§ 1430.403 Eligible Dairy Operations.**

(a) * * *

(1) Produce milk from cows in the United States that is marketed commercially at the time of each annual election for an applicable coverage year in DMC, except that dairy operations that have stopped producing and marketing milk before or during the annual coverage election period for 2026 and future years are eligible for only those days that the dairy operation commercially marketed milk during the applicable coverage year;

* * * * *

Kimberly Graham,

Acting Associate Administrator, Farm Service Agency, and Acting Executive Vice President, Commodity Credit Corporation.

[FR Doc. 2026–04531 Filed 3–6–26; 8:45 am]

BILLING CODE 3411–E2–P

DEPARTMENT OF AGRICULTURE**Agricultural Marketing Service****7 CFR Parts 915 and 944**

[Doc. No. AMS–SC–23–0084]

Avocados Grown in South Florida and Imported Avocados; Change in Maturity Requirements

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: This final rule implements a recommendation from the Avocado Administrative Committee (Committee) to change the maturity requirements under the marketing order for avocados

grown in South Florida. This action updates the avocado maturity shipping schedule to allow certain sizes and weights of the Beta avocado variety to be shipped earlier than is currently allowed. This action also makes a corresponding change to the avocado import regulation, as required under the Agricultural Marketing Agreement Act of 1937.

DATES: Effective April 8, 2026.

FOR FURTHER INFORMATION CONTACT:

Steven Kauffman, Marketing Specialist, or Christian D. Nissen, Chief, Southeast Region Branch, Market Development Division, Specialty Crops Program, AMS, USDA; Telephone: (863) 324–3375, Fax: (863) 291–8614, or Email: Steven.Kauffman@usda.gov or Christian.Nissen@usda.gov.

SUPPLEMENTARY INFORMATION:

This action, pursuant to 5 U.S.C. 553, amends regulations issued to carry out a marketing order as defined in 7 CFR 900.2(j). This final rule is issued under Marketing Order No. 915, as amended (7 CFR part 915), regulating the handling of avocados grown in South Florida. Part 915 (the Order) is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674) (the Act). The Committee locally administers the Order and is comprised of growers and handlers of avocados operating within the production area, and a public member.

This final rule is also issued under section 8e of the Act (7 U.S.C. 608e–1), which provides that whenever certain specified commodities, including avocados, are regulated under a Federal marketing order, imports of these commodities into the United States are prohibited unless they meet the same or comparable grade, size, quality, or maturity requirements as those in effect for domestically produced commodities.

This action is exempt from the Office of Management and Budget (OMB) review process required by Executive Order 12866. This rule amends existing Marketing Order No. 915, as amended (7 CFR part 915), Avocados Grown in South Florida, and is necessary for the continued operation of Marketing Order No. 915. Additionally, this action is exempt from the requirements of Executive Order 14192, “Unleashing Prosperity Through Deregulation,” pursuant to section 5(c).

This final rule has been reviewed under Executive Order 13175, “Consultation and Coordination with Indian Tribal Governments,” which requires Federal agencies to consider whether their rulemaking actions would have Tribal implications. AMS has determined that this rule is unlikely to

have substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes.

This final rule has been reviewed under Executive Order 12988, "Civil Justice Reform." This rule is not intended to have retroactive effect.

The Act provides that administrative proceedings must be exhausted before parties may file suit in court. Under section 608c(15)(A) of the Act, any handler subject to an order may file with USDA a petition stating that the order, any provision of the order, or any obligation imposed in connection with the order is not in accordance with law and requesting a modification of the order or to be exempted therefrom. Such handler is afforded the opportunity for a hearing on the petition. After the hearing, USDA would rule on the petition. The Act provides that the district court of the United States in any district in which the handler is an inhabitant, or has his or her principal place of business, has jurisdiction to review USDA's ruling on the petition, provided an action is filed not later than 20 days after the date of the entry of the ruling.

There are no administrative procedures that must be exhausted prior to any judicial challenge to the provisions of import regulations issued under section 8e of the Act.

This final rule changes the maturity requirements prescribed under the Order. This action updates the avocado maturity shipping schedule to allow certain sizes and weights of the Beta avocado variety to be shipped to the fresh market earlier than previously allowable. With this change, the maturity schedule better reflects the current maturity rate for the Beta variety, facilitating the shipment of this variety as it matures. This action was unanimously recommended by the Committee at its August 9, 2023, meeting.

Section 915.51 of the Order provides, in part, authority to establish maturity requirements for avocados. Section 915.52 of the Order provides authority for the modification, suspension, or termination of established regulations. Section 915.332 of the Order's rules and regulations establishes the maturity requirements for avocados grown in Florida. These requirements are specified in table I of § 915.332(a) and establish minimum weights and diameters to delineate specific shipping time frames for avocados shipped under the Order. Maturity requirements for avocados imported into the United

States are currently in effect under § 944.31.

The maturity requirements are designed to prevent the shipment of immature avocados and to include the annual shipping schedule to help ensure only mature fruit reaches the market. This helps to provide buyer confidence and consumer satisfaction, essential for the successful marketing of the crop. Avocado varieties mature at different times, and varieties can vary considerably in terms of size and weight. The maturity requirements for the various varieties of avocados are different, as each variety has different growing and maturation characteristics. These maturity dates and requirements are established based on a testing procedure developed in conjunction with USDA.

The shipping schedule in table I specifies the individual maturity requirements for the numerous avocado varieties shipped each season. As larger fruit within a variety matures earliest, the schedule makes the larger sized fruit available for market first, followed by other dates to incrementally release smaller sizes for shipment as they mature. As such, the maturity schedule is usually divided into A, B, C, and D dates, which are associated with specific weights and sizes reflecting when a particular variety matures.

Avocados may not be shipped until the earliest date, the A date, specified for that variety on the shipping schedule so that only mature fruits are available for market for each variety early in its season. The D date marks the end of a variety's season when all fruit of that variety should be mature and releases all sizes and weights for shipment.

The Committee staff regularly tests the maturity level of different varieties based on reported changes in maturity. The Committee also has a maturity subcommittee that reviews this, other information, and trends in maturity. Using this information, this subcommittee recommends which varieties may need to be tested to see if adjustments need to be made to the dates on the maturity schedule. The subcommittee heard from growers that the Beta variety was maturing ahead of the established schedule and recommended to the full Committee that the Beta variety be tested for changes in maturity. At the direction of the Committee, Committee staff began sampling the Beta variety across different farms and testing the level of maturity.

After three years of testing, the Committee staff provided the subcommittee with the maturity data they had collected. Based on their

review of the data, the subcommittee agreed the fruit was maturing before the current shipping dates. They reported to the full Committee that due to changes in growing conditions and practices the Beta variety was maturing earlier than the dates in the schedule.

The Committee met on August 9, 2023, and reviewed the report from the subcommittee. The subcommittee recommended, and the full Committee agreed, that the A, B, C, and D dates for the Beta variety should each be moved up two weeks. The Committee concluded these revised dates would better reflect the current maturity rate for the Beta variety. The Committee believes this change will allow growers to send mature quality fruit of this variety to the market earlier. It should also reduce limb breakage and fruit loss by enabling timely harvesting, allowing the larger, heavier fruit to be removed from the tree sooner. Consequently, the Committee unanimously approved this recommendation.

This final rule changes the A date for the Beta variety listed on the maturity schedule from August 8 to July 25, the B date from August 15 to August 1, the C date from August 29 to August 15, and the D date from September 5 to August 22. The corresponding sizes and weights associated with these dates will remain unchanged. The dates on the maturity schedule are the basis for calculating the actual shipping dates (A, B, C, D dates) for each individual season. The actual shipping dates for an individual year are established as the Monday nearest to the date listed in the maturity schedule as specified in § 915.332.

Section 8e of the Act (7 U.S.C. 608e-1) provides that when certain domestically produced commodities, including avocados, are regulated under a Federal marketing order, imports of that commodity must meet the same or comparable grade, size, quality, and maturity requirements. Maturity requirements for avocados imported into the United States are currently in effect under § 944.31. As this rule revises the maturity requirements for the Beta variety under the domestic handling regulations, a corresponding change to the import regulations is also being made.

This action updates the avocado maturity shipping schedule to allow certain sizes and weights of the Beta avocado variety to be shipped to the fresh market up to two weeks earlier than presently allowed. This change should facilitate moving mature fruit to the market, benefiting domestic growers and handlers as well as importers. This change only impacts the maturity requirements under the Order and the

import regulation and makes no change to the current grade requirements.

The Hass, Fuerte, Zutano, and Edranol varieties of avocados are currently exempt from the maturity requirements under the Order and the import regulation and continue to be exempt under this rule. However, these varieties are not exempt from the grade regulations specified under the Order and import regulation, which are not being changed by this action.

Final Regulatory Flexibility Analysis

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA) (5 U.S.C. 601–612), AMS has considered the economic impact of this rule on small entities. Accordingly, AMS has prepared this final regulatory flexibility analysis.

The purpose of the RFA is to fit regulatory actions to the scale of businesses subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Act, and the rules issued thereunder, are unique in that they are brought about through group action of essentially small entities acting on their own behalf.

There are 201 growers of Florida avocados in the production area and 21 handlers subject to regulation under the Order. The Small Business Administration (SBA) defines small agricultural growers as those having annual receipts of no more than \$3,500,000 for Other Noncitrus Fruit Farming (NAICS code 111339), and small agricultural service firms, including handlers, are defined as those whose annual receipts are no more than \$34,000,000 for Postharvest Crop Activities (NAICS code 115114) (13 CFR 121.201).

According to the National Agricultural Statistical Service (NASS), the average grower price paid for Florida avocados in 2022 was \$22.00 per 55-pound bushel container. Utilized production was equivalent to 648,727 55-pound bushels for a total value of \$14,272,000 (\$22.00 multiplied by 648,727 55-pound bushels equals \$14,272,000). Dividing the crop value by the estimated number of growers yields an estimated average receipt per grower of \$71,005 (\$14,272,000 divided by 201), so the majority of growers would have annual receipts of less than \$3,500,000.

USDA Market News reported average shipping point prices for green skinned avocados were \$57.29 per 55-pound bushel equivalent in October of 2022. Using this price and the total utilization, the total 2022 handler crop value is

estimated at \$37,165,570 (\$57.29 multiplied by 648,727 55-pound bushels equals \$37,165,570). Dividing this figure by the number of handlers yields estimated average annual handler receipts of \$1,769,790 (\$37,165,570 divided by 21), which is below the SBA threshold for small agricultural service firms.

In 2022, the Dominican Republic, Peru, Columbia, Mexico, and Jamaica were the major countries exporting avocado varieties other than Hass to the United States. In 2020, shipments of these types of avocados imported into the United States totaled around 33,454 metric tons. Of that amount, about 33,075 metric tons were imported from the Dominican Republic. Information from USDA's Global Agricultural Trade System database indicates the dollar value of these avocados to be approximately \$48,386,000. There are approximately 20 importers of green skin avocados. Using the total value and the number of importers, the average importer would have annual receipts of less than \$34 million.

Based on these estimates, the majority of Florida avocado producers and handlers, and importers may be classified as small entities.

This rule updates the avocado maturity shipping schedule in § 915.332 to allow certain sizes and weights of the Beta avocado variety to be shipped to the fresh market up to two weeks earlier than is presently allowed. With this change, the maturity schedule will better reflect the current maturity rate for the Beta variety, facilitating the shipment of this variety as it matures, which should benefit growers, handlers, importers, and consumers. The change is authorized by section 8c(17)(E) of the Act (7 U.S.C. 608c(17)(E)) and §§ 915.51 and 915.52 of the Order. This rule also makes a corresponding change to § 944.31 of the import regulations, as required by section 8e of the Act (7 U.S.C. 608e–1). This rule does not make any changes to the current grade requirements.

This action is not expected to increase the costs associated with the Order's requirements or the avocado import regulation. Rather, it is anticipated that this action will have a beneficial impact. Based on three seasons of maturity testing, the Committee recommended moving the A, B, C, and D dates on the maturity schedule forward two weeks for the Beta variety, allowing the associated sizes and weights to be shipped to the fresh market earlier. The revised dates better reflect the current maturity rate for the Beta variety and will facilitate the shipment of this variety as it matures, while continuing

to ensure that only mature fruit is shipped to the fresh market. It will also help reduce limb breakage and fruit loss and their associated costs by enabling timely harvesting, allowing the bigger, heavier fruit to be removed from the tree sooner. The benefits of this rule are expected to be equally available to all fresh avocado growers, handlers, and importers, regardless of their size.

One alternative to this action would be to maintain the current maturity requirements for the Beta variety. However, the Committee recognized that growing conditions and practices have changed over the years and the data indicates this fruit is maturing ahead of the current dates on the schedule. The Committee believes establishing the changes in this rule, rather than the alternative, will reflect current maturation and help ensure a quality product reaches consumers. Therefore, the Committee rejected this alternative.

The Committee's meetings are widely publicized throughout the Florida avocado industry and all interested persons are invited to attend the meetings and participate in Committee deliberations on all issues. Like all Committee meetings, the August 9, 2023, meeting was a public meeting and all entities, both large and small, were able to express views on this issue. Finally, interested persons were invited to submit comments on the proposed rulemaking, including the regulatory impacts of this action on small businesses.

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the Order's information collection requirements have been previously approved by OMB and assigned OMB No. 0581–0189, "Fruit Crops." No changes in those requirements will be necessary as a result of this rule. Should any changes become necessary, they would be submitted to OMB for approval.

This rule imposes no additional reporting or recordkeeping requirements on either small or large Florida avocado handlers. As with all Federal marketing order programs, reports and forms are periodically reviewed to reduce information requirements and duplication by industry and public sector agencies.

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

AMS has not identified any relevant Federal rules that duplicate, overlap, or conflict with this final rule.

A proposed rulemaking concerning this action was published in the **Federal Register** on September 20, 2024 (89 FR 77037). Copies of the proposed rulemaking were sent via mail or email to avocado industry members. The proposal was made available through the internet by USDA and the Office of the Federal Register. A 60-day comment period ending November 19, 2024, was provided for interested persons to respond to the proposal.

AMS received a total of seven comments during the comment period. Six comments supported the proposed change to the maturity requirements and one did not address the merits of the rule, while still being neutral on the change itself.

Two comments in support of the change to the maturity dates noted that the change will be beneficial to consumers. Four agreed that updating the schedule will provide flexibility to the industry to meet market demand. Two stated that holding avocados past maturity could increase spoilage,

resulting in fewer avocados available and potentially raising prices.

One comment failed to address the merits of the proposed rule by suggesting an alternative method for determining all maturity dates: a recursive model based on weather factors. This comment did not state a position on the proposed changes to the Beta variety dates. Accordingly, AMS made no changes to the rule based on the comments received.

After consideration of all relevant material presented, including the information and recommendations submitted by the Committee and other available information, AMS has determined that this rule is consistent with and will effectuate the purposes of the Act.

In accordance with section 8e of the Act (7 U.S.C. 608e–1), the United States Trade Representative has concurred with the issuance of this rule.

List of Subjects

7 CFR Part 915

Avocados, Marketing agreements, Reporting and recordkeeping requirements.

7 CFR Part 944

Avocados, Food grades and standards, Grapefruit, Grapes, Imports, Kiwifruit, Limes, Olives, Oranges, Plums, Prunes.

For the reasons set forth in the preamble, the Agricultural Marketing Service amends 7 CFR parts 915 and 944 as follows:

PART 915—AVOCADOS GROWN IN SOUTH FLORIDA

■ 1. The authority citation for 7 CFR part 915 continues to read as follows:

Authority: 7 U.S.C. 601–674.

■ 2. In § 915.332, in paragraph (a)(2), table I is amended by revising the entry for “Beta” to read as follows:

§ 915.332 Florida avocado maturity regulation.

(a) * * *

(2) * * *

TABLE I

Variety	A date	Min. wt.	Min. diam.	B date	Min. wt.	Min. diam.	C date	Min. wt.	Min. diam.	D date
Beta	7–25	18	38/16	8–01	16	35/16	8–15	14	33/16	8–22

* * * * *

PART 944—FRUITS; IMPORT REGULATIONS

■ 3. The authority citation for 7 CFR part 944 continues to read as follows:

Authority: 7 U.S.C. 601–674.

■ 4. In § 944.31, in paragraph (a)(2), table I is amended by revising the entry for “Beta” to read as follows:

§ 944.31 Avocado import maturity regulation.

(a) * * *

(2) * * *

TABLE I

Variety	A date	Min. wt.	Min. diam.	B date	Min. wt.	Min. diam.	C date	Min. wt.	Min. diam.	D date
Beta	7–25	18	38/16	8–01	16	35/16	8–15	14	33/16	8–22

* * * * *

DEPARTMENT OF AGRICULTURE**Agricultural Marketing Service****7 CFR Part 1214****[Doc. No. AMS–SC–24–0004]****Christmas Tree Promotion, Research, and Information Order****AGENCY:** Agricultural Marketing Service, USDA.**ACTION:** Final rule.

SUMMARY: This final rule implements changes to the Christmas Tree Promotion, Research, and Information Order (Order). These changes include amending the Board's name from "Christmas Tree Promotion Board" to "Real Christmas Tree Board", increasing the administrative expenses cap from 10 to 15 percent, allowing importers to request refunds of assessments paid on trees that were shipped to the United States but not sold, and increasing the mandatory period to maintain books and records relating to the Order. This action also makes several non-substantive clarifications and changes to modernize the Board's procedures.

DATES: Effective April 8, 2026.**FOR FURTHER INFORMATION CONTACT:**

George Webster, Marketing Specialist, or Alexandra Caryl, Chief, Mid-Atlantic Region Branch, Market Development Division, Specialty Crops Program, AMS, USDA; telephone: (202) 720–8085; or email: George.Webster@usda.gov or Alexandra.Caryl@usda.gov.

SUPPLEMENTARY INFORMATION: This final rule affecting the Order (7 CFR part 1214) is authorized by the Commodity Promotion, Research, and Information Act of 1996 (Act) (7 U.S.C. 7411–7425).

Executive Orders 12866

This action is exempt from the Office of Management and Budget (OMB) review process required by Executive Order 12866. This rule amends an existing research and promotion program and is necessary for the continued operation of the Christmas Tree Promotion, Research, and Information Order. Additionally, this action is exempt from the requirements of Executive Order 14192, "Unleashing Prosperity Through Deregulation," pursuant to section 5(c).

Executive Order 13175

This action has been reviewed in accordance with the requirements of Executive Order 13175, "Consultation and Coordination with Indian Tribal Governments." AMS has assessed the impact of this final rule on Indian

Tribes and determined that this rule does not have Tribal implications that require consultation under Executive Order 13175. AMS hosts a quarterly teleconference with Tribal leaders where matters of mutual interest regarding the marketing of agricultural products are discussed. Information about the changes to the regulations will be shared during an upcoming quarterly call.

Executive Order 12988

This action has been reviewed under Executive Order 12988, "Civil Justice Reform." It is not intended to have retroactive effect. Section 524 of the Commodity Promotion, Research, and Information Act of 1996 (the Act) (7 U.S.C. 7423) provides that it shall not affect or preempt any other Federal or State law authorizing promotion or research relating to an agricultural commodity.

Under section 519 of the Act (7 U.S.C. 7418), a person subject to an order may file a written petition with USDA stating that an order, any provision of an order, or any obligation imposed in connection with an order, is not established in accordance with the law, and request a modification of an order or an exemption from an order. Any petition filed challenging an order, any provision of an order, or any obligation imposed in connection with an order, shall be filed within two years after the effective date of an order, provision, or obligation subject to challenge in the petition. The petitioner will have the opportunity for a hearing on the petition. Thereafter, USDA will issue a ruling on the petition. The Act provides that the district court of the United States for any district in which the petitioner resides or conducts business shall have the jurisdiction to review a final ruling on the petition if the petitioner files a complaint for that purpose not later than 20 days after the date of the entry of USDA's final ruling.

Background

Under the Christmas Tree Promotion, Research, and Information Order (7 CFR part 1214) (Order), the Christmas Tree Promotion Board (Board), with USDA oversight, administers a Nationally coordinated program of research, promotion, and information designed to maintain and expand markets for fresh cut Christmas trees. The program is financed by assessments on domestic producers and importers of 500 or more Christmas trees annually. The Board, which is composed of one importer and eleven domestic producers from three regions across the United States, unanimously recommended these

changes during a meeting on September 21, 2023. These changes include: changing the Board name; revising timelines associated with budget and financial requirements; clarifying assessment and exemption requirements; and modernizing language in the Order. The rule also makes clarifying changes and changes to administrative requirements.

Change of Board Name

Currently the Order refers to the Board as the "Christmas Tree Promotion Board". In 2022, the Board rebranded to the "Real Christmas Tree Board" to alleviate confusion amongst industry members and to distinguish the program from other national organizations who represent both real and artificial Christmas trees. This change aligns the language of the Order with the Board's name, as it has been used on their website and marketing materials since 2022 and permits the Board to use the new name for all business purposes. This change amends §§ 1214.2 and 1214.40 of the Order.

Changes to Budget and Financial Requirements

Section 1214.46(p) currently states that the Board must submit a budget for approval within 60 days after assessments are due to the Board, which falls on April 15th. This requirement is removed so Board staff can provide a more accurate budget when final revenue and expenses of the current fiscal period are known. To accommodate this change, a budget submission deadline is added in § 1214.50(a) which requires the Board to submit a budget for review no more than 90 days or less than 60 days prior to the fiscal period. This change requires the budget to be submitted between May 1st and June 1st, giving the Board additional time to calculate accurate budget numbers.

Section 1214.50(j) is revised to increase the maximum allowable administrative expenses of the Board from 10 percent of annual revenue (assessment and other income received) to 15 percent of annual revenue. Section 515(e)(5) of the Act (7 U.S.C. 7414(e)(5)) allows a spending limit of up to 15 percent of income for the fiscal period for administrative costs. In 2021, 2022, and 2023, the Board's administrative costs were 7.2 percent, 7.3 percent, and 9.3 percent of revenues, respectively. The Board's administrative costs have increased, largely due to inflation, while revenues have decreased because of weather events. The Board expects this trend to persist and seeks greater budgetary flexibility to allow them to

continue paying for administrative costs despite decreases in revenues. Notably, most of the other Orders established pursuant to the Act have a 15 percent administrative cost cap.

Section 1214.51 outlines the Board's financial statement requirements. This final rule revises the financial statement requirement in § 1214.51(a) by requiring financial reporting on a periodic basis as opposed to quarterly. This change aligns the Order to the Board's current procedure of producing financial statements monthly. Section 1214.51(c) states the Board must submit an annual financial statement within 90 days after the fiscal period. This deadline has proven to be difficult to meet as it falls on October 31st, which is in the middle of the Christmas tree harvesting season for the industry. In order to meet this deadline, Board members must meet during their busy season which can negatively affect their businesses. By extending this deadline to 180 days after the fiscal period, the Board members will be out of their busy season and able to meet more easily to review the annual financial statement.

Changes To Clarify Assessments and Exemptions

Section 1214.52(b) is revised to clarify who is responsible for paying assessments by referencing the definitions of "person" and "producer" in §§ 1214.14 and 1214.17, respectively. Section 1214.52(c), regarding Christmas tree importers, is revised to state that if assessments are not collected at the border by the United States Customs and Border Protection (Customs), they should be paid directly to the Board by February 15th of the crop year in which they are imported. The Board anticipates assessments from importers will be collected by Customs, but in the unlikely event that an assessment is not, importers are required to pay such assessments directly to the Board by February 15th of the crop year in which the trees are imported. Section 1214.52(c)(3) is updated to clarify that if assessments are collected by Customs, they shall be paid when the trees enter the United States.

Section 1214.53(a)(7) is revised to clarify that importers who import less than 500 trees annually shall receive a refund from the Board for assessments collected. The change removes reference to producers because assessments are not collected from producers who are under the de minimis amount specified in § 1214.53(a) but are collected from importers through Customs.

Section 1214.53(b) is revised to allow importers the ability to request a refund for assessments paid on trees imported

into the United States but not sold. This change ensures importers are able to request refunds for assessments paid on any trees that are not sold after importation. Some importers have faced an issue in which their retailer will pay only for the trees sold. This change allows these importers and other importers who may face this problem in the future opportunity for a refund on trees that are imported into the United States but not sold. This option is already available to producers as they can report and pay assessments only on the trees which they were paid for as opposed to importers who pay assessments on each tree imported, regardless of its ultimate disposition.

Changes To Modernize Order Language

Several changes modernize the Order so the Board can take advantage of different voting and meeting options, specifically electronic capabilities. Using electronic capabilities increases accessibility, enhances efficiency, and decreases administrative costs. Additionally, the changes modernize the language to be in line with current industry practices.

Section 1214.41(a) is revised to allow producers to vote for producer nominees by any means of communication available, so long as the votes cast are verifiable and meet procedural requirements.

Section 1214.44(b) is revised to lower the minimum days of advance notice for Board meetings from 14 to 7 to allow for more flexibility in scheduling meetings, particularly virtual ones. Section 1214.44(c) is revised to clarify that Board members abstaining from any Board vote would not be counted against the motion. This language is consistent with other orders established pursuant to the Act.

Section 1214.44(e) currently provides that in lieu of voting at a properly convened meeting, the Board may take action by other means in certain circumstances. In light of advancement of electronic capabilities, § 1214.44(e) is revised to allow meetings by electronic means or by any means of communication available. Section 1214.102(c) is also updated to allow the Board to vote to take action by any means of communication available. The language in these sections is consistent with other orders established pursuant to the Act.

The changes update the Harmonized Tariff Schedule numbers of Christmas trees that are assessed in §§ 1214.52(c) and 1214.101(e).

Clarifying and Administrative Revisions

Section 1214.9, which defines Importer, is revised to remove the word "domestically" to clarify that the trees are produced outside of the United States. Section 1214.17, which defines Producer, is revised to change the word "of" in "loss of the production" to the word "in", and to add a semicolon after the clause "and who owns, or shares the ownership and risk of loss in the production of Christmas trees" for clarity and readability. Section 1214.101(d)(1), which defines "eligible domestic producer" in the context of referendum procedures, is also revised to change the word "of" in "loss of the production" to the word "in" for consistency.

Section 1214.41(e) is revised to explain that nominees who are both a producer and an importer, may only seek nomination to the Board and vote in the nomination process as either a producer or an importer, but not both.

Section 1214.53(a)(8) is revised to further explain that the Board has the power to develop safeguard procedures to prevent improper use of exemptions from mandatory assessments. As prescribed by the regulations, any such procedures shall be implemented through rulemaking by the Secretary.

Section 1214.71, which details books and records requirements for producers and importers, is modified to require that they retain all relevant records for at least five years to allow the Board to audit additional years' records and collect any potential past due assessments.

Section 1214.82(a) is revised to clarify that a majority of persons voting in the referendum must be in favor of the program's continuance. This is consistent with the Act and other orders, as well as existing procedure under § 1214.81(a)(2)(i) and (b)(2).

Section 1214.85, which details personal liability, is revised to clarify that committee members and agents of the program shall not be held personally responsible, except for acts of dishonesty or willful misconduct. The language in these sections is consistent with other orders established pursuant to the Act.

The term "fiscal period" is defined in § 1214.8 of the Order, however, in §§ 1214.50(j) and 1214.53(a)(7), the term "fiscal year" is used. These two sections are updated to ensure consistent use of "fiscal period" throughout the Order.

Throughout the Order, there are multiple references to the minimum number of Christmas trees produced or imported annually to meet certain

requirements of the Board. Sections 1214.41(c) and (d), 1214.53(a), and 1214.101 are revised to ensure consistency in stating that the number of trees to exceed the de minimis amount is “500 or more Christmas trees”.

Formatting Changes

The final rule makes several formatting changes. Section 1214.40(a) corrects the alphabetical list of U.S. states. Additionally, § 1214.101, which consists of definitions, is amended to remove the paragraph (a) through (j) designations and reorder the definitions alphabetically.

Final Regulatory Flexibility Act Analysis

In accordance with the Regulatory Flexibility Act (RFA) (5 U.S.C. 601–612), agencies are required to examine the impact of the action on small entities. Accordingly, AMS has considered the economic impact of this action on such entities.

The purpose of the RFA is to fit regulatory actions to the scale of businesses subject to the actions so that small businesses will not be disproportionately burdened. The Small Business Administration (SBA) defines, in 13 CFR part 121, small firms which engage in “agricultural nursery and tree production” (domestic producers and importers) as those having annual receipts of no more than \$3.25 million (NAICS code 111421).

According to the 2022 Census of Agriculture published by the National Agricultural Statistics Service (NASS), it is estimated that there are 10,113 farms that sold cut Christmas trees in the United States. According to NASS, the value of cut Christmas trees sold in 2022 was \$552,900,000. Dividing that value by the number of farms yields an average annual producer revenue of \$54,672. Therefore, it is estimated that all farms that sold Christmas trees had revenue under \$3.25 million for the purposes of this RFA analysis¹ and would be considered small entities.

Likewise, based on Customs data, there were 150 importers of nursery and tree production (Harmonized Tariff Schedule codes; 0604.20.00.20, 0604.20.00.40, 0604.20.00.60) in 2023. Of these, 5 importers, or 3 percent, had annual receipts of more than \$3.25 million of nursery and tree production. Thus, most importers would be

considered small entities. The final rule does not disproportionately burden small domestic producers and importers of agricultural nursery and tree production (NAICS code 111421).

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the information collection and recordkeeping requirements that are imposed by the Order have been approved previously under OMB control number 0581–0268. AMS received no comments specific to the change allowing importers to request a refund of assessments paid on trees that were shipped to the United States but not sold. After reviewing the program’s current paperwork burden estimations, AMS finds that this final rule does not result in an increased burden to the information collection and recordkeeping requirements previously approved. Therefore, no changes to the current paperwork burden estimation will be submitted to OMB for this final rule.

As with all Federal research and promotion programs, reports and forms are periodically reviewed to reduce the burden of information requirements and duplication by industry and public sector agencies. USDA has not identified any relevant Federal rules that duplicate, overlap, or conflict with this rule.

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

Regarding alternatives, the Board considered not making the changes to the Order and leaving it as-is. If the Order was left unchanged, the administrative cap of 10 percent would continue to be an issue and could result in the Board being out of compliance. Further, without changing the annual financial statement and budget requirements, the Board would continue having problems meeting their submission deadlines which would require increased staff time to reconcile. Board members would also continue needing to meet during harvest season which could adversely affect their businesses if these deadlines are not adjusted. Additionally, confusion amongst industry members and the media regarding the Board’s official name would persist, and importers of Christmas trees would remain responsible for assessments paid on trees imported but not sold if the Order is not updated. After considering these

potential issues, the Board decided against leaving the Order unchanged.

Regarding outreach efforts, the Board discussed these changes throughout 2022 and 2023 and the full Board unanimously recommended the changes during their in-person meeting on September 21, 2023. The Board is made up of domestic producers and importers. Additionally, the Board widely circulated a summary of the Order changes amongst industry members via the Board’s e-newsletter, at state and regional Christmas tree meetings, and through direct communication with other Christmas tree associations.

A proposed rulemaking concerning this action was published in the **Federal Register** on June 13, 2025. A copy of the proposed rulemaking was also made available through the internet by AMS via <https://www.regulations.gov>. A 30-day comment period ending July 14, 2025, was provided for interested parties to respond to the proposal.

Comment Analysis

During the proposed rule’s 30-day comment period, AMS received 25 comments which may be viewed on <https://www.regulations.gov>. In total, 22 comments were in support of the changes, one comment was opposed, two comments were unrelated to the proposed changes. The proposed rule is being finalized without change.

Of the 22 comments supporting the changes, 17 commenters expressed broad support for the proposed changes in general. Five other commenters supporting the changes stated that they would help the program run more efficiently, including one commenter who expressed support for the administrative expense cap increase stating that the change puts the program in-line with other similar research and promotion programs, and would allow for greater flexibility in a changing economic environment.

One comment in opposition of the changes stated that the changes should be voted on as they are not what the industry agreed to when starting the program. The same commenter also opposed increasing the administrative expenses cap stating they have not seen a benefit to the industry through the program, and that the other proposed changes were not specified, therefore allowing changes without the industry’s knowledge.

The Board unanimously recommended all proposed changes during a public meeting on September 21, 2023. Further, prior to AMS publishing the proposed rule, the Board widely circulated a summary of the

¹ NASS and Census are the only available data. Given the limited data, equal revenue is assumed in the calculation to be distributed across all producers. This is done to give an idea of how many domestic producers might be considered “small” businesses under the SBA definition.

proposed Order changes amongst industry members via the Board's e-newsletter, at State and regional Christmas tree meetings, and through direct communication with other Christmas tree associations requesting any questions regarding, or concerns with, the changes. The Board has seen administrative costs rise from 7.2 percent of revenue in 2021, to 7.3 percent in 2022, to 9.3 percent in 2023. These inflationary cost increases coincided with decreased revenues due to weather events but the Board expects this trend to persist. Therefore, the administrative expense cap increase was recommended to give the program the flexibility needed to continue operating in compliance with the Order. In addition, most of the other Orders established pursuant to the Act have a 15 percent administrative cost cap. Accordingly, no changes were made to the rule as proposed, based on the comments received.

After consideration of all relevant material presented, including the information and recommendations submitted by the Board, the comments received, and other available information, it is hereby found that this rule is consistent with and will effectuate the purposes of the Act.

List of Subjects in 7 CFR Part 1214

Administrative practice and procedure, Advertising, Christmas trees, Marketing agreements, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, the Agricultural Marketing Service amends 7 CFR part 1214 as follows:

PART 1214—CHRISTMAS TREE PROMOTION, RESEARCH, AND INFORMATION ORDER

- 1. The authority citation for 7 CFR part 1214 continues to read as follows:

Authority: 7 U.S.C. 7411–7425; 7 U.S.C. 7401.

§ 1214.2 [Amended]

- 2. Amend § 1214.2 by removing the words “Christmas Tree Promotion Board” and adding in their place the words “Real Christmas Tree Board”.

§ 1214.9 [Amended]

- 3. Amend § 1214.9 by removing the word “domestically”.
- 4. Revise § 1214.17 to read as follows:

§ 1214.17 Producer.

Producer means any person who is engaged in the production of Christmas trees in the United States, and who owns, or shares the ownership and risk

of loss in the production of Christmas trees; or a person who is engaged in the business of producing, or causing to be domestically produced, Christmas trees beyond personal use and having value at first point of sale.

- 5. Revise the undesignated center heading above § 1214.40 to read as follows:

Real Christmas Tree Board

- 6. Amend § 1214.40 by:
- a. Removing the words “Christmas Tree Promotion Board” from paragraph (a) introductory text and adding in their place the words “Real Christmas Tree Board”; and
- b. Revising paragraph (a)(1)(iii).
The revision reads as follows:

§ 1214.40 Establishment and membership.

- (a) * * *
- (1) * * *
- (iii) Four producer members from Region #3—Eastern Region (states east of the Great Lakes): Alabama, Connecticut, Delaware, Florida, Georgia, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, Washington, DC, West Virginia, and all U.S. Territories located in the Atlantic Ocean and Caribbean Sea, including but not limited to Puerto Rico.
- * * * * *

- 7. Amend § 1214.41 by:
- a. Revising paragraph (a);
- b. In paragraph (c), removing the words “more than 500” and adding in their place the words “500 or more”; and
- c. Revising and republishing paragraphs (d) and (e).
The revisions and republication read as follows:

§ 1214.41 Nominations and appointments.

(a) Voting for producer members will be made by any means of communication available, electronic or otherwise, provided that votes cast are verifiable and that procedural requirements are met.

* * * * *

(d) Nomination of producer members will be conducted by the Board. The Board staff will seek nominations for each vacant producer seat from each region from producers who have paid their assessments to the Board in the most recent fiscal period. Producers who produce Christmas trees in more than one region may seek nomination only in the region in which they produce the majority of their Christmas

trees. For selection to the initial Board, the Secretary will notify producers to request nominations to the Board. Subsequent nominations will be submitted to the Board office and placed on a ballot that will be sent to known producers of 500 or more Christmas trees in each region for a vote. Producers who produce Christmas trees in more than one region may only vote in the region in which they produce the majority of their Christmas trees. The nominee receiving the highest number of votes and the nominee receiving the second highest number of votes shall be submitted to the Department as the producers' first and second choice nominees. The Board shall submit nominations to the Secretary not less than 90 days prior to the expiration of the term of office.

(e) Nominations for the importer member(s) will be conducted by the Board. The Board will solicit importer nominations from those importers who have paid their assessments to the Board in the most recent fiscal period. Nominees that are both a producer and an importer may seek nomination to the Board and vote in the nomination process as either a producer or an importer, but not both. For selection to the initial Board, the Secretary will notify importers to request nominations to the Board. Subsequent nominations will be submitted to the Board office and placed on a ballot that will be sent to importers for a vote. The Board shall submit those nominations to the Secretary not less than 90 days prior to the expiration of the term of office. Two nominees for each importer position will be submitted to the Secretary for consideration.

* * * * *

- 8. Amend § 1214.44 by:
- a. In paragraph (b), removing the number “14” and adding in its place the number “7”;
- b. In paragraph (c), adding the words “and voting” after the word “present”; and
- c. Revising paragraph (e).
The revision reads as follows:

§ 1214.44 Procedure.

(e) The Board may conduct meetings by any means of communication available, electronic or otherwise, that effectively assembles members and the public and facilitates open communication.

* * * * *

- 9. Amend § 1214.46 by revising paragraph (p) to read as follows:

§ 1214.46 Powers and duties.

* * * * *

(p) To prepare and submit for approval of the Secretary rates of assessment and a fiscal period budget of the anticipated expenses to be incurred in the administration of the Order, in accordance with § 1214.50;

* * * *

■ 10. Amend § 1214.50 by revising the first sentence of paragraph (a) introductory text and paragraph (j) to read as follows:

§ 1214.50 Budget and expenses.

(a) No more than 90 days or less than 60 days prior to the fiscal period, and as may be necessary thereafter, the Board shall prepare and submit to the Secretary a budget for the fiscal period covering its anticipated expenses and disbursements in administering this part. * * *

* * * *

(j) For fiscal periods beginning 3 or more years after the date of the establishment of the Board, the Board may not expend for administration, maintenance, and functioning of the Board in a fiscal period an amount that exceeds 15 percent of the assessment and other income received by the Board. Reimbursements to the Secretary required under paragraph (i) of this section are excluded from this limitation on spending.

* * * *

■ 11. Amend § 1214.51 by:

■ a. Revising the first sentence of paragraph (a); and

■ b. In paragraph (c), removing the number “90” and adding in its place the number “180”.

The revision reads as follows:

§ 1214.51 Financial statements.

(a) The Board shall prepare and submit financial statements to the Secretary on a periodic basis, or at any other time requested by the Secretary.

* * *

* * * *

■ 12. Amend § 1214.52 by revising paragraph (b), the second sentence of paragraph (c) introductory text, and paragraphs (c)(2) and (3) to read as follows:

§ 1214.52 Assessments.

* * * *

(b) The payment of assessments on domestic Christmas trees that are cut and sold will be the responsibility of the producer, as defined in §§ 1214.14 and 1214.17.

(c) * * * If Customs does not collect an assessment from an importer, the importer will be responsible for paying the assessment directly to the Board in

accordance with paragraph (e) of this section.

* * * *

(2) The import assessment shall be uniformly applied to imported Christmas trees that are identified by the numbers 0604.20.00.20, 0604.20.00.40, and 0604.20.00.60 in the Harmonized Tariff Schedule of the United States or any other numbers used to identify Christmas trees in that schedule.

(3) If collected by Customs, the assessments due on imported Christmas trees shall be paid when the Christmas trees enter into the United States.

* * * *

■ 13. Amend § 1214.53 by revising paragraphs (a)(6) and (7), the first sentence of paragraph (a)(8), and paragraph (b) to read as follows:

§ 1214.53 Exemption from and refunds of assessments.

(a) * * *

(6) Producers and importers who received an exemption certificate from the Board but domestically produced or imported 500 or more Christmas trees during the fiscal period shall pay the Board the applicable assessments owed and submit any necessary reports to the Board pursuant to § 1214.70.

(7) Importers who did not apply to the Board for an exemption and imported less than 500 Christmas trees during the fiscal period shall receive a refund from the Board for the applicable assessments within 30 calendar days after the end of the fiscal period. Board staff shall determine the assessments paid and refund the amount due to the importers accordingly.

(8) The Board may develop additional safeguard procedures as it deems necessary for accurately accounting for this exemption and to prevent improper use of this exemption. * * *

(b) *Assessment refunds to importers.* Importers who are exempt from assessment or certify and provide verification that Christmas trees were not sold shall be eligible for a refund of assessments collected by Customs during the applicable fiscal period. No interest will be paid on assessments collected by Customs. The Board shall refund such importers their assessments as collected by Customs no later than 60 calendar days after receipt by the Board.

* * * *

§ 1214.71 [Amended]

■ 14. Amend § 1214.71 by removing the word “two” and adding in its place the word “five”.

§ 1214.82 [Amended]

■ 15. Amend § 1214.82 in paragraph (a) by adding the words “a majority of” after the words “not favored by”.

■ 16. Revise § 1214.85 to read as follows:

§ 1214.85 Personal liability.

No member, committee member, agent, or employee of the Board shall be held personally responsible, either individually or jointly with others, in any way whatsoever, to any person for errors in judgment, mistakes, or other acts, either of commission or omission, as such member, committee member, agent, or employee, except for acts of dishonesty or willful misconduct.

■ 17. Amend § 1214.101 by:

■ a. Removing the first-level paragraph designations from paragraphs (a) through (j);

■ b. Placing the definition of “Christmas tree” in alphabetical order; and

■ c. Revising the introductory text and paragraph (1) of the definition of “Eligible domestic producer” and the first sentence of the definition of “Eligible importer”.

The revisions read as follows:

§ 1214.101 Definitions.

* * * *

Eligible domestic producer means any person who domestically produces 500 or more Christmas trees annually in the United States, and who:

(1) Owns, or shares the ownership and risk of loss in the production of Christmas trees;

* * * *

Eligible importer means any person importing 500 or more Christmas trees annually into the United States as a principal or as an agent, broker, or consignee of any person who produces or handles Christmas trees outside of the United States for sale in the United States, and who is listed as the importer of record for such Christmas trees that are identified in the Harmonized Tariff Schedule of the United States by the numbers 0604.20.00.20, 0604.20.00.40, and 0604.20.00.60 during the representative period. * * *

* * * *

■ 18. Amend § 1214.102 by revising paragraph (c) to read as follows:

§ 1214.102 Voting.

* * * *

(c) All ballots are to be cast by any means of communication available,

electronic or otherwise, as instructed by the Department.

* * * * *

Erin Morris,

Administrator, Agricultural Marketing Service.

[FR Doc. 2026-04586 Filed 3-6-26; 8:45 am]

BILLING CODE 3410-02-P

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 1222

[Doc. No. AMS-SC-25-0353]

Paper and Paper-Based Packaging Promotion, Research and Information Order Termination

AGENCY: Agricultural Marketing Service, Department of Agriculture (USDA).

ACTION: Final rule.

SUMMARY: This final rule terminates the Federal research and promotion program for paper and paper-based packaging and the rules and regulations issued thereunder. This action is necessary because termination of the program was favored by a majority of manufacturers and importers voting in the referendum who also represent a majority of the volume of paper and paper-based packaging represented in the referendum. This rulemaking also removes the Paper and Paper-Based Packaging Promotion, Research and Information Order from the Code of Federal Regulations.

DATES: This final rule is effective March 9, 2026, without further action or notice.

FOR FURTHER INFORMATION CONTACT: George Webster, Marketing Specialist, or Alexandra Caryl, Chief, Mid-Atlantic Region Branch, Market Development Division, Specialty Crops Program, AMS, USDA; telephone: (202) 720-8085; or email: George.Webster@usda.gov or Alexandra.Caryl@usda.gov.

SUPPLEMENTARY INFORMATION: This final rule affecting 7 CFR part 1222 is authorized under the Commodity Promotion, Research, and Information Act of 1996 (Act) (7 U.S.C. 7411-7425). The Paper and Paper-Based Packaging Promotion, Research and Information Order, hereinafter referred to as the "Order", is codified at 7 CFR part 1222.

Prior documents in this proceeding: Continuance Referendum and Moratorium on Assessment Collection, June 3, 2025 (90 FR 23421); Paper and Paper-Based Packaging Promotion, Research and Information Order, January 22, 2014 (79 FR 3696); and

Referendum Procedures, September 16, 2013 (78 FR 56817).

Executive Order 12866

This action is exempt from the Office of Management and Budget (OMB) review process required by Executive Order 12866. This rule terminates an existing research and promotion program, the Paper and Paper-Based Packaging Promotion, Research and Information Order, consistent with the latest referendum results. Additionally, this action is exempt from the requirements of Executive Order 14192, "Unleashing Prosperity Through Deregulation," pursuant to section 5(c).

Executive Order 13175

This action was reviewed in accordance with the requirements of Executive Order 13175, "Consultation and Coordination with Indian Tribal Governments." AMS has assessed the impact of this final rule on Indian tribes and determined that this rule would not have tribal implications that require consultation under Executive Order 13175. AMS hosts a quarterly teleconference with tribal leaders where matters of mutual interest regarding the marketing of agricultural products are discussed. Information about the changes to the regulations will be shared during an upcoming quarterly call. AMS will continue to work with the USDA Office of Tribal Relations to ensure meaningful consultation is provided as needed with regard to the termination of the Order.

Executive Order 12988

This rule was reviewed under Executive Order 12988, "Civil Justice Reform." It is not intended to have retroactive effect. Section 524 of the Commodity Promotion, Research, and Information Act of 1996 (the Act) (7 U.S.C. 7423) provides that it shall not affect or preempt any other Federal or State law authorizing promotion or research relating to an agricultural commodity.

Petition and Review of Orders

Under section 519 of the Act (7 U.S.C. 7418), a person subject to an order may file a written petition with USDA stating an order, any provision of an order, or any obligation imposed in connection with an order, is not established in accordance with the law, and request a modification of an order or an exemption from an order. Any petition filed challenging an order, any provision of an order, or any obligation imposed in connection with an order, shall be filed within two years after the effective date of an order, provision, or

obligation subject to challenge in the petition. The petitioner will have the opportunity for a hearing on the petition. Thereafter, USDA will issue a ruling on the petition. The Act provides that the district court of the United States for any district in which the petitioner resides or conducts business shall have the jurisdiction to review a final ruling on the petition, if the petitioner files a complaint for that purpose not later than 20 days after the date of the entry of USDA's final ruling.

Background

This final rule terminates the Order as prescribed in 7 CFR 1222.82 and section 522 of the Act. The Act authorizes national promotion, research, and information programs for agricultural commodities. In accordance with the Act, at the request of the paper and paper-based packaging industry, USDA developed and implemented the Order, which became effective on January 23, 2014.

The Order covered persons who manufactured or imported 100,000 short tons or more of paper and paper-based packaging in a year.

Section 518(c) of the Act (7 U.S.C. 7417(c)), and 7 CFR 1222.81(b) provide the Secretary of Agriculture (Secretary) shall conduct subsequent referenda not later than every seven years, at the request of 10 percent or more of eligible voters, or at the request of the Paper and Packaging Board (Board), as established by the Order. Section 518(d) of the Act (7 U.S.C. 7417(d)), and 7 CFR 1222.81(b)(5) also allow for a referendum whenever the Secretary deems it necessary. The Order shall continue if it is favored by a majority of manufacturers and importers voting in the referendum who also represent a majority of the volume represented in the referendum and who, during a representative period, have been engaged in the manufacturing or importation of paper and paper-based packaging, as long as the Secretary finds that the Order tends to effectuate the purposes of the Act.

On January 28, 2025, USDA received a petition requesting a referendum from more than the required 10 percent of eligible voters. As such, a referendum was held from July 14 through July 25, 2025. The representative period for establishing voter eligibility was January 1, 2024, through December 31, 2024. Persons who manufactured or imported 100,000 short tons or more of paper and paper-based packaging during the representative period and were subject to assessment during that time were eligible to vote. Notice of the referendum was published in the

Federal Register on June 3, 2025 (90 FR 23421). Termination of the program was favored by 73.53 percent of eligible manufacturers and importers, representing 90.39 percent of the volume represented in the referendum.

In accordance with 7 CFR 1222.83, the USDA appointed two members of the Board to serve as trustees for the purpose of liquidating affairs.

Regulatory Flexibility Analysis

In accordance with the Regulatory Flexibility Act (RFA) (5 U.S.C. 601–612), the Agricultural Marketing Service (AMS) is required to examine the impact of the action on small entities. Accordingly, AMS has considered the economic impact of this action on such entities. The purpose of the RFA is to fit regulatory actions to the scale of businesses subject to the actions so that small businesses will not be disproportionately burdened.

The Small Business Administration (SBA) defines, in 13 CFR part 121, small firms which perform “Corrugated and Solid Fiber Box Manufacturing” activities¹ as those employing no more than 1,250 employees. This definition of a small business applies to the program’s domestic manufacturers. According to the U.S. Census Bureau’s 2022 Economic Census, there were a total of 594 paper and packaging firms operating in the U.S. in 2022. Of these, 20 firms, or about 3 percent, employed 500 employees or more. This means that at least 97 percent of paper and packaging domestic manufacturers would be considered small businesses per the SBA definition.

While employment data for domestic manufacturers is available for this analysis, AMS is unaware of any such data for importers of paper and packaging materials. Therefore, the SBA size standard for “Postharvest Crop Activities”² of average annual receipts no greater than \$34 million was used to classify small importers for the purposes of this RFA. Based on data from Customs and Border Protection, there were 38 of 7,023 importers of paper and packaging materials whose 2022–2024 average annual receipts exceeded \$34 million. This means that more than 99 percent of importers would be considered small businesses per the SBA definition. This action would not disproportionately burden small domestic manufacturers and importers of paper and packaging materials.

According to Board data, in 2024 there were 46 eligible manufacturers

and importers who paid approximately \$21.2 million in assessments. When the Order was published in the **Federal Register** on January 22, 2014, USDA stated an anticipated \$25 million of assessments would be collected from about 70 eligible entities. The assessment rate is currently 35 cents per short ton or its equivalent of paper and paper-based products. This is the same rate that was set when the program first started. USDA issued a notice on June 3, 2025 (90 FR 23421) establishing a moratorium on the collection of assessments with immediate effect.

Termination of the research and promotion program and its Order should reduce costs for manufacturers and importers. As with all research and promotion program programs, reports and forms are periodically reviewed to reduce information requirements and duplication by industry and public sector agencies.

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

AMS has not identified any relevant Federal rules that duplicate, overlap, or conflict with this final rule.

AMS is issuing this rule as a final rule. Although the Administrative Procedure Act (APA) generally requires notice and comment rulemaking, section 553 of the APA provides an exception when the agency, for good cause, finds that notice and public procedure are “impracticable, unnecessary, or contrary to the public interest.” AMS concludes that general notice and comment is unnecessary here because affected stakeholders decisively voted to terminate the program. The purpose of this final rule is to carry out the decision made by eligible manufacturers and importers of paper and paper-based packaging, which the Secretary has determined would tend to effectuate the purposes of the Act.

Based on the foregoing, and pursuant to section 522 of the Act and 7 CFR 1222.83, it is hereby found that the Order, and the Board effectuated by the Order, are terminated.

It is also found and determined upon good cause that it is unnecessary and contrary to the public interest to give preliminary notice or to engage in further public procedure prior to putting this action into effect. Additionally, good cause exists for not postponing the effective date of this action until 30 days after publication in the **Federal Register** because this action relieves restrictions on manufacturers and importers.

List of Subjects in 7 CFR Part 1222

Administrative practice and procedure, advertising, consumer information, marketing agreements, paper promotion, reporting and recordkeeping requirements.

PART 1222—[REMOVED]

■ For the reasons set forth in the preamble, under the authority of 7 U.S.C. 7421, 7 CFR part 1222 is removed.

Erin Morris,

Administrator, Agricultural Marketing Service.

[FR Doc. 2026–04570 Filed 3–6–26; 8:45 am]

BILLING CODE 3410–02–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 648

[Docket No. 260304–0064]

RIN 0648–BN23

Magnuson-Stevens Fishery Conservation and Management Act Provisions; Fisheries of the Northeastern United States; Framework Multispecies Fishery; Framework Adjustment 69

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

ACTION: Final rule.

SUMMARY: NMFS approves regulations to implement specifications and management measures in Framework Adjustment 69 to the Northeast Multispecies Fishery Management Plan, as proposed, with one adjustment to Georges Bank haddock; approves Northeast multispecies (groundfish) sectors and allocations; sets recreational measures and common pool possession limits; and clarifies and corrects existing regulations. This action is necessary to respond to updated scientific information and to achieve the goals and objectives of the fishery management plan. The measures are intended to help prevent overfishing, rebuild overfished stocks, achieve optimum yield, and ensure that management measures are based on the best scientific information available.

DATES: This rule is effective March 9, 2026.

ADDRESSES: Copies of Framework Adjustment 69, including the

¹ North American Industry Classification System (NAICS) Code 322211.

² NAICS Code 115114.

Environmental Assessment, the Regulatory Impact Review, and the Regulatory Flexibility Act Analysis prepared by the New England Fishery Management Council in support of this action, are available from Dr. Cate O'Keefe, Executive Director, New England Fishery Management Council, 50 Water Street, Mill 2, Newburyport, MA 01950. The supporting documents are also accessible via the internet at: <https://www.nefmc.org/management-plans/northeast-multispecies> or <https://www.regulations.gov>. Copies of each sector's approved operations plan and contracts and other supporting documents are available from the NMFS Greater Atlantic Regional Fisheries Office (GARFO), by contacting Heather Nelson at heather.nelson@noaa.gov. These documents are also accessible via the GARFO website.

Written comments regarding the burden-hour estimates or other aspects of the collection-of-information requirements contained in this final rule may be submitted 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.

FOR FURTHER INFORMATION CONTACT: Liz Sullivan, Fishery Policy Analyst, phone: 978–282–8493; email: Liz.Sullivan@noaa.gov.

SUPPLEMENTARY INFORMATION: The Northeast Multispecies Fishery Management Plan (FMP) regulates the commercial and recreational fishing of 13 species of groundfish through the use of various management programs designed to promote the long-term sustainability of the Northeast multispecies (groundfish) fishery. The FMP includes the annual specification of catch limits for each applicable component of the fishery. The directed groundfish fishery is divided into the recreational and commercial components, and the commercial fishery is further divided between sectors and the common pool. Annually, the commercial groundfish fishery has a value of approximately \$40 million (ex-vessel revenue from the most recent complete fishing year). Recreational fisheries, including the recreational groundfish fishery, contribute substantial value to the regional and national economies.

Summary of Approved Measures

The New England Fishery Management Council (Council) adopted Framework Adjustment 69 to the Northeast Multispecies FMP on

December 4, 2024. The Council submitted Framework 69, including an environmental assessment (EA), for NMFS approval on March 11, 2025. NMFS published a proposed rule for Framework 69 on December 8, 2025, (90 FR 56836), with a 30-day comment period that closed on January 7, 2026.

Under the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) and on behalf of the Secretary of Commerce, NMFS approves, disapproves, or partially approves measures that the Council recommends, based on consistency with the Magnuson-Stevens Act and other applicable law. NMFS reviews recommended specifications and proposed measures for consistency with the fishery management plan, plan amendments, the Magnuson-Stevens Act, and other applicable law; publishes proposed regulations; solicits public comment; and promulgates final regulations. Based on information provided in the EA and considered during the preparation of this action, and after consideration of comments, NMFS has approved all of the measures proposed in Framework 69 as recommended by the Council, as described below, except for the Georges Bank (GB) haddock acceptable biological catch (ABC), which is increased from the proposed amount. The Framework 69 measures implemented in this final rule:

- Set the shared United States/Canada quotas for GB yellowtail flounder for fishing years 2025 and 2026 and eastern GB haddock for fishing year 2025;
- Set specifications, including catch limits for six groundfish stocks: Gulf of Maine (GOM) haddock, American plaice, witch flounder, pollock, and Atlantic halibut for fishing years 2025–2027; and GB yellowtail flounder for fishing years 2025–2026;
- Remove a requirement for sectors to submit State and Federal permit information to NMFS; and,
- Modify the catch threshold for implementing the Atlantic sea scallop fishery's accountability measures (AM) for GB yellowtail flounder and northern windowpane flounder.

This action also implements regulatory changes and other measures that are not part of Framework 69, but that may be considered and implemented under section 305(d) authority in the Magnuson-Stevens Act to make changes necessary to carry out the FMP. NMFS is implementing these changes in conjunction with the Framework 69 measures for expediency purposes. Through this rulemaking, NMFS:

- Sets specifications, including catch limits, for GB haddock for fishing year 2025 above the amount recommended by the Council;
- Approves sector operations plans and allocates quotas to sectors;
- Removes a requirement for weekly reporting by sectors;
- Sets recreational management measures for GOM haddock;
- Updates the common pool possession and trip limits for stocks to reflect potential fishing year 2025 limits; and,
- Revises existing regulatory text to correct and increase readability and clarity of existing regulations.

On May 2, 2025, NMFS published an emergency rule that temporarily implemented specifications and management measures for 2025 for two stocks of cod, approved sector operations plans, and allocated sector quota for the 2025 fishing year (90 FR 18804) and subsequently extended the emergency rule to remain in effect through April 30, 2026 (90 FR 47989). In the emergency rule, NMFS acknowledged the significant administrative challenges and disruptions to NMFS, the sectors, and fishing participants that would be caused by transitioning from two stock units of cod to four stock units mid-fishing year. Further, Amendment 25 to the FMP (90 FR 11246, March 5, 2025) would have established four stocks of cod and Framework 69 would have implemented management measures and allocations for the four stocks. Amendment 25 was disapproved on May 15, 2025, due to procedural concerns over the separation of Amendment 25 and Framework 69. As a result, NMFS removed the portions of Framework 69 specific to four stocks of cod because they can no longer be implemented through this action. The specifications for GOM cod and GB cod (including the United States/Canada quotas) remain in place as set by the emergency rule and are not changed in this rule. Although the Council has recommended and submitted a revised Amendment 25 for NMFS review (91 FR 1257, January 13, 2026), that action is no longer tied to Framework 69 and this rulemaking.

Some measures in the emergency rule, such as the United States/Canada quotas and specifications for GB haddock, were already part of the Council's recommendations for Framework 69. Framework 69 replaces the measures implemented by the emergency rule. While the emergency rule authorized sector operations plans and allocated quota for the 2025 fishing year, this rule approves the two-year (2025–2026)

sector operations plans and allocates quota for the full 2025 fishing year to reflect the specifications approved in Framework 69. Similarly, this final rule sets common pool possession limits for groundfish stocks and recreational management measures for GOM haddock. These measures would replace those set by the emergency rule.

Fishing Years 2025 Shared United States/Canada Quotas

As described in the proposed rule, eastern GB cod, eastern GB haddock, and GB yellowtail flounder are shared stocks that are jointly managed with Canada under the United States/Canada Resource Sharing Understanding. This action adopts shared United States/Canada quotas for eastern GB haddock and GB yellowtail for fishing year 2025 (see table 1), based on updated

assessments and the recommendations of the Transboundary Management Guidance Committee and consistent with the Council's Scientific and Statistical Committee (SSC) recommendations. The 2025 emergency rule set United States/Canada quotas for eastern GB cod.

Table 1—2025 Fishing Year United States/Canada Quotas (metric tons (mt), live weight) and Percent of Quota Allocated to Each Country

TABLE 1—2025 FISHING YEAR UNITED STATES/CANADA QUOTAS (METRIC TONS (mt), LIVE WEIGHT) AND PERCENT OF QUOTA ALLOCATED TO EACH COUNTRY

Quota	Eastern GB haddock	GB Yellowtail flounder
Total Shared Quota	7,410	200.
United States Quota	1,556 (21 percent)	96 (48 percent).
Canadian Quota	5,854 (79 percent)	104 (52 percent).

The regulations implementing the United States/Canada Resource Sharing Understanding at § 648.85(a) require deducting any overages of the United States quota for eastern GB cod, eastern GB haddock, or GB yellowtail flounder from the United States quota in the following fishing year. Based on preliminary data, the U.S. fishery did not exceed its 2024 fishing year quota for any of the shared stocks. However, if catch information indicates that the U.S. fishery exceeded its quota for any of the shared stocks, NMFS will reduce the respective U.S. quotas for the 2025 fishing year in a future management action, as soon as possible in the 2025 fishing year. If any fishery component (e.g., groundfish sectors or scallop fishery) that is allocated a portion of the U.S. quota exceeds its sub-ACL and there is an overage of the overall U.S. quota, the overage reduction would be applied only to that fishery's allocation in the following fishing year. This ensures that catch by one component of the overall fishery does not negatively affect another component of the overall fishery.

Catch Limits for Fishing Years 2025–2027

This rule adopts catch limits for GOM haddock, American plaice, witch flounder, pollock, and Atlantic halibut for the 2025–2027 fishing years; GB yellowtail flounder for the 2025–2026 fishing years; and GB haddock for the 2025 fishing year. Specifications are projected for fishing years 2026 and 2027 and will be considered and reaffirmed or changed in a future action. Fishing year 2025 catch limits for other groundfish stocks were previously projected by Framework 65 (88 FR

56527; August 18, 2023) and Framework 66 (89 FR 35755; May 2, 2024), and this rule reaffirms those catch limits. The catch limits implemented in this action, including overfishing limits (OFL), ABCs, and annual catch limits (ACL), are listed in tables 2 through 8. A summary of how these catch limits were developed, including the distribution to the various fishery components, was provided in the proposed rule and in appendix II (Calculation of Northeast Multispecies Annual Catch Limits, FY 2025–FY 2027) to the EA, and is not repeated here.

In the proposed rule, NMFS acknowledged the commercial fishery's concerns regarding the GB haddock ABC and U.S. ABC, which resulted in no haddock quota being allocated to the western GB area (although sectors can transfer haddock quota from eastern to western GB). In response to comments received on the proposed rule and concerns raised regarding the amount of GB haddock quota available to the U.S. fishery and its economic impacts on the fishery, NMFS has determined that it is appropriate to increase the GB haddock ABC to equal the OFL of 8,034 mt.

During the development of Framework 69, the Northeast Fisheries Science Center (Center) ran projections to calculate OFLs and ABCs for each stock that had been assessed in 2024, including GB haddock. Because these projections were needed before the 2024 calendar year ended, the Groundfish Plan Development Team (PDT) provided an estimate of calendar year 2024 catch. This estimated catch was the basis of the 8,034 mt OFL that was calculated to have a 50-percent probability of preventing overfishing and that the SSC recommended to the Council to include

in Framework 69. In response to the public comments the Council received during the development of this action regarding the economic impacts of the resulting U.S. ABC for GB haddock, NMFS examined the risk of overfishing that might result from increasing the GB haddock ABC to equal the OFL. The unanticipated delays in implementing Framework 69 resulted in the availability of realized 2024 catch that was lower than the PDT's prior estimated catch, and the time to update the projections for GB haddock. Because the 8,034 mt ABC recommended by the Council was based on higher catch estimates for 2024 than actually occurred, an ABC equal to the OFL for GB haddock still has a greater than 50-percent probability of preventing overfishing.

Setting the ABC to 8,034 mt does not change the quotas set under the United States/Canada Resource Sharing Understanding (see above). This increased ABC results in a U.S. ABC of 2,180 mt and an additional 567 mt allocated to the commercial fishery in the western portion of GB. The increase is expected to increase the flexibility of sectors to access the available stock biomass without increasing the risk of overfishing for the stock above 50 percent.

Fishermen commenting on the proposed GB haddock ABC during the Council's development of Framework 69 noted a concern about potential lease costs that could result from the lower ABC this fishing year that would impose an additional financial hardship from the decline in available catch. A review of leasing activity this fishing year revealed that to fish for western GB haddock some sectors are acquiring

eastern GB haddock through trades from other sectors to convert to western GB haddock, consistent with sector provisions. This has resulted in nearly twice as many trades completed this year compared to each of the last 3 years and more than 10 times the number of

conversions in 2025 compared to each of the prior 2 years. This has complicated sector operations this year relative to prior years and allocating more haddock this year will alleviate some of the need for these trades and conversions. Increasing the GB haddock

ABC will provide GB haddock quota that is expected to be available for trading among sectors. This increased supply of fish could relieve some of the financial burden on sectors from the overall decrease in available catch this fishing year.

TABLE 2—FISHING YEARS 2025–2027 OVERFISHING LIMITS AND ACCEPTABLE BIOLOGICAL CATCHES (mt, live weight)

Stock	2025		Percent change from 2024	2026		2027	
	OFL	U.S. ABC		OFL	U.S. ABC	OFL	U.S. ABC
GB Haddock	8,034	2,180	–69				
GOM Haddock	4,430	3,410	+42	4,709	3,634	4,700	3,631
GB Yellowtail Flounder	UNK	96	+36	UNK	96		
SNE/MA Yellowtail Flounder	345	40	0				
CC/GOM Yellowtail Flounder	1,184	915	–8				
American Plaice	11,048	8,697	+58	8,866	6,979	7,368	5,791
Witch Flounder	UNK	1,526	+21	UNK	1,526	UNK	1,526
GB Winter Flounder	2,100	1,490	–4				
GOM Winter Flounder	1,072	804	0				
SNE/MA Winter Flounder	1,536	627	0				
Redfish	10,982	8,273	0	11,177	8,418		
White Hake	2,591	1,921	–1				
Pollock	16,585	12,733	–9	14,583	11,170	13,383	10,252
N Windowpane Flounder	UNK	136	0	UNK	136		
S Windowpane Flounder	284	213	0	284	213		
Ocean Pout	125	87	0				
Atlantic Halibut	UNK	35	–55	UNK	35	UNK	35
Atlantic Wolffish	124	93	0				

UNK = Unknown; SNE/MA = Southern New England/Mid Atlantic; CC = Cape Cod.

Note: An empty cell indicates no OFL/ABC is adopted for that year. These catch limits would be set in a future action.

At the start of the 2025 fishing year, the May 2, 2025, emergency rule allocated stocks to each sector and to the common pool based on the catch limits contained within that rule and the previous year's sector rosters. These were updated in the emergency extension to reflect the fishing year 2025 potential sector contributions (PSC) and sector rosters. This rule updates the sub-ACLs for sectors and the common pool based on the final catch limits in this rule and fishing year 2025 rosters. See "Sectors" below for more information regarding allocations to individual sectors. Although Framework 69 does not implement specifications for GB cod and GOM cod, table 3 and tables 6

through 8 include specifications for these two stocks based on the emergency rule to provide a complete view of the fishery's allocations.

Amendment 23 to the FMP (87 FR 75852; December 9, 2022) implemented a measure to remove the management uncertainty buffer for the sector sub-ACL for each allocated groundfish stock in years that the at-sea monitoring (ASM) coverage target is set at 100 percent, unless removal is unwarranted. On March 21, 2025, the NMFS Greater Atlantic Regional Administrator announced the preliminary fishing year 2025 ASM coverage target of 100 percent, and nothing has changed since that announcement to require a lower ASM coverage target or to change the

determination that the coverage target provides a basis for removing the management uncertainty buffer. Therefore, in this action, NMFS is removing the management uncertainty buffer for each allocated stock for all sectors for the entirety of the 2025 fishing year, including for GOM cod and GB haddock (based on the catch limits set by the May 1, 2025, emergency rule). Because removal of the buffer is dependent on the annual determination of the ASM coverage target and consideration of its merit, the determination regarding the buffer in fishing year 2026 would be made in a future action.

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Table 3 -- Catch Limits for the 2025 Fishing Year with management uncertainty buffer removed for sectors (mt, live weight)

Stock	Total ACL	Groundfish sub-ACL	Sector sub-ACL	Common Pool sub-ACL	Recreation al sub-ACL	Midwater Trawl Fishery	Scallop Fishery	Small-Mesh Fisheries	State Waters sub-component	Other sub-component
	A to H	A+B+C	A	B	C	D	E	F	G	H
GB Cod*	194	147	142	5					16	31
GOM Cod*	336	306	178	7	120				30	0.0
GB Haddock	2,175	2,123	2,077	46		41			0	10.9
GOM Haddock	3,324	3,258	2,129	54	1,075	32			34	0.0
GB Yellowtail Flounder	95	79	74	5.0			14.9	1.8	0.0	0.0
SNE/MA Yellowtail Flounder	40	35	26	9.0			2.7		0.2	2.0
CC/GOM Yellowtail Flounder	913	848	801	48					28	37
American Plaice	8,684	8,640	8,385	255					0	44
Witch Flounder	1,523	1,477	1,424	54					7.6	38
GB Winter Flounder	1,488	1,473	1,402	71					0	15
GOM Winter Flounder	799	634	541	93					153	12.1
SNE/MA Winter Flounder	624	461	395	66					19	144
Redfish	8,268	8,268	8,170	98					0	0
White Hake	1,920	1,910	1,889	21					0	10
Pollock	12,727	11,263	11,145	117					764	700
N. Windowpane Flounder	127	94	na	94			27		0.0	6.8
S. Windowpane Flounder	205	30	na	30			71		6.4	98
Ocean Pout	83	49	na	49					0	34
Atlantic Halibut	34	23	na	23					9.1	1.6
Atlantic Wolffish	87	87	na	87					0	0

na: not allocated to sectors

* Specifications for GB cod and GOM cod were set by emergency action and are not implemented by this rule. They are included here for a complete view of allocations based on final 2025 rosters.

Table 4 -- Catch Limits for the 2026 Fishing Year* (mt, live weight)

Stock	Total ACL	Groundfish sub-ACL	Sector sub-ACL	Common Pool sub-ACL	Recreational sub-ACL	Midwater Trawl Fishery	Scallop Fishery	Small-Mesh Fisheries	State Waters sub-component	Other sub-component
	A to H	A+B+C	A	B	C	D	E	F	G	H
GOM Haddock	3,429	3,359	2,155	58	1,146	34			36	0.0
GB Yellowtail Flounder	93	76	71	5.0			15	1.8	0.0	0.0
American Plaice	6,632	6,597	6,393	204					0	35
Witch Flounder	1,452	1,406	1,352	54					7.6	38
Redfish	7,997	7,997	7,898	99					0	0
Pollock	10,676	9,391	9,288	103					670	614
N. Windowpane Flounder	127	94	na	94			27		0.0	6.8
S. Windowpane Flounder	205	30	na	30			71		6.4	98
Atlantic Halibut	34	23	na	23					9.1	1.6

na: not allocated to sectors

* Northeast multispecies stocks not included in table 4 do not have catch limits approved for fishing year 2026.

Table 5 -- Catch Limits for the 2027 Fishing Year* (mt, live weight)

Stock	Total ACL	Groundfish sub-ACL	Sector sub-ACL	Common Pool sub-ACL	Recreational sub-ACL	Midwater Trawl Fishery	Scallo p Fishery	Small-Mesh Fisheries	State Waters sub-component	Other sub-component
	A to H	A+B+C	A	B	C	D	E	F	G	H
GOM Haddock	3,426	3,356	2,153	58	1,145	34			36	0.0
American Plaice	5,503	5,474	5,304	170					0	29
Witch Flounder	1,452	1,406	1,352	54					7.6	38
Pollock	9,798	8,619	8,525	94					615	564
Atlantic Halibut	34	23	na	23					9.1	1.6

na: not allocated to sectors

* Northeast multispecies stocks not included in table 5 do not have catch limits approved for fishing year 2027.

Table 6 -- Fishing Years 2025-2027 Common Pool Trimester TACs (mt, live weight)

Stock	2025			2026			2027		
	Trimester 1	Trimester 2	Trimester 3	Trimester 1	Trimester 2	Trimester 3	Trimester 1	Trimester 2	Trimester 3
GB Cod*	1.3	1.6	1.8						
GOM Cod*	3.4	2.3	1.2						
GB Haddock	12.5	15.3	18.6						
GOM Haddock	14.7	14.1	25.6	15.7	15.1	27.3	15.6	15.1	27.2
GB Yellowtail Flounder	1.0	1.5	2.6	1.0	1.5	2.6			
SNE/MA Yellowtail Flounder	1.9	2.5	4.6						
CC/GOM Yellowtail Flounder	27.1	12.4	8.1						
American Plaice	188.5	20.4	45.8	151.3	16.4	36.8	125.5	13.6	30.5
Witch Flounder	29.6	10.8	13.5	29.6	10.8	13.5	29.6	10.8	13.5
GB Winter Flounder	5.7	17.0	48.2						
GOM Winter Flounder	34.5	35.5	23.3						
Redfish	24.4	30.2	42.9	24.8	30.8	43.6			
White Hake	7.9	6.5	6.5						
Pollock	32.8	41.1	43.4	28.8	36.0	38.1	26.4	33.0	34.9

* Specifications for GB cod and GOM cod were set by emergency action and are not implemented by this rule. The resulting trimester TACs are included here for a complete view of allocations based on final 2025 rosters.

Table 7 -- Common Pool Incidental Catch TACs for the 2025-2027 Fishing Years (mt, live weight)

Stock	Percentage of Common Pool sub- ACL	2025	2026	2027
GB Cod*	1.68	0.08	0.00	0.00
GOM Cod*	1	0.07	0.00	0.00
GB Yellowtail Flounder	2	0.10	0.10	0.00
CC/GOM Yellowtail Flounder	1	0.48	0.00	0.00
American Plaice	5	12.74	10.22	8.48
Witch Flounder	5	2.69	2.69	2.69
SNE/MA Winter Flounder	1	0.66	0.00	0.00

* Specifications for GB cod and GOM cod were set by emergency action and are not implemented by this rule. The resulting incidental catch TACs are included here for a complete view of allocations based on final 2025 rosters.

Table 8 -- Fishing Years 2025-2027 Incidental Catch TACs for Each Special Management Program (mt, live weight)

Stock	Regular B DAS Program				Eastern United States/Canada Haddock SAP		
	2025	2026	2027		2025	2026	2027
GB Cod*	0.05	0.00	0.00		0.03	0.00	0.00
GOM Cod*	0.07	0.00	0.00		n/a	n/a	n/a
GB Yellowtail Flounder	0.05	0.05	0.00		0.05	0.05	0.00
CC/GOM Yellowtail Flounder	0.48	0.00	0.00		n/a	n/a	n/a
American Plaice	12.74	10.22	8.48		n/a	n/a	n/a
Witch Flounder	2.69	2.69	2.69		n/a	n/a	n/a
SNE/MA Winter Flounder	0.66	0.00	0.00		n/a	n/a	n/a

DAS: day at sea; SAP: special access program.

* Specifications for GB cod and GOM cod were set by emergency action and are not implemented by this rule. The resulting incidental catch TACs are included here for a complete view of allocations based on final 2025 rosters.

Sectors*Sector Operations Plans and Exemptions*

This rule approves all previously approved 15 sector operations plans for fishing years 2025–2026. No additional sectors are approved to operate in fishing year 2025.

For fishing years 2025 and 2026, sectors did not request any novel exemptions. This rule approves all 18 previously approved exemptions for fishing years 2025 and 2026. These exemptions are described fully in the proposed rule.

Sector Reporting Requirements

Framework 69 removes the regulation at § 648.87(b)(2) requiring sectors to include a list of all Federal and State

permits held by participating vessels as part of a complete operations plan and sector contract package, as originally established in Amendment 16. Other requirements still apply.

In addition, this action removes the regulation at § 648.87(b)(1)(v)(B) requiring sectors to submit a weekly or daily, if required, catch report to NMFS. With the implementation of electronic reporting, NMFS receives catch and landing data simultaneously to sector managers, and weekly and daily reports from managers are no longer needed to track the most up-to-date annual catch entitlement (ACE) information.

Sector Allocations for Fishing Year 2025

This rule includes the allocations of ACE, to the nearest pound (lb), to each sector based on sectors' 2025 rosters, the

specifications approved in this action (Framework 69), and the specifications for GOM cod and GB cod set by the 2025 emergency rule. The process for allocating ACE to sectors is more fully described in the Framework 69 proposed rule and is not repeated here. Table 9 shows the cumulative PSC by stock for each sector for fishing year 2025. Tables 10 and 11 show the ACEs allocated to each sector for fishing year 2025, in pounds and metric tons, respectively. NMFS has included the common pool sub-ACLs in tables 9 through 11 for comparison. NMFS uses final allocations, along with later adjustments including ACE transfers, reductions for overages, or increases for carryover, monitor sector catch.

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Table 9 -- Cumulative PSC (Percentage) Each Sector Would Receive by Stock for Fishing Year 2025*

Sector Name	MRI Count	GOM Cod	GB Cod	GB Haddock	GOM Haddock	GB Yellowtail Flounder	SNE/MIA Yellowtail Flounder	CC/GOM Yellowtail Flounder	Plaice	Witch Flounder	GB Winter Flounder	GOM Winter Flounder	SNE/MIA Winter Flounder	Redfish	White Hake	Pollock
Fixed Gear Sector	58	10.24212320	0.62118283	1.30036807	0.17541380	0.00311474	0.18875828	1.56423147	0.44969368	1.08624360	0.01703982	1.76326285	0.94546461	0.48359712	0.98554309	2.63604599
Maine Coast Community Sector	107	2.14381876	16.04726033	3.28024954	12.19493668	1.94946572	2.52191670	6.27087271	15.57982971	12.35893454	0.80738762	7.70307452	2.23292260	9.19871852	13.83337888	12.70465517
Maine Permit Bank	11	0.13439158	1.16168961	0.04453277	1.12521597	0.01387770	0.03207071	0.31964833	1.16743402	0.72914243	0.00021875	0.42733162	0.01820836	0.82280629	1.65674426	1.69636752
Moonsasser Sector	51	11.75076850	7.21912792	3.63423596	3.80554950	0.85287050	0.71325693	3.90298129	0.95626703	2.17641454	0.06281761	3.89289999	1.81395127	4.76123074	10.82902490	10.91393118
NEFS 2	128	10.06043816	25.72844012	15.50795747	25.08012941	6.71533619	7.36598169	26.40703261	15.87508356	21.07064126	5.07183716	26.71999021	5.98070677	22.05072341	13.29452390	18.02512930
NEFS 4	58	8.63064256	11.18238598	6.05566788	8.86166344	2.17847227	2.28497979	6.42213790	9.43836833	8.82304185	0.69990268	7.42431328	1.03551783	6.69553103	8.27315447	7.26683531
NEFS 5	14	0.35472720	0.32881900	0.42498729	0.11063627	0.70255940	10.44623976	0.92544848	0.22763746	0.40210981	0.17313264	0.84381096	6.93905854	0.01320635	0.03510117	0.06575445
NEFS 6	3	0.53277963	0.16900617	0.55629310	0.15126005	0.06623359	0.00032970	0.02492228	0.88199052	0.47903712	0.08020315	0.07106409	0.01437646	1.11265148	0.52915152	0.31832137
NEFS 8	114	34.51388651	6.45087423	42.30010274	18.91885822	48.13967395	19.06150238	19.62941210	21.94659844	21.33080345	63.02944419	5.03318563	43.54807834	26.47961273	19.26726375	18.89354372
NEFS 10	20	0.17129915	1.67784253	0.10430337	0.71634962	0.00105439	0.56741495	3.07362115	0.30002267	0.59790479	0.01076827	5.69699804	0.43191024	0.01057169	0.02845311	0.07115414
NEFS 11	38	0.39824840	10.53615357	0.03378514	2.64634283	0.00886665	0.01017277	2.11441907	1.42997133	1.44683554	0.00097316	1.90333948	0.02232596	1.86077245	3.95170830	8.47767118
NEFS 12	25	0.87144678	3.84040388	0.79243704	1.41977269	1.33470334	1.55285130	9.57101150	1.86581763	2.04834200	0.39637667	12.41077504	0.72988422	0.58577546	0.92634941	1.40772701
NEFS 13	49	7.53239015	0.33857362	12.59623816	0.68350584	24.86780462	20.35771973	3.99132945	4.76528223	5.05798498	12.81770000	1.12900445	10.60284817	1.52481440	0.94824778	1.00456641
New Hampshire Permit Bank	4	0.00082696	1.15188056	0.00003421	0.03236754	0.00002041	0.00001803	0.02192453	0.02836511	0.00617883	0.00000326	0.06080509	0.00003694	0.01942370	0.08148030	0.11143814
Sustainable Harvest Sector 1	41	5.05343713	4.50212938	6.72957598	9.17479601	2.15655615	1.56139858	4.61957286	11.16236257	8.71237918	6.61130129	5.07805425	3.04571508	11.28978633	12.24469133	5.67281173
Sustainable Harvest Sector 2	14	1.29776006	1.13739128	1.99846045	4.03289027	0.70148248	1.99315808	2.13858024	2.09256157	2.33147501	0.36513799	2.03730190	2.22203502	4.16622848	2.83808242	2.72132125
Sustainable Harvest Sector 3	29	2.85517607	3.98021781	2.34273634	8.24985644	3.75909839	4.36586471	3.12368104	8.73405783	7.51949003	4.90221270	2.44199437	5.47302383	7.68590803	9.12453183	6.91687123
Common Pool	495	3.45583918	3.92662118	2.29803448	2.62045541	6.55678951	26.97636591	5.87917301	3.09824732	3.82304105	4.95342303	15.36279423	14.94393576	1.23997480	1.15256960	1.09545488
All Sectors	764	96.54	96.07	97.70	97.38	93.44	73.02	94.12	96.90	96.18	95.05	84.64	85.06	98.76	98.85	98.90

NEFS: Northeast Fishery Sector

* The data in this table are based on sector rosters for fishing year 2025.

Table 10 -- ACE (in 1,000 pounds), by Stock, for Each Sector for Fishing Year 2025**

Sector Name	GB Cod East†	GB Cod West†	GOM Cod†	GB Haddock East	GB Haddock West	GOM Haddock	GB Yellowtail Flounder	SNE/MA Yellowtail Flounder	CC/GOM Yellowtail Flounder	Plaice	Witch Flounder	GB Winter Flounder	GOM Winter Flounder	SNE/MA Winter Flounder	Redfish	White Hake	Pollock
Fixed Gear Sector	19	15	3	45	16	8	0	0	29	86	35	1	25	10	88	42	655
Maine Coast Community Sector	4	3	66	113	41	588	3	2	118	2,972	403	26	109	23	1,678	583	3,156
Maine Permit Bank	0	0	5	2	1	54	0	0	6	223	24	0	6	0	150	70	421
Mooncusser Sector	21	17	30	125	46	183	1	1	73	182	71	2	55	19	868	456	2,711
NEFS 2	18	14	105	532	195	1,209	12	6	495	3,029	688	165	377	61	4,022	560	4,478
NEFS 4	16	12	46	208	76	427	4	2	120	1,801	288	23	105	11	1,221	349	1,805
NEFS 5	1	1	1	15	5	5	1	8	17	43	13	6	12	71	2	1	16
NEFS 6	1	1	1	19	7	7	0	0	0	168	16	3	1	0	203	22	79
NEFS 8	62	50	26	1,451	531	912	84	15	368	4,187	696	2,050	71	445	4,830	812	4,694
NEFS 10	0	0	7	4	1	35	0	0	58	57	20	0	80	4	2	1	18
NEFS 11	1	1	43	1	0	128	0	0	40	273	47	0	27	0	339	167	2,106
NEFS 12	2	1	16	27	10	68	2	1	180	356	67	13	175	7	107	39	350
NEFS 13	14	11	1	432	158	33	43	16	75	909	165	417	16	108	278	40	250
New Hampshire Permit Bank	0	0	5	0	0	2	0	0	0	5	0	0	1	0	4	3	28
Sustainable Harvest Sector 1	9	7	18	231	85	442	4	1	87	2,130	284	215	72	31	2,059	516	1,409
Sustainable Harvest Sector 2	2	2	5	69	25	194	1	2	40	399	76	12	29	23	760	120	676
Sustainable Harvest Sector 3	5	4	16	80	29	398	7	3	59	1,666	245	159	34	56	1,402	385	1,718
Common Pool	6	4	15	79	23	120	11	20	105	562	119	156	206	145	215	46	259
Sector Total	175	139	393	3,352	1,227	4,693	162	57	1,766	18,487	3,139	3,091	1,193	870	18,013	4,165	24,571

* The data in this table are based on fishing year 2025 sector rosters and represent the total allocations to each sector.

Numbers are rounded to the nearest thousand pounds. In some cases, this table shows an allocation of 0, but that sector may be allocated a small amount of that stock in tens or hundreds of pounds.

† Specifications for GB cod and GOM cod were set by emergency action. They are included here for a complete view of all allocations based on final 2025 rosters and the removal of the management uncertainty buffer for sectors.

Table 11 -- ACE (in mt), by Stock, for Each Sector for Fishing Year 2025**

Sector Name	GB Cod East†	GB Cod West†	GOM Cod†	GB Haddock East	GB Haddock West	GOM Haddock	GB Yellowtail	SNE/MA Yellowtail	CC/GOM Yellowtail	Plaice	Witch Flounder	GB Winter Flounder	GOM Winter Flounder	SNE/MA Winter	Redfish	White Hake	Pollock
Fixed Gear Sector	8	7	1	20	7	4	0	0	13	39	16	0	11	4	40	19	297
Maine Coast Community Sector	2	1	30	51	19	267	2	1	53	1,348	183	12	49	10	761	264	1,432
Maine Permit Bank	0	0	2	1	0	25	0	0	3	101	11	0	3	0	68	32	191
Mooncusser Sector	10	8	13	57	21	83	1	0	33	83	32	1	25	8.4	394	207	1,230
NEFS 2	8	7	48	241	88	548	5	3	225	1,374	312	75	171	28	1,824	254	2,031
NEFS 4	7	6	21	94	34	194	2	1	55	817	131	10	47	5	554	158	819
NEFS 5	0	0	1	7	2	2	1	4	8	20	6	3	5	32	1	1	7
NEFS 6	0	0	0	9	3	3	0	0	0	76	7	1	0	0	92	10	36
NEFS 8	28	23	12	658	241	414	38	7	167	1,899	316	930	32	202	2,191	368	2,129
NEFS 10	0	0	3	2	1	16	0	0	26	26	9	0	36	2	1	1	8
NEFS 11	0	0	20	1	0	58	0	0	18	124	21	0	12	0	154	76	955
NEFS 12	1	1	7	12	5	31	1	1	81	161	30	6	79	3	48	18	159
NEFS 13	6	5	1	196	72	15	20	7	34	412	75	189	7	49	126	18	113
New Hampshire Permit Bank	0	0	2	0	0	1	0	0	0	2	0	0	0	0	2	2	13
Sustainable Harvest Sector 1	4	3	8	105	38	201	2	1	39	966	129	98	32	14	934	234	639
Sustainable Harvest Sector 2	1	1	2	31	11	88	1	1	18	181	35	5	13	10	345	54	307
Sustainable Harvest Sector 3	2	2	7	36	13	180	3	2	27	756	111	72	16	25	636	174	779
Common Pool	3	2	7	36	11	54	5	9	48	255	54	71	93	66	97	21	117
Sector Total	79	63	178	1,520	557	2,129	74	26	801	8,385	1,424	1,402	541	395	8,170	1,889	11,145

* The data in this table are based on fishing year 2025 sector rosters and represent the total allocations to each sector.

Numbers are rounded to the nearest mt, but allocations are made in pounds. In some cases, this table shows a sector allocation of 0 mt, but that sector may be allocated a small amount of that stock in pounds.

† Specifications for GB cod and GOM cod were set by emergency action. They are included here for a complete view of all allocations based on final 2025 rosters and the removal of the management uncertainty buffer for sectors.

Common Pool Management Measures*Common Pool Trip Limits*

For the Handgear B permit, Framework 69 approves a change to how trip limits could be set using Regional Administrator authority, eliminating the formulaic proportional method for adjusting trip limits for the Handgear B permit. Instead, Handgear B trip limits will be set in a manner consistent with trip limits for other permits, up to a maximum of 75 lb (34 kilograms (kg)) per trip. For Small Vessel Category permits, this action clarifies that these vessels are subject to

limits for stocks below the 300-lb (136-kg) combined trip limit for cod, haddock, and yellowtail flounder.

This action approves changes under section 305(d) authority in the Magnuson-Stevens Act to clarify the regulations in § 648.86 that implement possession limits for the Northeast multispecies fishery. Trip limits in § 648.86 are now presented by permit category, and in a tabular format. Possession and trip limits for other multispecies permits, such as Handgear A and Handgear B, are also now in § 648.86.

In conjunction with these changes under section 305(d) authority of the Magnuson-Stevens Act, this action implements and reaffirms trip limits for Northeast multispecies stocks pursuant to Regional Administrator authority to implement or adjust trip limits that enable common pool catch of each stock to approach, but not exceed, the pertinent sub-ACL allocated to the common pool for the fishing year. Table 12 below summarizes the fishing year 2025 common pool trip limits for all stocks.

TABLE 12—2025 COMMON POOL DAILY AND TRIP POSSESSION LIMITS

Stock	2025 Common pool daily and trip possession limits			
	DAS permits	Handgear A	Handgear B	Small vessel category
GOM Cod	25 lb (11.3 kg) per DAS, up to 50 lb (22.7 kg) per trip.	25 lb (11.3 kg) per trip.	25 lb (11.3 kg) per trip.	25 lb (11.3 kg) per trip.
GB Cod	0 lb (0 kg) per trip; possession prohibited.			
GB Haddock	1,000 lb (454 kg) per DAS, up to 2,000 lb (907 kg) per trip.	1,000 lb (454 kg) per trip		300 lb (136.1 kg) per trip.
GOM Haddock	1,000 lb (454 kg) per DAS, up to 2,000 lb (907 kg) per trip.	1,000 lb (454 kg) per trip.	.....	300 lb (136.1 kg) per trip.
GB Yellowtail Flounder	100 lb (45.4 kg) per trip.			
SNE/MA Yellowtail Flounder	200 lb (90.7 kg) per DAS, up to 400 lb (181 kg) per trip.	200 lb (90.7 kg) per trip.		
Cape Cod (CC)/GOM Yellowtail Flounder.	1,500 lb (680 kg) per DAS, up to 3,000 lb (1,361 kg) per trip.	1,500 lb (680 kg) per trip		300 lb (136.1 kg) per trip.
American Plaice	3,000 lb per (1,361 kg) DAS, up to 6,000 lb (2,722 kg) per trip.	3,000 lb (1,361 kg) per trip.		
Witch Flounder	1,500 lb (680 kg) per trip.			
GB Winter Flounder	500 lb (227 kg) per trip.			
GOM Winter Flounder	2,000 lb (907 kg) per trip.			
SNE/MA Winter Flounder	2,000 lb (907 kg) per DAS, up to 4,000 lb (1,814 kg) per trip.	2,000 lb (907 kg) per trip.		
Redfish	No Limit.			
White Hake	1,000 lb (454 kg) per trip.			
Pollock	No Limit.			
Atlantic Halibut	1 fish per trip.			
Windowpane Flounder. Ocean Pout	Possession Prohibited..			
Atlantic Wolffish.				

Differential Days-At-Sea (DAS) Counting for Common Pool Vessels

This action removes obsolete regulations in § 648.82 that describe the differential DAS counting AM for the common pool for fishing years 2010 and

2011. References to differential DAS counting would also be removed from other sections in Subpart F.

Additionally, Framework 69 approves the removal of regulations at § 648.82(o) that provide the Regional Administrator

with the discretion to implement differential DAS counting beyond fishing year 2011.

Recreational Management Measures

This action sets recreational measures for GOM haddock (see table 13). The basis for these measures was described more fully in the proposed rule. Although the proposed rule included the addition of a May season for GOM cod, this opening was developed as a

measure for fishing year 2025. At its January 2026 Council meeting, the Council recommended that cod not have a May season in fishing year 2026. Given the timing of this final rule, and that it could not be implemented in time to have a May 2025 cod season, NMFS is not changing the cod season in this action from the current regulations, and

the regulations in this action no longer include the May 1 to May 31 provision. Further consideration of the Council’s recommendations will be conducted in a future rulemaking. Recreational measures for GB cod were set by the 2025 emergency action and are not changed in this action.

TABLE 13—RECREATIONAL MANAGEMENT MEASURES

Stock	Possession limit (for hire and private)	Minimum size in inches (centimeters)	Open Season
GOM Haddock	15	17 (43.2)	May 1–February 28/29 and April 1–30. September 1–October 31.
GOM Cod	1	23 (58.4)	

Catch Thresholds for Scallop Fishery Accountability Measures

Framework 69 permanently removes one of the two catch thresholds for GB yellowtail flounder and northern windowpane flounder, so that the scallop AMs for these two stocks would be implemented only if scallop fishery catch exceeds its sub-ACL by any amount and the total ACL is also exceeded. This change applies to overages caused by catch occurring in the 2025 fishing year and would not affect any AMs due to previous years’ overages.

Clarifying Regulatory Changes

This action approves multiple changes to clarify, correct, or remove existing regulations necessary to effectively implement the FMP. These changes were described in detail in the proposed rule and are not repeated here.

Comments and Responses on Measures Proposed in the Framework 69 Proposed Rule

NMFS received 118 comments in response to the Framework 69 proposed rule. Comments were submitted by Northeast Seafood Coalition (NSC), Massachusetts Division of Marine Fisheries (MADMF), Conservation Law Foundation (CLF), Oceana, 6 companies associated with the fishing industry, 2 companies unrelated to the fishing industry, and 106 members of the public, including both commercial and recreational fishermen. Statements in these comments that are specific to other groundfish actions, such as Amendment 25 and Framework 72, are outside the scope of this action and not addressed further. Two comments of the 118 were irrelevant to the Northeast groundfish fishery and this action and are not addressed further.

Specifications

Comment 1: CLF, MADMF, and Oceana support the proposed quotas contained in Framework 69. NSC commented in support of the quotas that Framework 69 proposes to increase. One member of the public wrote that the quotas in this action are wrong but did not provide alternative quotas or data to support alternative quotas.

Response 1: NMFS agrees that the specifications proposed in Framework 69 represent the best available science and therefore approves the quotas as proposed, except for GB haddock, which is increased as described more fully in the Catch Limits for Fishing Years 2025–2027 section of this rule.

Comment 2: NSC commented in support of increasing the GB haddock ABC, highlighting concerns regarding the 2024 biomass apportionment. CLF and Oceana both commented in opposition to any increase to the GB haddock ABC and urged NMFS to implement the ABC recommended by the Council’s SSC. Oceana commented that NMFS does not have the authority to set an ABC and should not increase catch limits above the SSC recommendation. MADMF included discussion of the process that developed the proposed GB haddock ABC but did not advocate for or against a different ABC. Both NSC and MADMF indicated support for the Council’s efforts to revisit the biomass apportionment methodology in the future.

Response 2: NMFS is increasing the ABC for GB haddock up to the OFL of 8,034 mt consistent with the Magnuson-Stevens Act, the FMP’s goals and objectives for managing the fishery at sustainable levels, achieving optimum yield on a continuing basis, and mitigating adverse economic impacts on fishing communities to the extent practicable. The Magnuson-Stevens Act

authorizes NMFS to take actions required to carry out FMPs and requires catch limits that prevent overfishing, which the increased ABC achieves. Optimum yield represents catch amounts that are prescribed on the basis of maximum sustainable yield from the fishery as reduced by relevant economic, social, or ecological factors. The increased ABC amount takes into account relevant catch and sector transaction information to provide an improved balance of economic, social, and ecological factors that will provide the greatest overall benefit to the nation. This action is uniquely situated in its timing and context. The GB haddock fishery is not overfished, overfishing is not occurring, and the unusual timing of this action provided access to information supporting a change that continues to have a strong probability of preventing overfishing while mitigating adverse economic impacts.

The increased ABC is based on newly available realized catch information that provides a more certain basis on which to base probability calculations than the catch estimates used by the SSC. The realized catch information was unavailable to the SSC when it recommended the ABC to the Council and became available to NMFS because of the unique timing for implementing this action. As described more fully in Catch Limits for Fishing Years 2025–2027 of this rule, new analysis using realized—rather than estimated—2024 catch, indicates that the increased catch limit also has a greater than 50-percent probability of preventing overfishing. As explained, the increase in the ABC is expected to increase the flexibility of sectors to access the available stock biomass while maintaining a greater than 50-percent probability of preventing overfishing.

National Standard 8 requires minimizing adverse economic impacts on fishing communities to the extent practicable. National Standard 8 guidelines state that “[a]ll other things being equal, where two alternatives achieve similar conservation goals, the alternative that provides the greater potential for sustained participation of such communities and minimizes the adverse economic impacts on such communities would be the preferred alternative.” 50 CFR 600.345. The Council-recommended ABC and associated ACLs represent a substantial decrease in available catch from the 2024 limits and are expected to result in serious adverse economic impacts on the fishery. Consistent with National Standard 8, the increased ABC achieves similar conservation goals as the Council recommended ABC. Both similarly avoid adverse impacts on the stock and have a greater than 50-percent probability of preventing overfishing. In addition to the greater than 50-percent probability of preventing overfishing, the GB haddock stock is currently not overfished and is not subject to overfishing, and in this instance, the higher catch limit will not cause the stock to be overfished. This slight increase from the Council recommended ABC also helps to minimize to the extent practicable the adverse economic impacts from the overall reduction in allowed catch from last year’s limit.

Comment 3: Obelisk Tech Systems (OTS) stated that 50 CFR part 648 does not use the best available science, but it does not provide alternative data or models on which to base quotas. It also stated that a “conservation regime that suppresses lawful harvest . . . violates national production and resilience policy.”

Response 3: The Council developed Framework 69 based on all available science and stock assessments that go through rigorous peer review, consistent with the National Standard 2 Guidelines. The Council’s SSC considers all available science to recommend catch levels back to the Council. While OTS provides other ideas for getting more scientific information, none of those are valid sources of information and data to support stock assessments at this time. Development of stock assessments and the Council’s development of management actions are highly accessible public endeavors that OTS could participate in to provide input and potential solutions during the development of an assessment or action.

The Magnuson-Stevens Act mandates that FMPs must be consistent with National Standards. National Standard 1

states that “Conservation and management measures shall prevent overfishing while achieving, on a continuing basis, the optimum yield from each fishery for the United States fishing industry.” The specifications in Framework 69, as considered, developed, and recommended by the Council, reviewed by NMFS, and implemented through this action, comply with this and all Magnuson-Stevens Act National Standards. Higher harvest levels could not be legally implemented by NMFS.

Commercial Measures

Comment 4: NMFS received two comments from members of the public that commercial fishermen should be able to catch cod, one specifically stating that there should be a bycatch cod limit in southern New England. One comment stated that commercial fishing should not be allowed within 20 miles of shore, and four others that the commercial fishery should be closed or controlled.

Response 4: While this action did not set quotas for GOM cod or GB cod, as those were set by emergency action for fishing year 2025, it does reaffirm the common pool trip limits for GOM cod and GB cod that were set by that emergency action and updates the allocation of both GOM cod and GB cod to sectors, to reflect final rosters. These measures are intended to balance the goal of maintaining a fishery for cod with the requirement to rebuild overfished stocks. Closing the groundfish fishery within 20 miles of shore is a measure that is outside the scope of this action. Commercial fishing is in fact tightly controlled, and additional fishery closures beyond those authorized in the FMP are outside the scope of this action.

Comment 5: One comment proposed that the common pool should be able to carry over unused quota from a fishing year into the next fishing year.

Response 5: At this time, the Northeast Multispecies FMP allows for carryover of unused quota only by sectors. This action did not propose any changes to annual management of common pool quota, and therefore such an action is outside the scope of this action.

Recreational Measures

Comment 6: Six charter boat companies and 96 members of the public commented on recreational measures. Almost all of these comments were directed at the prohibition of GB cod for recreational vessels or were presumed to be based on the similarity to other comments received, even if the

comment itself did not specify a specific region or type of fishery associated with the comment. While most commenters requested the re-opening of the cod fishery, four stated that the fishery should remain closed. One comment stated that recreational fishing should be allowed in international waters. None of these comments were clearly directed at the GOM cod or GOM haddock recreational measures.

Response 6: Recreational measures for GB cod were not set by this action, but through the emergency rulemaking and therefore are not addressed further. Fishing in international waters is outside the scope of this action.

Cod

Comment 7: While most comments received on this proposed rule addressed recreational or commercial catch of cod, three comments from the public spoke more generally about the cod fishery, emphasizing its importance in the Northeast. This view was echoed in many other comments that were specific to commercial or recreational fishing.

Response 7: NMFS acknowledges the importance of a cod fishery. While this action did not set quotas for GOM cod or GB cod, as those were set by emergency action for fishing year 2025, it does reaffirm the common pool trip limits for GOM cod and GB cod that were set by that emergency action. It also updates the allocation of both GOM cod and GB cod to sectors, to reflect final rosters for fishing year 2025. All of these measures are intended to balance the goal of maintaining a fishery for cod with the requirement to rebuild overfished stocks.

Catch Threshold for Scallop Fishery AMs

Comment 8: MADMF commented in support of the proposed change to the catch threshold for the scallop fishery AMs. CLF and Oceana’s comments opposed this proposed change. Oceana stated that the past overages indicate that the existing AMs should be enhanced, rather than relaxed, regardless of the overall ACL for these stocks. CLF echoed this, stating that the reactive AMs have failed to reduce the scallop fishery’s catch of northern windowpane flounder, and that the Council should prioritize more effective solutions to address the conditions that cause the overages.

Response 8: The catch threshold that considers the overall ACL remains in place, and NMFS asserts this will continue to constrain overall catch of GB yellowtail flounder and northern windowpane flounder. Therefore,

NMFS is approving the modification, as proposed. In addition, during the development of this action, NMFS recognized the need for a measure to address concerns about operation of the scallop fishery and noted that the Council should continue to develop measures to minimize both the frequency and magnitude of overages and correct the problems that have contributed to the overages. In response, the Council has indicated that it will continue to consider approaches to update the AMs for the scallop fishery to improve the AMs.

Other Measures

Comment 9: NSC and MADMF support the proposed changes to sector reporting requirements.

Response 9: NMFS agrees and is approving the proposed changes to sector reporting requirements.

Comment 10: MADMF encouraged NMFS to prioritize funding of a 100-percent ASM coverage target, to allow for the removal of management uncertainty buffers.

Response 10: NMFS has set a 100-percent ASM coverage target for fishing year 2025, and removal of the management uncertainty buffers for sectors is warranted.

Comment 11: MADMF wrote in support of the numerous other regulatory changes proposed in this action, and Oceana indicated general support for the measures proposed in this action, unless otherwise noted. One member of the public commented on measures in the proposed action, stating that the East Coast gets “structure and accountability,” while another stated that NMFS has waited too long to control overfishing.

Response 11: NMFS is approving the proposed regulatory changes. The approved measures are intended to promote sustainable fisheries using best available science and rebuild overfished stocks.

Timing

Comment 12: MADMF stressed the importance of “expeditious implementation” of Framework 69 following the publication of the proposed rule. It highlighted that the delay has affected the industry’s ability to plan trips, maintain crews, align with market demand, and access the increased allocations for GOM haddock and several flatfish stocks. Oceana and CLF also urged NMFS to “promptly” approve Framework 69, and Oceana pointed out that NMFS does not have the flexibility to extend the emergency measures currently in place beyond April 30, 2026. CLF questioned the

source of the delays in publication of the proposed rule. NSC also commented on the timing concerns, highlighting the portion of the fishing year that has passed without implementation of this action.

Response 12: This action was developed by the Council as part of the annual Framework Adjustment process, during which final action was taken in December 2024, and the Council submitted the final Framework on March 11, 2025. However, NMFS’s approval of certain measures contained within the Council’s recommended Framework 69 were dependent on the agency’s approval of a separate but related action, Amendment 25. The disapproval of the original Amendment 25 in May 2025 required adjustments to the Framework 69 proposed rule. That, combined with delays in rulemaking following the 6-week partial government shutdown, meant NMFS was unable to publish a proposed rule for Framework 69 until December 8, 2025.

NMFS understands the impact the rulemaking delays have had on the industry and on the ability to manage and rebuild overfished stocks in the fishery and is approving the measures in this action in this rulemaking.

Paperwork Reduction Act (PRA)

Comment 13: OTS commented on the PRA burdens associated with Part 648, stating that the actual burdens are at least three times NOAA’s estimates.

Response 13: The changes to reporting requirements that were proposed in this action were minimal and resulted in a reduction of burden. For Office of Management and Budget (OMB) Control Number 0648–0605, NMFS contacted the primary members of the public that are affected by this control, specifically the sector managers, to update estimates of burden, and the estimates compiled reflected the input received. For OMB Control Number 0648–0202, only one change was proposed, the removal of a rarely used letter of authorization that relieved a requirement. Otherwise, NMFS did not change the requirements associated with this control number. Other control numbers associated with Part 648 were not affected by this action. OTS provided no information or data to support its statement that the burden estimates should be tripled, and therefore NMFS maintains the burden estimates provided in the proposed rule.

Economic Analysis

Comment 14: OTS stated that NOAA’s economic analysis fails to quantify economic losses, both direct and indirect, adequately or at all.

Response 14: While OTS names types of economic impacts, it did not provide additional data or information on which to base changes to the quota change model or the information used to estimate the economic impacts of this action. As a result, NMFS has not changed the conclusions provided in the proposed rule, IRFA, and FRFA.

Changes From the Proposed Rule

As more fully described in the section titled Catch Limits for Fishing Years 2025–2027, the GB haddock ABC approved in this final rule has been increased from the proposed amount of 7,410 mt to 8,034 mt. As described in the section titled Recreational Management Measures, the current GOM cod season is not changed by this final rule.

Classification

NMFS is issuing this rule pursuant to sections 304(b)(3) and 305(d) of the Magnuson-Stevens Act, which provide specific authority for implementing this action. Pursuant to section 305(d), this action sets specifications for stocks managed by the Northeast Multispecies FMP, as recommended by the Council, in accordance with § 648.90(a)(4), makes clarifying changes in the regulations for the Northeast Multispecies FMP, and is necessary to carry out the Northeast Multispecies FMP. The NMFS Assistant Administrator has determined that this final rule is consistent with Framework Adjustment 69, the Northeast Multispecies FMP, other provisions of the Magnuson-Stevens Act, and other applicable law.

This rule has been determined to be not significant for purposes of Executive Order 12866.

This rule is not an Executive Order 14192 regulatory action because this rule is not significant under Executive Order 12866.

The Assistant Administrator for Fisheries finds that waiver of the 30-day delayed effectiveness of this action pursuant to 5 U.S.C. 553(d)(1) and (3) is justified. This action relies on the best available science to set fishing year 2025 catch limits for groundfish stocks and adopts several other measures to improve the management of the groundfish fishery. This final rule must be implemented as soon as possible to ensure it is in effect during the current fishing year and fully captures the conservation and economic benefits of Framework 69 and avoids additional adverse economic impacts from further delay.

A delay in implementation of this rule increases negative economic effects for regulated entities. For several stocks,

notably GOM haddock, the fishery is operating under quotas set by previous actions that are lower than those implemented by this rule. Additionally, all sectors are operating under quotas that are reduced to account for management uncertainty, and this action removes that buffer, resulting in higher quotas for all allocated stocks. Relieving the restriction on catch from application of the management uncertainty buffer also provides operational flexibility and prevents potential earlier closures of fisheries. A continued delay could limit economic opportunities for the fishery to fully access this quota within the 2025 fishing year. It could lead to confusion and uncertainty, because if the higher quotas are not implemented before the end of the fishing year, the fishery may be held to lower quotas for the purposes of final year catch accounting contrary to fishing participant expectations.

Additionally, this rule contains no new measures (e.g., gear requirements) for which regulated entities need time to prepare or revise their current practices. Fishermen who are subject to this action expect and need timely implementation to avoid adverse economic impacts. This action is similar to the process used to set quotas every 1–2 years and specifications that have been implemented regularly for over a decade. It approves all items as proposed, other than the increase to the GB haddock quota, and contains quotas and adjustments to the management plan that were discussed at multiple noticed meetings where the public was provided opportunity to learn about the action, ask questions, and provide input into the development of the measures. Affected parties and other interested parties participated in this public process to develop this action and desire and expect implementation as soon as possible.

Therefore, for the reasons described above, there is good cause pursuant to § 553(d)(3) to waive the 30-day delay requirement for this final rule.

Additionally, § 553(d)(1) permits waiving the 30-day delay in effectiveness for substantive rules that relieve a restriction. This rule removes several reporting requirements. Additionally, once this rule goes into effect, all fishermen impacted by the action will be under new quota limits that increase their opportunity to fish. Until the rule is in effect, those fishermen are effectively restricted in their opportunity to fish. Therefore, waiving the 30-day delay for this rule would relieve those restrictions on the fishermen.

In sum, a delay in implementation of this action would greatly diminish the benefits of these specifications and other approved measures and would restrict the fishery participants' ability to fish under increased quotas. For these reasons, a waiver of the requirement for a 30-day delay in the effectiveness of this rule is justified.

NMFS has determined that this action would not have a substantial direct effect on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes. Therefore, consultation with Tribal officials under E.O. 13175 is not required, and the requirements of sections (5)(b) and (5)(c) of E.O. 13175 also do not apply. A Tribal summary impact statement under section (5)(b)(2)(B) and section (5)(c)(2)(B) of E.O. 13175 is not required and has not been prepared.

Final Regulatory Flexibility Analysis

Section 604 of the Regulatory Flexibility Act (RFA) requires Federal agencies to prepare a Final Regulatory Flexibility Analysis (FRFA) for each final rule that describes the economic impact of this action on small entities (5 U.S.C. 604). The FRFA includes a summary of significant issues raised by public comments, the analyses contained in Framework 66 and its accompanying Environmental Assessment, Regulatory Impact Review, and Initial Regulatory Flexibility Analysis (IRFA), the IRFA summary in the proposed rule, as well as the information provided below. A statement of the necessity for and for the objectives of this action are contained in Framework 69 and in the preamble to this final rule and is not repeated here.

Section 212 of the Small Business Regulatory Enforcement Fairness Act of 1996 states that, for each rule or group of related rules for which an agency is required to prepare a FRFA, the agency shall publish one or more guides to assist small entities in complying with the rule and shall designate such publications as "small entity compliance guides." The agency shall explain the actions a small entity is required to take to comply with a rule or group of rules. As part of this rulemaking process, a letter to permit holders that also serves as small entity compliance guide (the guide) was prepared. Copies of this final rule are available from the Greater Atlantic Regional Fisheries Office, and the guide (i.e., permit holder letter) will be sent to all holders of permits for the fishery.

The guide and this final rule will be available upon request.

A Summary of the Significant Issues Raised by the Public in Response to the IRFA, a Summary of the Agency's Assessment of Such Issues, and a Statement of Any Changes Made in the Final Rule as a Result of Such Comments

NMFS received one comment regarding the economic analysis, stating that it failed to quantify economic losses, both direct and indirect, adequately or at all. However, while this comment listed types of economic impacts, it did not provide additional data or information on which to base changes to the quota change model results used to estimate the economic impacts of this action. As a result, NMFS has not changed the conclusions provided in the proposed rule, IRFA, and FRFA.

Description and Estimate of the Number of Small Entities to Which This Final Rule Would Apply

This final rule impacts the commercial and recreational groundfish, Atlantic sea scallop, small-mesh multispecies, Atlantic herring, and large-mesh non-groundfish fisheries. Individually permitted vessels may hold permits for several fisheries, harvesting species of fish that are regulated by several different FMPs, beyond those impacted by this action. Furthermore, multiple-permitted vessels and/or permits may be owned by entities affiliated by stock ownership, common management, identity of interest, contractual relationships, or economic dependency. For the purposes of the RFA analysis, the ownership entities, not the individual vessels, are considered to be the regulated entities.

As of June 1, 2024, NMFS had issued 669 commercial limited-access groundfish permits associated with vessels (including those in confirmation of permit history (CPH)), 719 party/charter groundfish permits, 696 limited access and general category Atlantic sea scallop permits, 761 small-mesh multispecies permits, 71 Atlantic herring permits, and 743 large-mesh non-groundfish permits (e.g., limited access summer flounder and scup permits). Therefore, this action potentially regulates 3,659 permits. When accounting for overlaps between fisheries, this number reduces to 2,144 permitted vessels. Each vessel may be individually owned or part of a larger corporate ownership structure and, for RFA purposes, it is the ownership entity that is ultimately regulated by this action. Ownership entities are identified

on June 1st of each year based on the list of all permit numbers for the most recent complete calendar year that have applied for any type of Greater Atlantic Region Federal fishing permit. The current ownership data set is based on calendar year 2023 permits and contains gross sales associated with those permits for calendar years 2019 through 2023.

For RFA purposes only, NMFS has established a small business size standard for businesses, including their affiliates, whose primary industry is commercial fishing (see § 200.2). A business primarily engaged in commercial fishing (North American Industry Classification System (NAICS) code 11411) is classified as a small business if it is independently owned and operated, is not dominant in its field of operation (including its affiliates), and has combined annual receipts not in excess of \$11 million for all its affiliated operations worldwide. The determination as to whether the entity is large or small is based on the average annual revenue for the 5 years from 2019 through 2023. The Small Business Administration (SBA) has established size standards for all other major industry sectors in the U.S., including for-hire fishing (NAICS code 487210). These entities are classified as small businesses if combined annual receipts are not in excess of \$8.0 million for all of an entity's affiliated operations. As with commercial fishing businesses, the annual average of the three most recent years (2019–2023) is utilized in determining annual receipts for businesses primarily engaged in for-hire fishing.

Based on the ownership data, 1,648 distinct business entities hold at least one permit that this action potentially regulates. All 1,648 business entities identified could be directly regulated by this action. Of these 1,648 entities, 891 are commercial fishing entities, 326 are for-hire entities, and 431 did not have revenues (were inactive in 2023). Of the 891 commercial fishing entities, 881 are categorized as small entities and 10 are categorized as large entities, per the NMFS guidelines. Furthermore, 412 of these commercial fishing entities held limited access groundfish permits, with 408 of these entities being classified as small businesses and 4 of these entities being classified as large businesses. All 326 for-hire entities are categorized as small businesses.

Description of the Projected Reporting, Record-Keeping, and Other Compliance Requirements of This Final Rule

This action does not contain any new collection-of-information requirements

subject to PRA (44 U.S.C. 3501 *et seq.*) requirements, but it does remove three existing reporting requirements. This action removes the regulation requiring sectors to provide a list of State and Federal permits owned by its members, the regulation requiring sectors to submit weekly catch reports, and the regulation requiring vessels not using VMS to request a letter of authorization to be exempt from the GOM cod landing limits when fishing outside of the GOM cod stock area, which will no longer exist. The removal of these requirements and PRA implications is described more fully below.

Description of the Steps the Agency Has Taken To Minimize the Significant Economic Impact on Small Entities Consistent With the Stated Objectives of Applicable Statutes

The economic impacts of each measure are discussed in more detail in sections 6.5 and 7.12 of the draft Framework 69 Environmental Assessment (see ADDRESSES), and in the IRFA, and are not repeated here. The EA also included the economic impact of measures relating to the four stocks of cod, which were not proposed and are not approved in this rule, due to the May 2025 disapproval of Amendment 25. Additionally, a supplemental information report was prepared to support the May 2, 2025, emergency action, which is the current status quo and represents the No Action alternative if the measures in this rule were not approved.

NMFS considered the Council's range of alternatives for each of the management measures included in this action that were included in the proposed rule, as well as the No Action alternatives for each measure. NMFS could have selected any combination of alternatives or the No Action alternative for the range of measures. NMFS is implementing in this final rule, all of the alternatives to the No Action alternatives for each management measure (not including the measures that depended on Amendment 25 and were therefore excluded from the proposed rule).

Compared to the No Action alternative, implementation of this final rule is expected to create approximately \$1.3 million more gross revenue. Small entities engaged in common pool groundfish fishing are expected to be positively impacted by the final action, relative to the No Action alternative. NMFS took additional steps to increase the GB haddock ABC to minimize the impacts of quota reductions on small entities. By increasing allocations of a GB haddock, which is a quota-limited

stock for sectors, this is expected to increase revenue by providing additional fishing opportunities and flexibility, and reducing the need for vessels to lease additional quota.

Paperwork Reduction Act

This rule contains a collection-of-information requirement subject to review and approval by the OMB under the PRA. First, this rule is requesting an extension to and a revision of the existing requirements for the collection of information 0648–0605, Northeast Multispecies Reporting Requirements, by removing the regulation that requires sectors to report ACE on a weekly basis; removing the regulation that provides an option for sectors increase the frequency of ACE reporting for sectors when the balance of remaining ACE is low, as specified in the sector operations plan and approved by NMFS; and removing the regulation that requires sectors to include in their operations plan a list of all Federal and State permits held by persons participating in the sector, including an indication for each permit whether it is enrolled and will actively fish in a sector, or will be subject to the provisions of the common pool. Removing these requirements reduces the burden hours for reporting by sectors by 0.2 hours per response for the removal of the regulation to report ACE on a weekly basis, and by 33 hours per response for the removal of the regulation to include a list of permits. These changes will not affect the number of respondents or anticipated number of responses.

Public reporting burden for sector operations plan and membership list updates is estimated to average 77 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Public reporting burden for the weekly sector reports is estimated to average 0.1 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Second, this action removes the regulation requiring vessels not using VMS to request a letter of authorization to be exempt from the GOM cod landing limits when fishing outside of the GOM cod stock area. This changes the collection of information 0648–0202, Greater Atlantic Region Permit Family of Forms. The removal of this regulation is expected to reduce the public

reporting burden by approximately 0.085 hours per response.

NMFS invites the general public and other Federal agencies to comment on the proposed and continuing information collections, which helps us assess the impact of our information collection requirements and minimize the public's reporting burden. Written comments and recommendations for this information collection should be submitted on the following website: <https://www.reginfo.gov/public/do/PRAMain>. Find this particular information collection by using the search function and entering either the title of the collection of the OMB Control Numbers 0648–0605 and 0648–0202.

Notwithstanding any other provision of the law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the PRA, unless that collection of information displays a currently valid OMB Control Number.

List of Subjects in 50 CFR Part 648

Fisheries, Fishing, Recordkeeping, and reporting requirements.

Dated: March 5, 2026.

Samuel D. Rauch III,

Deputy Assistant Administrator for Regulatory Programs, National Marine Fisheries Service.

For the reasons stated in the preamble, NMFS amends 50 CFR part 648 as follows:

PART 648—FISHERIES OF THE NORTHEASTERN UNITED STATES

■ 1. The authority citation for part 648 continues to read as follows:

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

■ 2. In § 648.2, remove the definition “Stocks targeted by the default measures”.

■ 3. Amend § 648.11 by revising paragraphs (l)(8) and (l)(10)(iii) to read as follows:

§ 648.11 Monitoring coverage.

* * * * *

(l) * * *

(8) *Notification of monitoring service provider change.* A sector manager must first inform NMFS in writing in advance of the effective date of any change in the sector's choice of approved monitoring service providers used to provide at-sea or electronic monitoring services required in paragraph (l)(2) of this section. A sector may use more than one approved monitoring service provider at any time, provided any monitoring service provider employed by or

contracted with a sector meets the standards specified in paragraph (b)(4) of this section.

* * * * *

(10) * * *

(iii) *Sector requirements.* Each sector shall monitor its vessels' catch to ensure that ACEs are not exceeded during the fishing year, as specified in this paragraph (l)(10)(iii). The sector shall summarize trips validated by dealer reports; oversee the use of electronic monitoring equipment and review of associated data; maintain a database of VTR, dealer, observer, and electronic monitoring reports; determine all species landings by stock areas; apply discard estimates to landings; and deduct catch from ACEs allocated to sectors; and report sector compliance/enforcement issues on a weekly basis to NMFS, as required in § 648.87(b)(1)(v). Unless otherwise specified in this paragraph (l)(10), all catches of stocks allocated to sectors by vessels on a sector trip shall be deducted from the sector's ACE for each regulated species stock regardless of the fishery the vessel was participating in when the fish was caught. For the purposes of this paragraph (l)(10), any regulated species or ocean pout caught using gear capable of catching NE multispecies (*i.e.*, gear not listed as exempted gear under this part) would be deducted from a sector's ACE if such catch contributed to the specification of PSC, as described in § 648.87(b)(1)(i)(E), and would not apply to another ACL sub-component pursuant to § 648.90(a)(4). For example, any regulated species or ocean pout landed while fishing for or catching skates or monkfish pursuant to the regulations in this chapter for those fisheries would be deducted from the sector's ACE for each stock because such regulated species or ocean pout were caught while also operating under a NE multispecies DAS. However, for example, if a sector vessel is issued a limited access General Category Atlantic Sea Scallop permit and fishes for scallops under the provisions specific to that permit, any yellowtail flounder caught by the vessel on such trips would be deducted from the appropriate non-groundfish component, such as the other sub-component or the appropriate yellowtail flounder stock's ACL specified for the Atlantic Sea Scallop fishery and not from the yellowtail flounder ACE for the sector.

* * * * *

■ 4. Amend § 648.14 as follows:

■ a. Remove and reserve paragraph (k)(9)(i);

■ b. Revise paragraphs (k)(11)(i)(A) introductory text and (B), (k)(11)(ii), (iii)

introductory text, (iv) introductory text, (v) introductory text, and (vi), (k)(12)(ii), (iii) introductory text, (v) introductory text, (vi)(A) introductory text and (B) introductory text, and paragraph (k)(13)(ii) introductory text;

■ c. Remove paragraphs (k)(13)(ii)(D) through (H) and redesignate paragraphs (k)(13)(ii)(I) and (J) as (k)(13)(ii)(D) and (E), respectively;

■ d. Revise paragraph (k)(15)(i) introductory text;

■ e. Remove paragraph (k)(15)(i)(C);

■ f. Revise paragraph (k)(15)(ii)(A)(4);

■ g. Remove paragraph (k)(15)(ii)(A)(5); and

■ h. Revise paragraphs (k)(16)(iii)(A) and (C).

The revisions read as follows:

§ 648.14 Prohibitions.

* * * * *

(k) * * *

(11) * * *

(i) * * *

(A) *All Persons.* It is unlawful for any person to do any of the following:

* * * * *

(B) *Vessel and operator permit holders.* It is unlawful for any person to fail to comply with the GB yellowtail flounder trip limit specified under § 648.85(a)(3)(iv)(C).

(ii) *Gear requirements for all persons.* It is unlawful for any person, if fishing with trawl gear under a NE multispecies DAS or on a sector trip in the Eastern U.S./Canada Area defined in § 648.85(a)(1)(ii), to fail to fish with a haddock separator trawl, flounder trawl net, or Ruhle trawl, as specified in § 648.85(a)(3)(iii) and (b)(6)(iv)(j)(1), unless using other gear authorized under § 648.85(b)(6) or (8).

(iii) *Notification and VMS requirements for all persons.* It is unlawful for any person to do any of the following:

* * * * *

(iv) *Reporting requirements for all persons.* It is unlawful for any person to do any of the following:

* * * * *

(v) *DAS.* It is unlawful for any person to do any of the following:

* * * * *

(vi) *Closure of the U.S./Canada Area for all persons.* It is unlawful for any person if fishing under a NE multispecies DAS or on a sector trip, to declare into, enter, or fish in the Eastern U.S./Canada Area specified in § 648.85(a)(1) if the area is closed under the authority of the Regional Administrator as described in § 648.85(a)(3)(iv)(D) or (E), unless fishing in the Closed Area II Yellowtail Flounder/Haddock SAP specified in

§ 648.85(b)(3) or the Eastern U.S./Canada Haddock SAP Program specified in § 648.85(b)(7).

(12) * * *

(ii) *General restrictions for vessel and operator permit holders.* It is unlawful for any person to discard legal-sized NE regulated multispecies, ocean pout, or Atlantic halibut while fishing under a SAP, as described in § 648.85(b)(3)(xi) or § 648.85(b)(7)(v)(I).

(iii) *Closed Area II Yellowtail Flounder/Haddock SAP restrictions for all persons.* It is unlawful for any person to do any of the following:

* * * * *

(v) *Regular B DAS Program restrictions for vessel and operator permit holders.* It is unlawful for any person to do any of the following:

* * * * *

(vi) * * *

(A) *All Persons.* It is unlawful for any person to do any of the following:

* * * * *

(B) *Vessel and operator permit holders.* It is unlawful for any person to do any of the following:

* * * * *

(13) * * *

(ii) *Vessel and operator permit holders.* It is unlawful for any person to do any of the following:

* * * * *

(15) * * *

(i) *All persons.* It is unlawful for any person to do any of the following:

* * * * *

(ii) * * *

(A) * * *

(4) Fish for, possess, or land NE multispecies from March 1 to March 20, as specified in § 648.82(m)(1)(ii).

* * * * *

(16) * * *

(iii) * * *

(A) Fail to comply with the applicable restrictions if transiting a stock area with cod or haddock on board that was caught from a different stock area, as specified in § 648.89(b)(2)(ii) and (c)(8).

* * * * *

(C) If the vessel is a private recreational fishing vessel, fail to comply with the seasonal closure for cod or haddock described in § 648.89(c)(1) or, if the vessel has been issued a charter/party permit or is fishing under charter/party regulations, fail to comply with the seasonal closure for cod or haddock described in § 648.89(c)(2).

* * * * *

■ 5. Amend § 648.82 as follows:

■ a. Revise the section heading;

■ b. Add paragraph heading for paragraph (a) introductory text;

■ c. Revise paragraph heading of paragraph (b) introductory text;

■ d. Revise paragraphs (b)(5) and (6), (d)(1)(iv)(A) and (B), (d)(2)(i)(B)(4)(i), and (d)(2)(ii)(B)(4)(i);

■ e. Add paragraph (e)(1)(ii);

■ f. Revise paragraph (e)(3);

■ g. Add paragraph (m);

■ h. Remove and reserve paragraph (n)(1);

■ i. Revise paragraph (n)(2) introductory text;

■ j. Remove paragraph (o).

The revisions and additions read as follows:

§ 648.82 Effort-control program for NE multispecies vessels.

(a) *Limited access NE multispecies vessels.* * * *

* * * * *

(b) *Limited access permit categories.*

* * *

* * * * *

(5) *Small Vessel category.* A vessel qualified and electing to fish under the Small Vessel category may operate without using a DAS, provided the vessel does not exceed the possession restrictions specified at § 648.86(a)(2). The vessel may not fish for, possess, or land regulated species from March 1 through March 20 of each year, as described in paragraph (g) of this section. Any vessel may elect to switch into the Small Vessel category, as provided in § 648.4(a)(1)(i)(I)(2), if the vessel meets or complies with the following:

(i) The vessel is 30 ft (9.1 m) or less in length overall, as determined by measuring along a horizontal line drawn from a perpendicular raised from the outside of the most forward portion of the stem of the vessel to a perpendicular raised from the after most portion of the stern.

(ii) If construction of the vessel was begun after May 1, 1994, the vessel must be constructed such that the quotient of the length overall divided by the beam is not less than 2.5.

(iii) Acceptable verification for vessels 20 ft (6.1 m) or less in length shall be U.S. Coast Guard documentation or State registration papers. For vessels over 20 ft (6.1 m) in length overall, the measurement of length must be verified in writing by a qualified marine surveyor, or the builder, based on the vessel's construction plans, or by other means determined acceptable by the Regional Administrator. A copy of the verification must accompany an application for a NE multispecies permit.

(iv) Adjustments to the Small Vessel category requirements, including changes to the length requirement, if

required to meet fishing mortality goals, may be made by the Regional Administrator following framework procedures of § 648.90.

(6) *Handgear A category.* A vessel qualified and electing to fish under the Handgear A category, as described in § 648.4(a)(1)(i)(A), may retain, per trip, the possession limits for all regulated species and ocean pout, as specified under § 648.86(a)(3). Qualified vessels electing to fish under the Handgear A category are subject to the following restrictions:

(i) The vessel must not use or possess on board gear other than handgear while in possession of, fishing for, or landing NE multispecies; and

(ii) Tub-trawls must be hand-hauled only, with a maximum of 250 hooks.

* * * * *

(d) * * *

(1) * * *

(iv) * * *

(A) For a vessel fishing under the provisions of the common pool, as defined in this part, Category A DAS are defined as 27.5 percent of the vessel's used DAS baseline specified in paragraph (c)(1) of this section, unless otherwise reduced pursuant to § 648.87(b)(1)(iii).

(B) For a sector vessel, Category A DAS allocated for use when fishing in other fisheries that require the concurrent use of a NE multispecies DAS are defined as 45 percent of the vessel's used DAS baseline specified in paragraph (c)(1) of this section.

(2) * * *

(i) * * *

(B) * * *

(4) * * *

(i) For a common pool vessel, Regular B DAS are defined as 36.25 percent of the vessel's used DAS baseline specified in paragraph (c)(1) of this section.

* * * * *

(ii) * * *

(B) * * *

(4) * * *

(i) For a common pool vessel, Reserve B DAS are defined as 36.25 percent of the vessel's used DAS baseline specified in paragraph (c)(1) of this section.

* * * * *

(e) * * *

(1) * * *

(ii) *Sector vessels.* For the purposes of complying with the restrictions of other fisheries that require the use of a NE multispecies DAS, a vessel on a sector trip shall accrue DAS to the nearest minute and shall be counted as actual time called or logged into the DAS program, consistent with the DAS notification requirements specified in § 648.10.

* * * * *

(3) *Regular B DAS Program 24-hr clock.* For a vessel electing to fish in the Regular B DAS Program, as specified at § 648.85(b)(6), that remains fishing under a Regular B DAS for the entire fishing trip (without a DAS flip), DAS shall accrue at the rate of 1 full DAS for each calendar day, or part of a calendar day fished. For example, a vessel that fished on 1 calendar day from 6 a.m. to 10 p.m. would be charged 24 hr of Regular B DAS, not 16 hr; a vessel that left on a trip at 11 p.m. on the first calendar day and returned at 10 p.m. on the second calendar day would be charged 48 hr of Regular B DAS instead of 23 hr, because the fishing trip would have spanned 2 calendar days. For the purpose of calculating trip limits specified under § 648.86, the amount of DAS deducted from a vessel's DAS allocation shall determine the amount of fish the vessel can land legally. For vessels electing to fish in both the Regular B DAS Program, as specified in § 648.85(b)(6), and in the Eastern U.S./Canada Area, as specified in § 648.85(a), DAS counting will begin and end according to the DAS rules specified in § 648.10(e)(5)(iv).

(m) *Multispecies open access permit restrictions*—(1) *Handgear B permit.* A vessel issued a valid Handgear B permit, as described in § 648.4(a)(1)(ii), may retain, per trip, the possession limits for all regulated species and ocean pout, as specified under § 648.86(a)(4). Qualified vessels electing to fish under the Handgear B category are subject to the following restrictions:

(i) The vessel may not use or possess on board gear other than handgear while in possession of, fishing for, or landing NE multispecies, and must have at least one standard tote on board;

(ii) The vessel may not fish for, possess, or land regulated species from March 1 through March 20 of each year as described in paragraph (g) of this section; and

(iii) The vessel, if fishing with tub-trawl gear, may not fish with more than a maximum of 250 hooks.

(2) *Charter/party permit.* A vessel that has been issued a valid open access NE multispecies charter/party permit is subject to the additional restrictions on gear, recreational minimum fish sizes, possession limits, and prohibitions on sale specified in § 648.89, and any other applicable provisions of this part.

(3) *Scallop NE multispecies possession limit permit.* A vessel that has been issued a valid open access scallop NE multispecies possession limit permit must not exceed the

possession limit restrictions in § 648.86(c)(3).

(4) *Non-regulated NE multispecies permit.* A vessel issued a valid open access non-regulated NE multispecies permit may possess and land one Atlantic halibut and unlimited amounts of the other non-regulated NE multispecies, unless otherwise restricted by § 648.86. The vessel is subject to restrictions on gear, area, and time of fishing specified in § 648.80 and any other applicable provisions of this part.

(n) * * *

(2) *Trimester TAC AM.* Common pool vessels shall be subject to the following restrictions:

* * * * *

■ 6. Amend § 648.85 as follows:

■ a. Revise paragraph (a)(3)(iv) introductory text, paragraph (b)(3)(viii) introductory text, and paragraph (b)(6)(iv)(F);

■ b. Remove and reserve paragraph (b)(6)(v); and

■ c. Revise paragraph (b)(7)(v)(F).

The revisions read as follows:

§ 648.85 Special management programs.

(a) * * *

(3) * * *

(iv) *Harvest controls.* Unless otherwise specified in this paragraph (a)(3)(iv), any NE multispecies vessel fishing in the U.S./Canada Management Areas is subject to the following restrictions. A common pool vessel is subject to the trip limits specified in this paragraph (a)(3)(iv), as well as the possession or landing limits in this part, including § 648.86. A sector vessel is subject to the trip limits specified in § 648.87(b)(1)(viii).

* * * * *

(b) * * *

(3) * * *

(viii) *Trip limits.* Vessels subject to the provisions of the common pool that are fishing in the Closed Area II Yellowtail Flounder/Haddock SAP are subject to the following trip limits, as well as the possession or landing limits in this part, including § 648.86. Vessels subject to the restrictions and conditions of an approved sector operations plan fishing in the Closed Area II Yellowtail Flounder/Haddock SAP are subject to the trip limits specified in § 648.87(b)(1)(viii).

* * * * *

(6) * * *

(iv) * * *

(F) *Minimum Category A DAS and B DAS accrual.* For a vessel fishing under the Regular B DAS Program, the number of Regular B DAS that may be used on

a trip cannot exceed the number of Category A DAS that the vessel has at the start of the trip. A vessel fishing in the Regular B DAS Program for its entire trip shall accrue DAS in accordance with § 648.82(e)(1).

* * * * *

(7) * * *

(v) * * *

(F) *Landing limits.* Vessels subject to the provisions of the common pool that are fishing any portion of a trip in the Eastern U.S./Canada Haddock SAP are subject to the following possession limits, as well as the possession or landing limits in this part, including paragraph (a)(3)(iv) of this section and § 648.86: 1,000 lb (453.6 kg) of cod, per trip, regardless of trip length and 100 lb (45.4 kg) per DAS, or any part of a DAS, of GB yellowtail flounder, up to a maximum of 500 lb (227 kg) of all flatfish species, combined. Possession of monkfish (whole weight) and skates (whole weight) is limited to 500 lb (227 kg) each, unless otherwise restricted by § 648.94(b)(3), and possession of lobsters is prohibited. A sector vessel is subject to the trip limits specified in § 648.87(b)(1)(viii).

* * * * *

■ 7. Amend § 648.86 as follows:

■ a. Revise the section heading;

■ b. Revise paragraphs (a) through (c);

■ c. Remove paragraph (e);

■ d. Redesignate paragraph (d) as paragraph (e);

■ e. Add new paragraph (d); and

■ f. Remove paragraphs (f) through (o).

The revisions and additions read as follows:

§ 648.86 NE Multispecies commercial possession restrictions.

* * * * *

(a) *NE multispecies common pool vessels*—(1) *DAS Permits.* A common pool vessel issued a valid Federal NE multispecies DAS permit specified under § 648.4(a)(1) is subject to the following possession limits for regulated multispecies and may not possess or land more than the amounts listed in Table 1 to paragraph (a)(1) for each DAS or part of a DAS fished, up to the amount listed per trip, unless changed by the Regional Administrator through an inseason action, as specified at paragraph (a)(5) of this section. Current possession limits, as adjusted by any inseason actions, are available at: <https://www.fisheries.noaa.gov/new-england-mid-atlantic/commercial-fishing/northeast-multispecies-common-pool-fishery>.

TABLE 1 TO PARAGRAPH (a)(1)

Stock ¹	DAS limit ²	Trip limit ²
GB cod ³	0 lb (0 kg) per DAS	0 lb (0 kg) per trip.
GOM cod ³	25 lb (11.3 kg) per DAS	50 lb (22.7 kg) per trip.
GOM haddock	1,000 lb (453 kg) per DAS	2,000 lb (907 kg) per trip.
GB haddock	1,000 lb (453 kg) per DAS	2,000 lb (907 kg) per trip.
CC/GOM yellowtail flounder ⁴	1,500 lb (680 kg) per DAS	3,000 lb (1,360 kg) per trip.
GB yellowtail flounder ⁴	No daily limit	100 lb (45.4 kg) per trip.
SNE yellowtail flounder ⁴	200 lb (90.7 kg) per DAS	400 lb (181 kg) per trip.
American plaice	3,000 lb (1,360 kg) per DAS	6,000 lb (2,721 kg) per trip.
Witch flounder	No daily limit	1,500 lb (680 kg) per trip.
GB winter flounder	No daily limit	500 lb (227 kg) trip.
GOM winter flounder	No daily limit	2,000 lb (907 kg) per trip.
SNE/MA winter flounder	2,000 lb (907 kg) per DAS	4,000 lb (1,814 kg) per trip.
Redfish	Unlimited	Unlimited.
White hake	No daily limit	1,000 lb (453 kg) per trip.
Pollock	Unlimited	Unlimited.

¹ The stock areas that apply to these possession limits are specified in § 648.88.

² The possession limits in Table 1 to Paragraph (a)(1) may be adjusted in-season by the Regional Administrator, as specified under at § 648.86(a)(5). Current possession limits are available at: <https://www.fisheries.noaa.gov/new-england-mid-atlantic/commercial-fishing/northeast-multispecies-common-pool-fishery>.

³ Additional restrictions for cod stocks are specified at § 648.86(a)(6)(iii).

⁴ Additional restrictions for yellowtail flounder stocks are specified at § 648.86(a)(6)(iv).

(2) *Small vessel permits.* A vessel qualified and electing to fish under the Small Vessel category, as described at § 648.82(b)(5), may retain up to 300 lb (136.1 kg) of cod, haddock, and yellowtail flounder, combined, provided the vessel does not exceed the NE multispecies DAS permit daily possession restrictions for these stocks specified at paragraphs (a)(1) and (b) of this section. Such a vessel may retain, per trip, up to the daily possession limits for other NE multispecies, as specified at paragraphs (a)(1) and (b) of this section. If there is no daily possession limit for a stock, as specified in paragraph (a)(1), such a vessel may retain, per trip, up to the trip limit specified in paragraph (a)(1).

(3) *Handgear A permits.* A vessel qualified and electing to fish under the Handgear A category, as described at § 648.82(b)(6), may retain, per trip, up to the daily possession limit for NE multispecies, as specified under paragraphs (a)(1) and (b) of this section, provided the vessel complies with the restrictions and conditions specified in § 648.82(b)(6). If there is no daily possession limit for a stock, as specified in paragraph (a)(1) of this section, a Handgear A vessel may retain, per trip, up to the trip limit specified in paragraph (a)(1) of this section. The Handgear A possession limit for cod stocks cannot exceed 300 lb (136.1 kg) per trip. For example, if the GB cod trip limit for NE multispecies DAS vessels was increased to 350 lb (158.8 kg) per DAS, then the GB cod trip limit for a vessel issued a Handgear A category permit would be 300 lb (136.1 kg).

(4) *Handgear B permits.* A vessel qualified and electing to fish under the

Handgear B category, as described in § 648.82(m)(1), may retain, per trip, up to the daily possession limit restrictions for NE multispecies other than cod as specified in paragraphs (a)(1) and (b) of this section, provided the vessel complies with the restrictions and conditions specified in § 648.82(m)(1). If there is no daily possession limit for a stock, as specified in paragraph (a)(1) of this section, a Handgear B vessel may retain, per trip, up to the trip limit specified in paragraph (a)(1) of this section. For cod stocks, a vessel fishing under the Handgear B permit may retain up to 25 lb (11.3 kg) per trip, unless the trip limit applicable to a vessel fishing under a NE multispecies DAS permit has been set to 0 lb (0 kg), in which case the Handgear B possession limit is also 0 lb (0 kg). NMFS may adjust the cod possession limit for Handgear B vessels, as specified under at paragraph (a)(5) of this section, but this possession limit for cod stocks cannot exceed 75 lb (34 kg) per trip.

(5) *Regional Administrator authority to implement or modify possession limits—(i) Possession restrictions to prevent exceeding common pool sub-ACLs.* If the Regional Administrator projects that the catch of any NE multispecies stock allocated to common pool vessels pursuant to § 648.90(a)(4) will exceed the pertinent sub-ACL, NMFS may implement or adjust at any time prior to or during the fishing year, in a manner consistent with the Administrative Procedure Act, a per-DAS possession limit and/or a trip limit, as specified in paragraphs (a)(1) through (4) of this section, in order to prevent exceeding the common pool sub-ACL in that fishing year.

(ii) *Possession restrictions to facilitate harvest of sub-ACLs allocated to the common pool.* If the Regional Administrator projects that the sub-ACL of any stock allocated to the common pool pursuant to § 648.90(a)(4) will not be caught during the fishing year, the Regional Administrator may remove or adjust, in a manner consistent with the Administrative Procedure Act, a per-DAS possession limit and/or a trip limit, as specified in paragraphs (a)(1) through (4) of this section, in order to facilitate harvest and enable the total catch to approach, but not exceed, the pertinent sub-ACL allocated to the common pool for that fishing year.

(6) *Additional possession restrictions for common pool vessels—(i) Daily landing restriction.* A vessel issued a limited access NE multispecies permit or an open access NE multispecies Handgear B permit may land regulated species or ocean pout only once in any 24-hr period, based upon the time the vessel lands following the end of the previous trip. For example, if a vessel lands 1,600 lb (726 kg) of pollock at 6 p.m. on Tuesday, that vessel cannot land any more regulated species or ocean pout until at least 6 p.m. on the following Wednesday.

(ii) *Possession limits for vessels fishing in multiple areas.* If any NE multispecies permitted vessel fishes in more than one stock area on the same trip, as defined in § 648.88, the most restrictive trip limit for a species applies for the entire trip. For example, if the trip limit for GB winter flounder is 500 lb (227 kg) and the GOM winter flounder trip limit is 2,000 lb (907 kg), a vessel fishing in both the GB and GOM winter flounder stock areas on the same

trip cannot possess more than 500 lb (227 kg) of winter flounder on that trip.

(iii) *Cod*. Cod on board a vessel subject to the possession limits in paragraph (a) of this section must be separated from other species of fish and stored so as to be readily available for inspection.

(iv) *Yellowtail flounder*. A vessel fishing in the GB yellowtail stock area defined at § 648.88(a)(7), but exclusively outside of the U.S./Canada Management Area, as defined in § 648.85(a)(1), is subject to the GB yellowtail flounder limit described in paragraph (a) of this section. A vessel fishing in the U.S./Canada Management Area defined in § 648.85(a)(1) is subject to the GB yellowtail flounder limit described in § 648.85(a)(3)(iv)(C). A vessel fishing outside and inside of the U.S./Canada Management Area on the same trip is subject to the most restrictive yellowtail flounder trip limit (*i.e.*, the most restrictive of all the trip limits for all three yellowtail flounder stocks, as specified by paragraph (a) of this section or § 648.85(a)(3)(iv)(C)).

(v) *Offloading requirement for vessels possessing species regulated by a daily possession limit*. A vessel that has ended a trip as specified in § 648.10(e)(2)(iii) or § 648.10(h)(5) that possesses on board species regulated by a daily possession limit (*i.e.*, pounds per DAS), as specified at § 648.85 or § 648.86, must offload species in excess of the daily possession limit prior to leaving port on a subsequent trip. A vessel may retain on board up to 1 day's worth of such species prior to the start of a subsequent trip. Other species regulated by an overall trip limit may be retained on board for a subsequent trip. For example, a vessel that possesses haddock and winter flounder harvested from Gulf of Maine is subject to a daily possession limit for haddock of 1,000 lb (453 kg)/DAS and an overall trip limit of 2,000 lb (907 kg)/trip for winter flounder (no daily possession limit). In this example, the vessel would be required to offload any haddock harvested in excess of 1,000 lb (453 kg) (*i.e.*, the vessel may retain up to 1,000 lb (453 kg) of GOM haddock, and must offload any additional haddock), but may retain 2,000 lb (907 kg) of winter flounder prior to leaving port and crossing the VMS Demarcation Line to begin a subsequent trip.

(b) *NE multispecies vessels*—(1) *Atlantic halibut*. A vessel issued a NE multispecies permit under § 648.4(a)(1) may land or possess on board no more than one Atlantic halibut per trip, provided the vessel complies with other applicable provisions of this part, unless otherwise specified in the Atlantic

halibut accountability measures at § 648.90(a)(5)(i)(F).

(2) *Ocean pout, windowpane flounder, and Atlantic wolffish*. A vessel issued a limited access NE multispecies permit or an open access NE multispecies Handgear B permit may not fish for, possess, or land ocean pout, windowpane flounder, or Atlantic wolffish.

(3) *Calculation of weight of fillets or parts of fish*. The possession limits described under this part are based on the weight of whole, whole-gutted, or gilled fish. For purposes of determining compliance with the possession limits specified in this section, the weight of fillets and parts of fish, other than whole-gutted or gilled fish, as allowed under § 648.83(a) and (b), will be multiplied by 3.

(4) *Other possession restrictions*. Vessels are subject to any other applicable possession limit restrictions of this part, including, but not limited to, the possession limits for other FMPs and special management programs.

(c) *Scallop dredge vessels*—(1) *Haddock prohibition*. No person owning or operating a scallop dredge vessel may land haddock from, or possess haddock on board, a scallop dredge vessel from January 1 through June 30.

(2) *Haddock possession*. Unless otherwise authorized by the Regional Administrator, scallop dredge vessels or persons owning or operating a scallop dredge vessel that is fishing under a scallop DAS allocated under § 648.53 may land or possess on board up to 300 lb (136.1 kg) of haddock, provided the vessel does not fish for, possess, or land haddock from January 1 through June 30, as specified under paragraph (c)(1) of this section, except as specified in paragraph (c)(3) of this section, provided that the vessel has at least one standard tote on board. This restriction does not apply to vessels also issued limited access NE multispecies permits that are fishing under a multispecies DAS. Haddock on board a vessel subject to this possession limit must be separated from other species of fish and stored so as to be readily available for inspection.

(3) *Scallop NE multispecies possession limit permit*. With the exception of vessels fishing in the Sea Scallop Access Areas as specified in § 648.59(b) through (d), a vessel that has been issued a valid open access scallop NE multispecies possession limit permit may possess and land up to 300 lb (136.1 kg) of regulated NE multispecies when fishing under a scallop DAS allocated under § 648.53, provided the vessel does not fish for, possess, or land haddock from January 1 through June

30, as specified under paragraph (c)(1) of this section, and provided that the amount of regulated NE multispecies on board the vessel does not exceed any of the pertinent trip limits specified under § 648.86, and provided the vessel has at least one standard tote on board, as defined at § 648.2. A vessel fishing in the Sea Scallop Access Areas as specified in §§ 648.59(b) through (d) is subject to the possession limits specified in § 648.59(b)(5).

(d) *Incidental catch allowance for some Atlantic herring vessels*. A vessel issued a Category A or B Herring Permit fishing on a declared herring trip, regardless of gear or area fished, or a vessel issued a Category C, D, or E Herring Permit and fishing with midwater trawl gear pursuant to § 648.80(d), may possess and land haddock only in accordance with requirements specified in § 648.80(d) and (e).

(1) *Haddock incidental catch cap*. When the Regional Administrator has determined that the incidental catch allowance for a given haddock stock, as specified in § 648.90(a)(4)(iii)(E), has been caught, no vessel issued an Atlantic herring permit and fishing with midwater trawl gear in the applicable stock area, *i.e.*, the Herring GOM Haddock Accountability Measure (AM) Area or Herring GB Haddock AM Area, as defined in paragraphs (d)(2) and (3) of this section, may fish for, possess, or land herring in excess of 2,000 lb (907.2 kg) per trip in or from that area, unless all herring possessed and landed by the vessel were caught outside the applicable AM Area and the vessel's gear is stowed and not available for immediate use as defined in § 648.2 while transiting the AM Area. Upon this determination, the haddock possession limit is reduced to 0 lb (0 kg) for a vessel issued a Federal Atlantic herring permit and fishing with midwater trawl gear or for a vessel issued a Category A or B Herring Permit fishing on a declared herring trip, regardless of area fished or gear used, in the applicable AM Area, unless the vessel also possesses a NE multispecies permit and is operating on a declared (consistent with § 648.10(g)) NE multispecies trip. In making this determination, the Regional Administrator shall use haddock catches observed by observers or monitors on herring vessel trips using midwater trawl gear in Management Areas 1A, 1B, and/or 3, as defined in § 648.200(f)(1) and (3), expanded to an estimate of total haddock catch for all such trips in a given haddock stock area.

(2) *Herring GOM Haddock Accountability Measure Area*. The Herring GOM Haddock AM Area is

defined by the straight lines connecting the following points in the order stated (copies of a map depicting the area are available from the Regional Administrator upon request):

TABLE 2 TO PARAGRAPH (d)(2)—HERRING GOM HADDOCK ACCOUNTABILITY MEASURE AREA

Point	N latitude	W longitude
HGA1 ..	(1)	69°20'
HGA	43°40'	69°20'
HGA3 ..	43°40'	69°00'
HGA4 ..	43°20'	69°00'
HGA5 ..	43°20'	(2)
HGA6 ..	42°20'	(3)
HGA7 ..	42°20'	70°00'
HGA8 ..	(4)	70°00'

¹ The intersection of the Maine coastline and 69°20' W long.

² The intersection of the U.S./Canada maritime boundary and 43°20' N lat.

³ The intersection of the U.S./Canada maritime boundary and 42°20' N lat.

⁴ The intersection of the north-facing shoreline of Cape Cod, MA, and 70°00' W long.

(3) *Herring GB Haddock Accountability Measure Area.* The Herring GB Haddock AM Area is defined by the straight lines connecting the following points in the order stated (copies of a map depicting the area are available from the Regional Administrator upon request):

TABLE 3 TO PARAGRAPH (d)(3)—HERRING GB HADDOCK ACCOUNTABILITY MEASURE AREA

Point	N Latitude	W Longitude
1	42°20'	70°00'
2	42°20'	(1)
3	40°30'	(1)
4	40°30'	66°40'
5	39°50'	66°40'
6	39°50'	68°50'
7	(2)	68°50'
8	41°00'	(3)
9	41°00'	69°30'
10	41°10'	69°30'
11	41°10'	69°50'
12	41°20'	69°50'
13	41°20'	(4)
14	(5)	70°00'
15	(6)	70°00'
16	(7)	70°00'

¹ The intersection of the U.S./Canada maritime boundary.

² The intersection of the boundary of Closed Area I and 68°50' W long.

³ The intersection of the boundary of Closed Area I and 41°00' N lat.

⁴ The intersection of the east-facing shoreline of Nantucket, MA, and 41°20' N lat.

⁵ The intersection of the north-facing shoreline of Nantucket, MA, and 70°00' W long.

⁶ The intersection of the south-facing shoreline of Cape Cod, MA, and 70°00' W long.

⁷ The intersection of the north-facing shoreline of Cape Cod, MA, and 70°00' W long.

(4) *Fishing years.* The haddock incidental catch caps specified are for the NE multispecies fishing year (May 1–April 30), which differs from the herring fishing year (January 1–December 31). If the haddock incidental catch allowance is attained by the herring midwater trawl fishery for the GOM or GB, as specified in § 648.90(a)(4)(iii)(E), the 2,000-lb (907.2-kg) limit on herring possession in the applicable AM Area, as described in paragraph (d)(2) or (3) of this section, shall be in effect until the end of the NE multispecies fishing year. For example, the 2011 haddock incidental catch cap is specified for the period May 1, 2011–April 30, 2012, and the 2012 haddock catch cap would be specified for the period May 1, 2012–April 30, 2013. If the catch of haddock by herring midwater trawl vessels reached the 2011 incidental catch cap at any time prior to the end of the NE multispecies fishing year (April 30, 2012), the 2,000-lb (907.2-kg) limit on possession of herring in the applicable AM Area would extend through April 30, 2012. Beginning May 1, 2012, the 2012 catch cap would go into effect.

(5) *Other regulated NE multispecies possession restrictions for some Atlantic herring vessels.* A vessel issued a Category A or B Herring Permit on a declared herring trip, regardless of area fished or gear used, or a vessel issued a Category C, D, or E Herring Permit and fishing with midwater trawl gear pursuant to § 648.80(d), may possess and land haddock, and up to 100 lb (45 kg), combined, of regulated NE multispecies other than haddock, in accordance with the requirements in § 648.80(d) and (e). Such fish may not be sold for human consumption.

■ 8. Amend § 648.87 as follows:

■ a. Remove paragraphs (b)(1)(ii)(A) through (F);

■ b. Revise paragraph (b)(1)(iii)(B) introductory text, paragraph (b)(1)(iii)(B)(1) heading, and paragraphs (b)(1)(iii)(B)(3), (b)(1)(v)(B), and (b)(2) introductory text; and

■ c. Remove and reserve paragraphs (b)(2)(ii) and (b)(2)(xii).

The revisions read as follows:

§ 648.87 Sector allocation.

* * * * *

(b) * * *

(1) * * *

(iii) * * *

(B) *Overage penalty if there is insufficient ACE to cover an overage.* If a sector exceeds an ACE allocated to it during the previous fishing year, but disbands in the year following the

overage, or otherwise does not have sufficient ACE to address the overage pursuant to this paragraph (b)(1)(iii) based upon the cumulative PSCs of permits/vessels participating in that sector during the fishing year following the overage, individual permit holders that participated in the sector during the fishing year in which the overage occurred shall be responsible for reducing their DAS/ACE to account for that overage in the subsequent fishing year, as follows:

(1) *ACE reduction.* * * *

* * * * *

(3) *Fishing prohibition.* If a sector does not disband following an overage, but otherwise does not have sufficient ACE to cover an overage based upon the PSC of participating permits, that sector's ACE for the stock for which the overage occurred shall be temporarily reduced to zero for the following fishing year, and that sector shall be prohibited from fishing on a sector trip in the stock area associated with the stock for which the ACE was exceeded during the following year, unless and until that sector can acquire sufficient ACE from another sector to cover the remaining overage from the previous fishing year.

* * * * *

(v) * * *

(B) *Weekly enforcement report.* Each sector must submit weekly reports to NMFS stating any compliance/enforcement issues, as instructed by the Regional Administrator. These weekly enforcement reports must be submitted no later than 0700 hr on the second Monday after the reporting week, as defined in this part.

* * * * *

(2) *Operations plan and sector contract.* To be approved to operate, each sector must submit an operations plan and preliminary sector contract to the Regional Administrator no later than September 1 prior to the fishing year in which the sector intends to begin operations, unless otherwise instructed by NMFS. A final roster and sector contract must be submitted by December 1 prior to the fishing year in which the sector intends to begin operations, unless otherwise instructed by NMFS. The operations plan may cover a 1- or 2-year period, provided the analysis required in paragraph (b)(3) of this section is sufficient to assess the impacts of sector operations during the 2-year period and that sector membership, or any other parameter that may affect sector operations during the second year of the approved operations plan, does not differ to the point where the impacts analyzed by the supporting National Environmental

Policy Act (NEPA) document are compromised. Each vessel and vessel operator and/or vessel owner participating in a sector must agree to and comply with all applicable requirements and conditions of the operations plan specified in this paragraph (b)(2) and the letter of authorization issued pursuant to paragraph (c)(2) of this section. It shall be unlawful to violate any such conditions and requirements unless such conditions or restrictions are identified in an approved operations plan as administrative only. If a proposed sector does not comply with the requirements of this paragraph (b)(2), NMFS may decline to propose for approval such sector operations plans, even if the Council has approved such sector. At least the following elements must be contained in either the final operations plan or sector contract submitted to NMFS:

* * * * *

■ 9. Revise § 648.88 to read as follows:

§ 648.88 Multispecies stock area definitions.

(a) *Definition of stock areas.* The species stock areas applicable for possession and trip limits specified in § 648.86, recreational minimum and maximum fish sizes, possession limits, and seasons specified in § 648.89, and for determining areas applicable to sector allocations of ACE pursuant to § 648.87(b) are defined in paragraphs (1) through (17) of this section. For stocks that have incidental catch TACs pursuant to § 648.85(b), the areas also identify stock areas associated with those incidental catch TACs. Copies of a chart depicting these areas are available from the Regional Administrator upon request.

(1) *GOM cod stock area.* The GOM cod stock is defined as the area bounded on the north and west by the coastline of the United States, on the east by the U.S./Canadian maritime boundary, and on the south by straight lines connecting the following points in the order stated:

TABLE 1 TO PARAGRAPH (a)(1)—GOM COD STOCK AREA

Point	N latitude	W longitude
GOM1	(1)	70°00'
GOM2	42°20'	70°00'
GOM3	42°20'	67°40'
GOM4	(2)	67°40'
GOM5	(3)	67°40'
GOM6	43°50'	67°40'
GOM7	43°50'	(4)
GOM8	(4)	67°00'

TABLE 1 TO PARAGRAPH (a)(1)—GOM COD STOCK AREA—Continued

Point	N latitude	W longitude
GOM9	(5)	67°00'

¹ Intersection of the north-facing coastline of Cape Cod, MA, and 70°00' W long.

² U.S./Canada maritime boundary (southern intersection with 67°40' W long.).

³ U.S./Canada maritime boundary (northern intersection with 67°40' W long.).

⁴ U.S./Canada maritime boundary.

⁵ Intersection of the south-facing ME coastline and 67°00' W long.

(2) *GB cod stock area.* The GB cod stock is the area defined by straight lines connecting the following points in the order stated:

TABLE 2 TO PARAGRAPH (a)(2)—GB COD STOCK AREA

Point	N latitude	W longitude
GB1	(1)	70°00'
GB2	42°20'	70°00'
GB3	42°20'	(2)
GB4	35°00'	(2)
GB5	35°00'	(3)

¹ Intersection of north-facing Cape Cod, MA, and 70°00' W long.

² U.S./Canada maritime boundary.

³ Intersection of east-facing coastline of Outer Banks, NC, and 35°00' N lat.

(3) [Reserved]

(4) [Reserved]

(5) *GB haddock stock area.* The GB Haddock Stock Area is defined as the area bounded on the west by the coastline of the United States, on the south by a line running from the east-facing coastline of North Carolina at 35° N lat. until its intersection with the EEZ, on the east by the U.S./Canadian maritime boundary, and bounded on the north by straight lines connecting the following points in the order stated:

TABLE 5 TO PARAGRAPH (a)(5)—GB HADDOCK STOCK AREA

Point	N Latitude	W Longitude
GB1	(1)	70°00'
GB2	42°20'	70°00'
GB3	42°20'	(2)

¹ Intersection of the north-facing coastline of Cape Cod, MA, and 70°00' W long.

² U.S./Canada maritime boundary.

(6) *GOM haddock stock area.* The GOM Haddock Stock Area is defined as the area bounded on the north and west by the coastline of the United States, on the east by the U.S./Canadian maritime boundary, and on the south by straight lines connecting the following points in the order stated:

TABLE 6 TO PARAGRAPH (a)(6)—GOM HADDOCK STOCK AREA

Point	N Latitude	W Longitude
GOM1	(1)	70°00'
GOM2	42°20'	70°00'
GOM3	42°20'	67°40'
GOM4	(2)	67°40'
GOM5	(3)	67°40'
GOM6	43°50'	67°40'
GOM7	43°50'	(4)
GOM8	(4)	67°00'
GOM9	(5)	67°00'

¹ Intersection of the north-facing coastline of Cape Cod, MA, and 70°00' W long.

² U.S./Canada maritime boundary southern intersection with 67°40' W long.).

³ U.S./Canada maritime boundary northern intersection with 67°40' W long.).

⁴ U.S./Canada maritime boundary.

⁵ Intersection of the south-facing ME coastline and 67°00' W long.

(7) *GB yellowtail flounder stock area.* The GB yellowtail flounder stock area is the area bounded by straight lines connecting the following points in the order stated:

TABLE 7 TO PARAGRAPH (a)(7)—GB YELLOWTAIL FLOUNDER STOCK AREA

Point	N latitude	W longitude
USCA1	42°20'	68°50'
USCA16	42°20'	(1)
USCA5	39°00'	(1)
USCA17	39°00'	69°00'
USCA18	39°50'	69°00'
USCA2	39°50'	68°50'
USCA1	42°20'	68°50'

¹ U.S./Canada maritime boundary.

(8) *SNE/MA yellowtail flounder stock area.* (i) For the purposes of identifying stock areas for trip limits specified in § 648.86, and for determining areas applicable to sector allocations of SNE/MA yellowtail flounder ACE pursuant to § 648.87(b), the SNE/MA yellowtail flounder stock area is the area bounded by straight lines connecting the following points in the order stated:

TABLE 8 TO PARAGRAPH (a)(8)(i)—SNE/MA YELLOWTAIL FLOUNDER STOCK AREA

Point	N Latitude	W Longitude
SNEMA1 ..	35°00'	(1)
SNEMA2 ..	35°00'	(2)
SNEMA3 ..	39°00'	(2)
SNEMA4 ..	39°00'	69°00'
SNEMA5 ..	39°50'	69°00'
SNEMA6 ..	39°50'	68°50'
SNEMA7 ..	41°00'	68°50'
SNEMA8 ..	41°00'	69°30'
SNEMA9 ..	41°10'	69°30'
SNEMA10 ..	41°10'	69°50'
SNEMA11 ..	41°20'	69°50'
SNEMA12 ..	41°20'	(3)
SNEMA13 ..	(4)	70°00'

TABLE 8 TO PARAGRAPH (a)(8)(i)—
SNE/MA YELLOWTAIL FLOUNDER
STOCK AREA—Continued

Point	N Latitude	W Longitude
SNEMA14	(5)	70°00'

¹ Intersection of east-facing coastline of Outer Banks, NC, and 35°00' N lat.

² U.S./Canada maritime boundary.

³ Intersection of east-facing coastline of Nantucket, MA, and 41°20' N lat.

⁴ Intersection of north-facing coastline of Nantucket, MA, and 70°00' W long.

⁵ Intersection of south-facing coastline of Cape Cod, MA, and 70°00' W long.

(ii) For the purposes of the Regular B DAS Program, the SNE/MA yellowtail flounder B DAS stock area is the area bounded on the north, east, and south by straight lines connecting the following points in the order stated:

TABLE 9 TO PARAGRAPH (a)(8)(ii)—
SNE/MA YELLOWTAIL FLOUNDER B
DAS STOCK AREA

Point	N Latitude	W Longitude
SNEMA1 ..	40°00'	74°00'
SNEMA2 ..	40°00'	72°00'
SNEMA3 ..	40°30'	72°00'
SNEMA4 ..	40°30'	69°30'
SNEMA5 ..	41°10'	69°30'
SNEMA6 ..	41°10'	69°50'
SNEMA7 ..	41°20'	69°50'
SNEMA8 ..	41°20'	(1)
SNEMA9 ..	(2)	70°00'
SNEMA10	41°00'	70°00'
SNEMA11	41°00'	70°30'
SNEMA12	(3)	70°30'
SNEMA13	(4)	72°00'
SNEMA14	(5)	72°00'
SNEMA15	(6)	73°00'
SNEMA16	40°30'	73°00'
SNEMA17	40°30'	74°00'
SNEMA1 ..	40°00'	74°00'

¹ East-facing shoreline of Nantucket, MA.

² South-facing shoreline of Nantucket, MA.

³ Intersection of the south-facing shoreline of Cape Cod, MA.

⁴ South-facing shoreline of CT.

⁵ North-facing shoreline of Long Island, NY.

⁶ South-facing shoreline of Long Island, NY.

(9) *CC/GOM yellowtail flounder stock area.* (i) For the purposes of identifying stock areas for trip limits specified in § 648.86, and for determining areas applicable to sector allocations of CC/GOM yellowtail flounder ACE pursuant to § 648.87(b), the CC/GOM yellowtail flounder stock area is defined as the area bounded on the north and west by the coastline of the United States, on the east by the U.S./Canadian maritime boundary, and on the south by straight lines connecting the following points in the order stated:

TABLE 10 TO PARAGRAPH (a)(9)(i)—
CC/GOM YELLOWTAIL FLOUNDER
STOCK AREA

Point	N Latitude	W Longitude
CCGOM1	(1)	70°00'
CCGOM2	(2)	70°00'
CCGOM3	41°20'	(3)
CCGOM4	41°20'	69°50'
CCGOM5	41°10'	69°50'
CCGOM6	41°10'	69°30'
CCGOM7	41°00'	69°30'
CCGOM8	41°00'	68°50'
CCGOM9	42°20'	68°50'
CCGOM10	42°20'	(4)

¹ Intersection of south-facing coastline of Cape Cod, MA, and 70°00' W long.

² Intersection of north-facing coastline of Nantucket, MA, and 70°00' W long.

³ Intersection of east-facing coastline of Nantucket, MA, and 41°20' N lat.

⁴ U.S./Canada maritime boundary.

(ii) For the purposes of the Regular B DAS Program pursuant to § 648.85(b), the CC/GOM yellowtail flounder B DAS stock area is the area defined by straight lines connecting the following points in the order stated:

TABLE 11 TO PARAGRAPH (a)(9)(ii)—
CC/GOM YELLOWTAIL FLOUNDER B
DAS STOCK AREA

Point	N Latitude	W Longitude
CCGOM1	43°00'	(1)
CCGOM2	43°00'	70°00'
CCGOM3	42°30'	70°00'
CCGOM4	42°30'	69°30'
CCGOM5	41°30'	69°30'
CCGOM6	41°30'	69°00'
CCGOM7	41°00'	69°00'
CCGOM8	41°00'	69°30'
CCGOM5	41°30'	69°30'
CCGOM9	41°30'	70°00'
CCGOM10	(2)	70°00'
CCGOM11	42°00'	70°00'
CCGOM12	42°00'	(3)
CCGOM13	42°00'	(4)
CCGOM14	42°00'	(5)

¹ Intersection with the NH coastline.

² Intersection of the south-facing shoreline of Cape Cod, MA.

³ Intersection with the east-facing shoreline of Cape Cod, MA.

⁴ Intersection with the west-facing shoreline of Cape Cod, MA.

⁵ Intersection with the east-facing shoreline of Massachusetts.

(10) *American plaice stock area.* The American plaice stock area is defined as the area bounded on the north and west by the coastline of the United States, on the east by the U.S./Canadian maritime boundary, and bounded on the south by a straight line running from the east-facing coastline of North Carolina at 35° N lat. until its intersection with the EEZ. The coordinates for the area can be found in paragraph (b) of this section.

(11) *Witch flounder stock area.* The witch flounder stock area is defined as the area bounded on the north and west by the coastline of the United States, on the east by the U.S./Canadian maritime boundary, and bounded on the south by a straight line running from the east-facing coastline of North Carolina at 35° N lat. until its intersection with the EEZ. The coordinates for the area can be found in paragraph (b) of this section.

(12) *GB winter flounder stock area.* The GB winter flounder stock area is the area bounded by straight lines connecting the following points in the order stated:

TABLE 12 TO PARAGRAPH (a)(12)—
GB WINTER FLOUNDER STOCK AREA

Point	N latitude	W longitude
USCA1	42°20'	68°50'
USCA16 ...	42°20'	(1)
USCA5	39°00'	(1)
USCA17 ...	39°00'	69°00'
USCA18 ...	39°50'	69°00'
USCA2	39°50'	68°50'
USCA1	42°20'	68°50'

¹ U.S./Canada maritime boundary.

(13) *GOM winter flounder stock area.* The GOM Winter Flounder Stock Area is the area bounded by straight lines connecting the following points in the order stated:

TABLE 13 TO PARAGRAPH (a)(13)—
GOM WINTER FLOUNDER STOCK AREA

Point	N Latitude	W Longitude
GOM1	(1)	70°00'
GOM2	42°20'	70°00'
GOM3	42°20'	67°40'
GOM4	(2)	67°40'
GOM5	(3)	67°40'
GOM6	43°50'	67°40'
GOM7	43°50'	(4)
GOM8	(4)	67°00'
GOM9	(5)	67°00'

¹ Intersection of the north-facing coastline of Cape Cod, MA, and 70°00' W long.

² U.S./Canada maritime boundary (southern intersection with 67°40' N lat.)

³ U.S./Canada maritime boundary (northern intersection with 67°40' N lat.)

⁴ U.S./Canada maritime boundary.

⁵ Intersection of the south-facing ME coastline and 67°00' W long.

(14) *SNE/MA winter flounder stock area.* The SNE winter flounder stock area is the area defined by straight lines connecting the following points in the order stated:

TABLE 14 TO PARAGRAPH (a)(14)—
SNE/MA WINTER FLOUNDER STOCK
AREA

Point	N latitude	W longitude
SNEMA1 ..	(¹)	70°00'
SNEMA2 ..	42°20'	70°00'
SNEMA3 ..	42°20'	68°50'
SNEMA4 ..	39°50'	68°50'
SNEMA5 ..	39°50'	69°00'
SNEMA6 ..	39°00'	69°00'
SNEMA7 ..	39°00'	(²)
SNEMA8 ..	35°00'	(²)
SNEMA9 ..	35°00'	(³)

¹ Intersection of the north-facing Coastline of Cape Cod, MA, and 70°00' W long.

² U.S./Canada maritime boundary.

³ The intersection of the east-facing coastline of Outer Banks, NC, and 35°00' N lat.

(15) *Redfish stock area*. The redfish stock area is defined as the area bounded on the north and west by the coastline of the United States, on the east by the U.S./Canadian maritime boundary, and bounded on the south by a straight line running from the east-facing coastline of North Carolina at 35° N lat. until its intersection with the EEZ. The coordinates for the area can be found in paragraph (b) of this section.

(16) *White hake stock area*. The white hake stock area is defined as the area bounded on the north and west by the

coastline of the United States, bounded on the east by the U.S./Canadian maritime boundary, and bounded on the south by a straight line running from the east-facing coastline of North Carolina at 35° N lat. until its intersection with the EEZ. The coordinates for the area can be found in paragraph (b) of this section.

(17) *Pollock stock area*. The pollock stock area is defined as the area bounded on the north and west by the coastline of the United States, on the east by the U.S./Canadian maritime boundary, and bounded on the south by a straight line running from the east-facing coastline of North Carolina at 35° N lat. until its intersection with the EEZ. The coordinates for the area can be found in paragraph (b) of this section.

(b) *Stock area for unit stocks*. The stock area for all unit stocks listed in paragraph (a) of this section (American plaice, witch flounder, redfish, white hake, and pollock) are defined by straight lines connecting the following points in the order stated:

TABLE 15 TO PARAGRAPH (b)—UNIT
STOCK AREA

Point	N latitude	W longitude
US1	(¹)	67°00'
US2	(²)	67°00'

TABLE 15 TO PARAGRAPH (b)—UNIT
STOCK AREA—Continued

Point	N latitude	W longitude
US3	43°50'	(²)
US4	43°50'	67°40'
US5	(³)	67°40'
US6	(⁴)	67°40'
US7	42°30'	67°40'
US8	42°30'	(²)
US9	35°00'	(²)
US10	35°00'	(⁵)

¹ Intersection of south-facing ME coastline and 67°00' W long.

² U.S./Canada maritime boundary.

³ U.S./Canada maritime boundary (northern intersection with 67°40' N lat.).

⁴ U.S./Canada maritime boundary (southern intersection with 67°40' N lat.).

⁵ Intersection of east-facing coastline of Outer Banks, NC, and 35°00' N lat.

■ 10. Amend § 648.89 as follows:

■ 1. Revise Table 1 to Paragraph (b)(1), and paragraphs (b)(2)(ii), (c)(1) and (2);

■ 2. Add paragraph (c)(8); and

■ 3. Remove paragraph (g).

The revisions and addition read as follows:

§ 648.89 Recreational and charter/party vessel restrictions.

* * * * *

(b) * * *

(1) * * *

TABLE 1 TO PARAGRAPH (b)(1)

Species	Charter/party minimum size		Private minimum size		Maximum size	
	inches	cm	inches	cm	inches	cm
Cod:						
Inside GOM Regulated Mesh Area ¹	23	58.4	23	58.4	N/A	N/A
Outside GOM Regulated Mesh Area ¹	23	58.4	23	58.4	N/A	N/A
Haddock:						
Inside GOM Regulated Mesh Area ¹	17	43.2	17	43.2	N/A	N/A
Outside GOM Regulated Mesh Area ¹	18	45.7	18	45.7	N/A	N/A
Pollock	19	48.3	19	48.3	N/A	N/A
Witch Flounder (gray sole)	14	35.6	14	35.6	N/A	N/A
Yellowtail Flounder	13	33.0	13	33.0	N/A	N/A
American Plaice (dab)	14	35.6	14	35.6	N/A	N/A
Atlantic Halibut	41	104.1	41	104.1	N/A	N/A
Winter Flounder (black back)	12	30.5	12	30.5	N/A	N/A
Redfish	9	22.9	9	22.9	N/A	N/A

¹ GOM Regulated Mesh Area specified in § 648.80(a).

(2) * * *

(ii) *Transiting*. If minimum size specified for cod and haddock differ between stock areas, vessels in possession of cod or haddock that meet the minimum size specified for fish caught in one stock area, as specified in § 648.88, may transit a different stock area with that cod and haddock, provided all bait and hooks are removed from fishing rods, and any cod and

haddock on board has been gutted and stored.

* * * * *

(c) * * *

(1) *Private recreational vessels*.

Persons aboard private recreational fishing vessels during the open season listed in the column titled “Open Season” in table 2 to paragraph (c)(1), may not possess more fish in or from the EEZ than the amount listed in the

column titled “Possession Limit” in table 2 to paragraph (c)(1). Persons aboard private recreational fishing vessels may not possess stocks, as specified in the column titled “Stock” in table 2 to paragraph (c)(1), in or from the EEZ during that stock’s closed season as specified in the column titled “Closed Season” in table 2 to paragraph (c)(1).

TABLE 2 TO PARAGRAPH (c)(1)

Stock	Open season	Possession limit	Closed season
GB Cod	CLOSED	No retention	All Year.
GOM Cod	September 1–October 31	1	May 1–August 31; November 1–April 30.
GB Haddock	All Year	Unlimited	N/A.
GOM Haddock	May 1–February 28 (or 29); April 1–30	15	March 1–March 31.
GB Yellowtail Flounder	All Year	Unlimited	N/A.
SNE/MA Yellowtail Flounder	All Year	Unlimited	N/A.
CC/GOM Yellowtail Flounder	All Year	Unlimited	N/A.
American Plaice	All Year	Unlimited	N/A.
Witch Flounder	All Year	Unlimited	N/A.
GB Winter Flounder	All Year	Unlimited	N/A.
GOM Winter Flounder	All Year	Unlimited	N/A.
SNE/MA Winter Flounder	All Year	Unlimited	N/A.
Redfish	All Year	Unlimited	N/A.
White Hake	All Year	Unlimited	N/A.
Pollock	All Year	Unlimited	N/A.
Northern Windowpane Flounder ...	CLOSED	No retention	All Year.
Southern Windowpane Flounder ...	CLOSED	No retention	All Year.
Ocean Pout	CLOSED	No retention	All Year.
Atlantic Halibut	See paragraph (c)(3) of this section.		
Atlantic Wolffish	CLOSED	No retention	All Year.

(2) *Charter or Party Boats.* Persons aboard charter or party boats during the open season listed in the column titled “Open Season” in table 3 to paragraph (c)(2), may not possess more fish in or

from the EEZ than the amount listed in the column titled “Possession Limit” in table 3 to paragraph (c)(2). Persons aboard charter or party boats may not possess stocks, as specified in the

column titled “Stock” in table 3 to paragraph (c)(2), in or from the EEZ during that stock’s closed season as specified in the column titled “Closed Season” in table 3 to paragraph (c)(2).

TABLE 3 TO PARAGRAPH (c)(2)

Stock	Open season	Possession limit	Closed season
GB Cod	CLOSED	No retention	All Year.
GOM Cod	September 1–October 31	1	May 1–August 31; November 1–April 30.
GB Haddock	All Year	Unlimited	N/A.
GOM Haddock	May 1–February 28 (or 29) April 1–30	15	March 1–March 31.
GB Yellowtail Flounder	All Year	Unlimited	N/A.
SNE/MA Yellowtail Flounder	All Year	Unlimited	N/A.
CC/GOM Yellowtail Flounder	All Year	Unlimited	N/A.
American Plaice	All Year	Unlimited	N/A.
Witch Flounder	All Year	Unlimited	N/A.
GB Winter Flounder	All Year	Unlimited	N/A.
GOM Winter Flounder	All Year	Unlimited	N/A.
SNE/MA Winter Flounder	All Year	Unlimited	N/A.
Redfish	All Year	Unlimited	N/A.
White Hake	All Year	Unlimited	N/A.
Pollock	All Year	Unlimited	N/A.
N Windowpane Flounder	CLOSED	No retention	All Year.
S Windowpane Flounder	CLOSED	No retention	All Year.
Ocean Pout	CLOSED	No retention	All Year.
Atlantic Halibut	See paragraph (c)(3) of this section.		
Atlantic Wolffish	CLOSED	No retention	All Year.

* * * * *

(8) *Transiting.* If the possession limits specified in paragraphs (c)(1) and (2) of this section for cod and haddock differ between stock areas, vessels in possession of cod or haddock that meet the possession limit specified for fish caught in one stock area, as specified in § 648.88, may transit a different stock area with that cod and haddock,

provided all bait and hooks are removed from fishing rods, and any cod and haddock on board has been gutted and stored.

* * * * *

■ 11. Amend § 648.90 as follows:

■ a. Revise paragraph (a)(4)(iii) introductory text;

■ b. Redesignate paragraphs (a)(4)(iii)(A) through (H) as (a)(4)(iii)(B) through (I);

■ c. Add new paragraph (a)(4)(iii)(A);

■ d. Revise newly redesignated paragraph (a)(4)(iii)(I); and

■ e. Revise paragraphs (a)(5)(i)(A), and (a)(5)(iv)(A) and (B).

The revisions and additions read as follows:

§ 648.90 NE multispecies assessment, framework procedures and specifications, and flexible area action system.

* * * * *

- (a) * * *
(4) * * *

(iii) *ABC/ACL distribution.* The ABCs/ACLs adopted by the Council for each regulated species or ocean pout stock pursuant to this paragraph (a)(4) shall be subdivided among the various sub-components of the fishery, as specified in paragraphs (a)(4)(iii)(A) through (I) of this section. For transboundary stocks managed by the Understanding, pursuant to § 648.85(a), the distribution of ABC/ACLs described in paragraphs (a)(4)(iii)(A) through (I) of this section shall be based upon the catch available to U.S. fishermen. The Council may revise its recommendations for the distribution of ABCs and ACLs among these and other sub-components through the process to specify ABCs and ACLs, as described in this paragraph (a)(4). Distribution of the ACL for each stock available to the NE multispecies fishery between and among commercial and recreational components of the fishery may be implemented through a framework adjustment pursuant to this section. Any changes to the distribution of ACLs to the NE multispecies fishery shall not affect the implementation of AMs based upon the distribution in effect at the time of the overage that triggered the AM.

(A) *Recreational allocation.* Unless otherwise specified in paragraph (a)(5) of this section, recreational catches shall be compared to the ACLs allocated pursuant to this paragraph (a)(4)(iii)(A) for the purposes of determining whether adjustments to recreational measures are necessary, pursuant to the recreational fishery AMs specified in § 648.89(f).

(1) *Stocks allocated.* Unless otherwise specified in this paragraph (a)(4)(iii)(A), the ABCs/ACLs for GOM cod and GOM haddock set pursuant to paragraph (a)(4) of this section shall be divided between commercial and recreational components, based upon the average proportional catch of each component for each stock during fishing years 2001 through 2006.

(2) *Process for determining if a recreational allocation is necessary.* A recreational allocation will not be made if it is determined that, based upon available information, the ACLs for

these stocks are not being fully harvested by the NE multispecies fishery, or if the recreational harvest, after accounting for State waters catch pursuant to paragraph (a)(4)(iii)(B) of this section, is less than 5 percent of the overall catch for a particular stock of regulated species or ocean pout.

* * * * *

(I) *Regulated species or ocean pout catch by the NE multispecies commercial fisheries.* Unless otherwise specified in the ACL recommendations developed pursuant to paragraph (a)(4)(i) of this section, after all of the deductions and considerations specified in paragraphs (a)(4)(iii)(A) through (H) of this section, the remaining ABC/ACL for each regulated species or ocean pout stock shall be allocated to the NE multispecies commercial fishery, pursuant to paragraphs (a)(4)(iii)(I)(1) through (3) of this section.

(1) *Commercial allocation.* Unless otherwise specified in paragraph (a)(4)(iii)(I), the ABC/ACL for regulated species or ocean pout stocks available to the commercial NE multispecies fishery shall be divided between vessels operating under approved sector operations plans as described at § 648.87(c), based upon the cumulative PSCs of vessels participating in sectors calculated pursuant to § 648.87(b)(1)(i)(E), and vessels operating under the provisions of the common pool, as defined in this part. The ABC/ACL of each stock not allocated to sectors pursuant to § 648.87(b)(1)(i)(E) (i.e., Atlantic halibut, ocean pout, windowpane flounder, and Atlantic wolffish) that is available to the commercial NE multispecies fishery shall be allocated entirely to the common pool, and catch from sector and common pool vessels shall be attributed to this allocation. Unless otherwise specified in paragraph (a)(5) of this section, regulated species or ocean pout catch by common pool and sector vessels shall be deducted from the sub-ACL/ACE allocated pursuant to this paragraph (a)(4)(iii)(I)(1) for the purposes of determining whether adjustments to common pool measures are necessary, pursuant to the common pool AMs specified in § 648.82(n), or whether sector ACE overages must be deducted, pursuant to § 648.87(b)(1)(iii).

(2) *Reserved*

* * * * *

(5) * * *

(i) * * *

(A) *Excessive catch by common pool vessels.* If the catch of regulated species and ocean pout by common pool vessels exceeds the amount of the ACL specified for common pool vessels pursuant to paragraph (a)(4)(iii)(I) of this section, then the AMs described in § 648.82(n) shall take effect. If such catch does not exceed the portion of the ACL specified for common pool vessels pursuant to paragraph (a)(4)(iii)(I) of this section, then no AMs shall take effect for common pool vessels.

* * * * *

(iv) * * *

(A) *Threshold for implementing the Atlantic sea scallop fishery AMs for SNE yellowtail flounder and southern windowpane flounder.* If scallop fishery catch exceeds the scallop fishery sub-ACL for SNE yellowtail flounder or southern windowpane flounder, as specified in paragraph (a)(4) of this section, by 50 percent or more, or if scallop fishery catch exceeds the scallop fishery sub-ACL by any amount and total catch exceeds the overall ACL for that stock, then the applicable scallop fishery AM will take effect, as specified in § 648.64 of the Atlantic sea scallop regulations.

(B) *Threshold for implementing the Atlantic sea scallop fishery AM for GB yellowtail flounder and northern windowpane flounder.* If scallop fishery catch exceeds scallop fishery sub-ACL for GB yellowtail flounder or northern windowpane flounder, as specified in paragraph (a)(4) of this section, and total catch exceeds the overall ACL for that stock, then the applicable scallop fishery AM will take effect, as specified in § 648.64 of the Atlantic sea scallop regulations.

* * * * *

§§ 648.4, 648.10, 648.13, 648.14, 648.64, 648.80, 648.82, 648.83, 648.85, 648.86, 648.87, 648.90, and 648.201 [Amended]

■ 12. In the table below, for each of the locations shown in the “Location” column, remove the phrase indicated in the “Remove” column and replace it with the phrase indicated in the “Add” column for the number of times indicated in the “Frequency” column.

Location	Remove	Add	Frequency
50 CFR 648.4(a)(1)(ii)	§ 648.88	§§ 648.82(m) and 648.86	2
50 CFR 648.4(a)(10)(ii)	§ 648.86(a)(3) and (k)	§ 648.86(d)	1
50 CFR 648.10(j)(2)	paragraph (k)(1)	paragraph (j)(1)	1
50 CFR 648.13(e)	§ 648.86(d)	§ 648.86(e)	1
50 CFR 648.14(k)(13)(i)(A)	§ 648.86(i)	§ 648.86(b)(6)(v)	1

Location	Remove	Add	Frequency
50 CFR 648.14(k)(13)(ii)(A)	§ 648.86(a), (b), (c), (d), (e), (g), (h), (j), (k), (l), (n), and (o)	§ 648.86(a) and (b)	1
50 CFR 648.14(k)(13)(ii)(B)	§ 648.86(a), (b), (c), (e), (g), (h), (j), (l), (m), (n), and (o); § 648.82(b)(5) and (6); § 648.85; or § 648.88.	§ 648.86(a) and (b); or § 648.85	1
50 CFR 648.14(k)(13)(ii)(C)	§ 648.88	§ 648.82(m)	1
50 CFR 648.14(k)(14)(viii)	§ 648.87(b)(1)(v)	§ 648.11(l)(9)	1
50 CFR 648.14(k)(15)(i)(A)	§ 648.88	§ 648.82(m)	1
50 CFR 648.14(k)(15)(i)(B)	§ 648.88(a)(2)(i)	§ 648.82(m)(1)(i)	1
50 CFR 648.14(k)(15)(i)(B)	§ 648.88(a)(2)(iii)	§ 648.82(m)(1)(iii)	1
50 CFR 648.14(k)(15)(ii)(A)(1)	§ 648.88(a)	§ 648.82(m)(1)	1
50 CFR 648.14(k)(15)(ii)(A)(2)	§ 648.88(a)	§ 648.86	1
50 CFR 648.14(k)(15)(ii)(B)	§ 648.88(c)	§ 648.86(c)(3)	1
50 CFR 648.14(k)(15)(ii)(C)	§ 648.88	§ 648.82(m)(4)	2
50 CFR 648.14(r)(1)(vi)(B)	§ 648.86(a)(3)(ii)(A)(1)	§ 648.86(d)	1
50 CFR 648.14(r)(1)(vi)(B)	§ 648.86(a)(3)	§ 648.86(d)	1
50 CFR 648.14(r)(1)(vi)(C)	§ 648.86(a)(3)(ii)(A)(1)	§ 648.86(d)	2
50 CFR 648.14(r)(1)(vi)(E)	§ 648.86(a)(3)(ii)(A)(1)	§ 648.86(d)	1
50 CFR 648.14(r)(1)(vi)(E)	§ 648.86(a)(3)	§ 648.86(d)	1
50 CFR 648.14(r)(1)(vi)(F)	§ 648.86(a)(3)(ii)(A)(1)	§ 648.86(d)	2
50 CFR 648.64(a)	§ 648.90(a)(4)(iii)(C) and (E)	§ 648.90(a)(4)(iii)(D) and (F)	1
50 CFR 648.80(a)(3)(vi)	§ 648.88(a)	§ 648.82(m)(1)	1
50 CFR 648.80(a)(3)(vi)	§ 648.88	§ 648.82(m)	1
50 CFR 648.80(a)(4)(iii)	§ 648.82(b)(5)	§ 648.82(b)(4)	1
50 CFR 648.80(a)(6)(i)(B)	§ 648.86(d)	§ 648.86(e)	1
50 CFR 648.80(a)(9)(i)(A)	§ 648.86(d)	§ 648.86(e)	2
50 CFR 648.80(a)(15)(i)(B)	§ 648.86(d)	§ 648.86(e)	1
50 CFR 648.80(b)(2)(vi)	§ 648.88(a)	§ 648.82(m)(1)	1
50 CFR 648.80(b)(2)(vi)	§ 648.88	§ 648.82(m)	1
50 CFR 648.80(b)(3)(i)	§ 648.86(d)	§ 648.86(e)	1
50 CFR 648.80(d)(4)	§ 648.86(a)(3) and (k)	§ 648.86(d)	1
50 CFR 648.80(e)(4)	§ 648.86(a)(3) and (k), respectively	§ 648.86(d)	1
50 CFR 648.80(h)(1)	§ 648.86(a)(2)	§ 648.86(c)	1
50 CFR 648.82(g)	§ 648.88(a)	paragraph (m)(1) of this section ..	1
50 CFR 648.82(n)(2)(vi)	§ 648.90(a)(4)(iii)(H)(2)	§ 648.90(a)(4)(iii)(I)	1
50 CFR 648.83(b)(4)	§ 648.86(a)(3) and (k)	§ 648.86(d)	1
50 CFR 648.85(a)(2)(ii)	§ 648.90(a)(5)(ii)	§ 648.90(a)(5)	1
50 CFR 648.85(a)(3)(ii)(A)(4)	§ 648.86(g)	§ 648.86(a)(1)	1
50 CFR 648.85(a)(3)(iii)	paragraphs (b)(6) and (8)	paragraphs (b)(6) and (7)	2
50 CFR 648.85(b)(3)(viii)(C)	paragraph (e)	paragraph (d)	1
50 CFR 648.85(b)(5)(iii)	paragraph (b)(8)	paragraph (b)(7)	1
50 CFR 648.85(b)(6)(iv)(D)	paragraph (e)	paragraph (d)	1
50 CFR 648.85(b)(6)(iv)(G)	paragraph (b)(6)(v) of this section	§ 648.88	1
50 CFR 648.85(b)(6)(iv)(J)(4)	paragraph (b)(6)(v)(B) of this section	§ 648.88	1
50 CFR 648.85(b)(7)(i)	paragraph (b)(8)(v)(E)	paragraph (b)(7)(v)(E)	1
50 CFR 648.85(b)(7)(i)	paragraph (b)(8)(ii)	paragraph (b)(7)(ii)	1
50 CFR 648.85(b)(7)(i)	paragraph (b)(8)(iv)	paragraph (b)(7)(iv)	1
50 CFR 648.85(b)(7)(i)	paragraph (b)(8)(v)(K) or (L)	paragraph (b)(7)(v)(K) or (L)	1
50 CFR 648.85(b)(7)(v)(A)	paragraph (b)(8)(v)(A)	paragraph (b)(7)(v)(A)	2
50 CFR 648.85(b)(7)(v)(A)(1)	paragraph (b)(8)(v)(I)	paragraph (b)(7)(v)(I)	1
50 CFR 648.85(b)(7)(v)(A)(1)	paragraph (b)(8)(v)(J)	paragraph (b)(7)(v)(J)	1
50 CFR 648.85(b)(7)(v)(A)(2)	paragraph (b)(8)(i)	paragraph (b)(7)(i)	1
50 CFR 648.85(b)(7)(v)(A)(3)	paragraph (b)(8)(v)(D)	paragraph (b)(7)(v)(D)	1
50 CFR 648.85(b)(7)(v)(A)(4)	paragraph (b)(8)(v)(A)	paragraph (b)(7)(v)(A)	2
50 CFR 648.85(b)(7)(v)(B)	paragraph (b)(8)(i)	paragraph (b)(7)(i)	1
50 CFR 648.85(b)(7)(v)(C)	paragraph (b)(8)(i)	paragraph (b)(7)(i)	1
50 CFR 648.85(b)(7)(v)(C)	paragraph (b)(8)(v)(D)	paragraph (b)(7)(v)(D)	1
50 CFR 648.85(b)(7)(v)(D)	paragraph (b)(8)(v)(A)	paragraph (b)(7)(v)(A)	1
50 CFR 648.85(b)(7)(v)(E)(1)	paragraph (b)(8)(v)(E)(1)	paragraph (b)(7)(v)(E)(1)	1
50 CFR 648.85(b)(7)(v)(E)(1)	paragraph (b)(8)(v)(E)	paragraph (b)(7)(v)(E)	1
50 CFR 648.85(b)(7)(v)(G)	paragraph (b)(8)	paragraph (b)(7)	1
50 CFR 648.85(b)(7)(v)(H)	paragraph (b)(8)(v)(A)	paragraph (b)(7)(v)(A)	1
50 CFR 648.85(b)(7)(v)(I)	paragraph (b)(8)(v)(F)	paragraph (b)(7)(v)(F)	2
50 CFR 648.85(b)(7)(v)(I)	paragraph (b)(8)(ii)	paragraph (b)(7)(ii)	1
50 CFR 648.85(b)(7)(v)(K)	paragraph (b)(8)(v)(H)	paragraph (b)(7)(v)(H)	1
50 CFR 648.86(f)(1)(i)(A)	paragraph (d)(1)(iv)	paragraph (e)(1)(iv)	1
50 CFR 648.86(f)(1)(i)(B)	paragraph (d)(1)(iv)	paragraph (e)(1)(iv)	1
50 CFR 648.86(f)(1)(iii)	paragraph (d)(1)(i) and (ii)	paragraph (e)(1)(i) and (ii)	1
50 CFR 648.86(f)(1)(iii)(A)	paragraph (d)(1)(iv)	paragraph (e)(1)(iv)	1
50 CFR 648.86(f)(1)(iii)(B)	paragraph (d)(1)(iv)	paragraph (e)(1)(iv)	1
50 CFR 648.86(f)(1)(iv)	paragraph (d)(1)(i) through (iii)	paragraph (e)(1)(i) through (iii)	1
50 CFR 648.86(f)(4)	paragraph (d)(4)	paragraph (e)(4)	1
50 CFR 648.87(b)(1)(ii)	paragraphs (b)(1)(ii)(A) through (F) of this section, and § 648.85(b)(6)(v).	§ 648.88	1
50 CFR 648.87(b)(1)(ii)	paragraph (b)(1)(viii)	paragraph (b)(1)(vii)	3
50 CFR 648.87(b)(1)(iii)(C)	paragraph (b)(1)(viii)	paragraph (b)(1)(vii)	1

Location	Remove	Add	Frequency
50 CFR 648.87(b)(1)(viii)	§ 648.86(1)	§ 648.86(b)(2)	1
50 CFR 648.87(b)(1)(viii)	§ 648.86(c)	§ 648.86(b)(1)	1
50 CFR 648.87(e)(3)(iii)	paragraph (b)(1)(viii)	paragraph (b)(1)(vii)	1
50 CFR 648.90(a)(4)(iii)(B)	paragraph (a)(4)(iii)(H)(1)(i)	paragraph (a)(4)(iii)(A)(1)	1
50 CFR 648.90(a)(4)(iii)(C)	paragraph (a)(4)(iii)(H)(1)(i)	paragraph (a)(4)(iii)(A)(1)	1
50 CFR 648.90(a)(4)(iii)(C)	paragraph (a)(4)(iii)(C) through (G)	paragraph (a)(4)(iii)(D) through (H)	1
50 CFR 648.90(a)(4)(iii)(C)	paragraph (a)(4)(iii)(B)	paragraph (a)(4)(iii)(C)	1
50 CFR 648.90(a)(4)(iii)(D)	paragraph (a)(4)(iii)(C)	paragraph (a)(4)(iii)(D)	1
50 CFR 648.90(a)(4)(iii)(D)	paragraph (a)(4)(iii)(H)(2)	paragraph (a)(4)(iii)(I)(1)	1
50 CFR 648.90(a)(4)(iii)(E)(1)	§ 648.86(a)(3)	§ 648.86(d)	1
50 CFR 648.90(a)(4)(iii)(H)(2)	paragraph (a)(4)(iii)(G)(1)	paragraph (a)(4)(iii)(H)(1)	1
50 CFR 648.90(a)(5)	paragraph (a)(4)(iii)(A) through (G)	paragraph (a)(4)(iii)(B) through (H)	1
50 CFR 648.90(a)(5)(i)	paragraph (a)(4)(iii)(H)	paragraph (a)(4)(iii)(A) and (I)	1
50 CFR 648.90(a)(5)(i)(B)	paragraph (a)(4)(iii)(H)(2)	paragraph (a)(4)(iii)(I)	2
50 CFR 648.90(a)(5)(i)(C)	paragraph (a)(4)(iii)(H)(1)	paragraph (a)(4)(iii)(A)	2
50 CFR 648.90(a)(5)(i)(E)(1)	paragraph (a)(4)(iii)(H)(2)	paragraph (a)(4)(iii)(I)	1
50 CFR 648.90(a)(5)(i)(E)(2)	paragraph (a)(4)(iii)(F)	paragraph (a)(4)(iii)(G)	1
50 CFR 648.90(a)(5)(ii)	paragraphs (a)(4)(iii)(A) and (B)	paragraphs (a)(4)(iii)(B) and (C)	1
50 CFR 648.90(a)(5)(ii)(A)	paragraphs (a)(4)(iii)(A) and (B)	paragraphs (a)(4)(iii)(B) and (C)	1
50 CFR 648.90(a)(5)(ii)(A)	paragraph (a)(4)(iii)(H)	paragraphs (a)(4)(iii)(A) and (I) ...	2
50 CFR 648.90(a)(5)(ii)(B)	paragraphs (a)(4)(iii)(A) and (B)	paragraphs (a)(4)(iii)(B) and (C)	1
50 CFR 648.90(a)(5)(ii)(C)	paragraphs (a)(4)(iii)(A) and (B)	paragraphs (a)(4)(iii)(B) and (C)	1
50 CFR 648.90(a)(5)(iii)	§ 648.90(a)(4)(iii)(D)	paragraph (a)(4)(iii)(E)	1
50 CFR 648.90(a)(5)(v)	paragraph (a)(4)(iii)(G)	paragraph (a)(4)(iii)(H)	1
50 CFR 648.90(a)(5)(v)	paragraph (a)(4)(iii)(G)(1)	paragraph (a)(4)(iii)(H)(1)	1
50 CFR 648.90(a)(6)(ii)	paragraph (a)(5)(i)	paragraph (a)(6)(i)	1
50 CFR 648.90(b)(5)(i)	§ 648.86(d)(4)	§ 648.86(e)(4)	1
50 CFR 648.201(a)(2)	§ 648.90(a)(4)(iii)(D)	§ 648.90(a)(4)(iii)(E)	1
50 CFR 648.201(a)(2)	§ 648.86(a)(3)(ii)(A)(2) and (3) of this part	§ 648.86(d)(2) and (3)	1

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Proposed Rules

Federal Register

Vol. 91, No. 45

Monday, March 9, 2026

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

DEPARTMENT OF AGRICULTURE

Foreign Agricultural Service

7 CFR Part 6

RIN 0551-AB04

[Docket ID FAS-2026-0001]

Dairy Tariff-Rate Quota Import Licensing Program

AGENCY: Foreign Agricultural Service, USDA.

ACTION: Proposed rule.

SUMMARY: This proposed rule would amend the regulation that provides for the issuance of annual licenses to import certain dairy articles under tariff-rate quotas (TRQs) as set forth in the Harmonized Tariff Schedule of the United States. FAS proposes changes to make the regulation more user friendly through updated language and clarification of some provisions. Among other changes, the proposed rule would replace the section on license transfers, strengthen the suspension and revocation provisions, and move forward the surrender date to permit earlier reallocation of surrendered quantities.

DATES: Comments are due on or before April 8, 2026.

ADDRESSES: You may send comments, by any of the following methods:

Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for sending comments.

Email: dairy-ils@usda.gov. Include [docket number FAS-2026-0001] in the subject line of the message.

Mail: Dairy Import Programs, Multilateral Affairs, Trade Policy and Geographic Affairs, Foreign Agricultural Service, United States Department of Agriculture, 1400 Independence Avenue SW STOP 1070; Washington, DC 20250.

Hand Delivery/Courier: Dairy Import Programs, Multilateral Affairs, Trade Policy and Geographic Affairs, Foreign Agricultural Service, United States Department of Agriculture; 1400

Independence Avenue SW STOP 1070; Washington, DC 20250. Instructions: All submissions received must include the agency name and docket number or Regulatory Information Number (RIN) for this proposed rule. Comments will be available for inspection online at www.regulations.gov and at the mail address listed above between 8 a.m. and 4:30 p.m., Monday through Friday, except holidays.

FOR FURTHER INFORMATION CONTACT: Elizabeth Riley, International Trade Specialist, Import Programs, Trade Policy and Geographic Affairs, Foreign Agricultural Service, U.S. Department of Agriculture, (202) 720-1703; Elizabeth.riley@usda.gov.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

The proposed rule has been determined to be not significant under E.O. 12866 and therefore has not been reviewed by the Office of Management and Budget (OMB).

Regulatory Flexibility Act

The Regulatory Flexibility Act ensures that regulatory and information requirements are tailored to the size and nature of small businesses, small organizations, and small governmental jurisdictions. The Regulatory Flexibility Act is not applicable to this rule because FAS is not required by 5 U.S.C. 553 or any other provision of law to publish a notice of proposed rulemaking with respect to the subject matter of this rule. Although the RFA does not apply, FAS has determined that this proposed rule will not have a significant economic impact on small businesses participating in the program.

Executive Order 12988

This proposed rule has been reviewed under *Executive Order 12988*, “*Civil Justice Reform*.” This rule will not preempt State or local laws, regulations, or policies unless they represent an irreconcilable conflict with this rule. The proposed rule would not have a retroactive effect. Before any judicial action may be brought forward regarding this proposed rule, all administrative remedies must be exhausted.

Executive Order 13175

This rule has been reviewed in accordance with the requirements of

Executive Order 13175, “*Consultation and Coordination with Indian Tribal Governments*.” *Executive Order 13175* requires Federal agencies to consult and coordinate with Tribes on a government-to-government basis on policies that have Tribal implications, including regulations, legislative comments or proposed legislation, and other policy statements or actions that have substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes or on the distribution of power and responsibilities between the Federal Government and Indian Tribes. FAS has assessed the impact of this rule on Indian Tribes and determined that this rule does not, to our knowledge, have Tribal implications that require *Tribal consultation under Executive Order 13175*.

National Environmental Policy Act

FAS has determined that this action will not have a significant effect on the quality of the human environment. Therefore, neither an Environmental Assessment nor an Environmental Impact Statement is necessary for this rule.

Unfunded Mandates Reform Act (Pub. L. 104-4)

Public Law 104-4 requires consultation with state and local officials and Indian tribal governments. This proposed rule does not impose an unfunded mandate or any other requirement on state, local, or tribal governments. Accordingly, these programs are not subject to the provisions of the Unfunded Mandates Reform Act.

Executive Order 12630

This Executive Order requires careful evaluation of governmental actions that interfere with constitutionally protected property rights. This rule does not interfere with any property rights and, therefore, does not need to be evaluated on the basis of the criteria outlined in Executive Order 12630.

Government Paperwork Elimination Act

The United States Department of Agriculture (USDA) is committed to compliance with the Government Paperwork Elimination Act, which requires Government agencies, in general, to provide the public the option

of submitting information or transacting business electronically to the maximum extent possible.

Paperwork Reduction Act

In accordance with provisions of the Paperwork Reduction Act of 1995, the information collection for the Dairy TRQ Import Licensing program is approved by OMB under OMB control number 0551-0001, expiring January 31, 2027.

Background

The Foreign Agricultural Service (FAS), under a delegation of authority from the Secretary of Agriculture, through the Under Secretary for Trade and Foreign Agricultural Affairs, administers the Dairy Tariff-Rate Quota Import Licensing regulation, codified at 7 CFR 6.20 *et seq.*, that provides for the issuance of licenses to import certain dairy articles under tariff-rate quotas (TRQs) as set forth in certain notes in Chapter 4 of the Harmonized Tariff Schedule of the United States. These dairy articles may only be entered into the United States at the low-tier tariff by or for the account of a person, as defined in the regulation, to whom such licenses have been issued and only in accordance with the terms and conditions of the regulation. Licenses are issued on a calendar year basis, and each license authorizes the licensee to import a specified quantity and type of dairy article from a specified country of origin.

Under TRQs, a low tariff rate, commonly referred to as the in-quota rate, applies to imports up to a specified quantity. A higher tariff rate, commonly referred to as the over-quota rate, applies to any imports in excess of that amount. No license is required to import products at the over-quota tariff rate.

USDA issues three types of annual licenses: historical, nonhistorical (lottery), and designated. For all three license types, the current regulation provides that persons must apply each year between September 1 and October 15 to receive a license for the following quota year. Historical and designated licensees may apply for lottery licenses, subject to certain limitations, if they are not affiliated or associated with another company holding a license for that same item from the same country of origin.

Licensees may fail to qualify for a license for a specific item from a specific country in the following year if they do not meet certain requirements, including but not limited to the following: licensees must (i) apply for the license each year, (ii) pay an annual fee, and (iii) have imported at least 85 percent of the final license amount from

the previous year. To avoid ineligibility due to the 85 percent rule, licensees may surrender up to 100 percent of the license, but must import 85 percent of any quantity not surrendered. Section 6.25(b) of the regulation provides that any historical licensee who has surrendered more than 50 percent of the license amount for the same item from the same country during at least three of the most recent five years will be issued a license thereafter in an amount equal to the average amount imported under that license for those five quota years.

Summary of Proposed Changes to Rule

The following is a summary of the proposed substantive changes to the current regulation:

Changes Throughout the Subpart

This rule proposes several changes throughout the subpart to update terminology and make the regulations more user friendly. These changes include directly addressing applicants and licensees using the term “you” rather than a “person” or “a licensee.” In addition, the rule would update all references to the former DAIRIES system to refer instead to its replacement, the Agriculture Trade License Administration System (ATLAS).

Throughout this subpart, references to various appendices that formerly were published in the CFR, but are now published only in the **Federal Register** as appendices to a Notice, would be removed to avoid confusion. In addition, the amended subpart would use the simpler term “non-cheese product” instead of “article other than cheese or cheese product.”

Overview of Section-by-Section Changes

Section 6.20, Introduction, would be streamlined and updated to clarify the authority and purpose of the program.

Section 6.21, Definitions, would be updated to include several modifications. The term “article” would be changed to “dairy article” and simplified to include all dairy products subject to a dairy import license under specific HS codes. The term “dairy product” would be clarified to include dairy products not subject to dairy import licensing requirements. Additional proposed changes include adding a definition for “Days” to mean calendar days, except where specified in the subpart. The definition of “EC” would be updated to “EU 27” to reference the countries listed in the HTS. FAS proposes a clear definition of force majeure. FAS proposes adding a definition for “Non-cheese article” to clarify the term as it is referenced elsewhere in the subpart. FAS also

proposes changing “Process or processing” to “processed” and “Tariff-rate quota amount or TRQ amount” to “Tariff-rate quota or TRQ” to simplify and clarify those definitions.

Section 6.22, Requirement for a license, would be modified to address more specifically who may obtain a license.

In Section 6.23, Eligibility to apply for a license, FAS proposes to modify subparagraph (a) to include requirements for “suitable business facilities” and maintaining up-to-date contact details in ATLAS.

Section 6.23(c) would be modified to clarify what is meant by “affiliated” applicants.

Section 6.24, Application for a license, would be reorganized for clarity and modified to include, among other requirements for an application, an address for physical business facilities, a tax identification number, and a certification that the applicant is not affiliated with another applicant that is applying for a nonhistorical license for the same dairy article from the same country.

Section 6.25, Allocation of licenses, would be updated to clarify the language for the allocation of historical, non-historical, and designated licenses, and to remove references to past suspensions of the historical license reduction provision that are no longer in effect. In order to maximize the utilization of designated quotas, the rule would add a provision allowing for the reallocation of designated quantities in the event that a country fails to notify USDA of its designated companies for the following quota year by an October 31 deadline. In addition, (d) was deleted to remove confusion about the applicable deadlines for countries to designate companies.

To permit reallocations earlier in the quota year, FAS proposes amending Section 6.26, Surrender and reallocation, to reflect a new deadline for surrender of unused quantities and a new timeframe for applications for reallocation. As modified, the final date to surrender license quantities would be September 1, rather than October 1, and the window to apply for reallocated quantities would be modified to August 1 through August 15, rather than September 1 through September 15. These changes would allow additional time for licensees to utilize quantities received through reallocation.

In addition to updating the language in Section 6.27, Limitations on use of license, the proposed rule would remove the requirement that eligible manufacturers and processors process at least 75 percent of licensed imports in

their own facilities. The proposed rule would replace current section 6.28, Transfer of license, with a new provision governing how USDA will address changes to the name or business entity of the license holder when the ownership of the business has not changed. The new Section 6.28 would not allow for the transfer of any licenses in the event a business or division of a business is sold, merged, or otherwise conveyed to another person. A license permits the licensee to import under the tariff-rate quota (TRQ). The basis for historical licenses is that those eligible for such licenses are entities that were in the business of importing dairy articles before the TRQ was established. In the case of a non-historical or designated license holder, the license was issued to that specific individual or entity. Once a license holder ceases to operate as a historical, non-historical, or designated importer, the entity ceases to qualify for a dairy license, and USDA may reallocate the quantities covered by the license. This change is intended to result in greater utilization of the dairy import TRQ and to enable a greater number of participants to utilize the TRQs. In particular, by no longer providing for the transfer of historical licenses, the revised regulation would allow quantities previously available only to historical license holders to become available to other applicants.

Section 6.30 would be modified to clarify that licensees must provide license records to USDA officials upon request during the 5-year period following the end of a quota year.

The proposed rule would change the name of Section 6.31, Debarment and Suspension, to "Debarment, suspension, and revocation." The revised Section 6.31 retains the existing reference to the USDA Suspension and Debarment Regulations at 2 CFR 417 and adds a citation to the Governmentwide Nonprocurement Suspension and Debarment Regulations at 2 CFR 180, as the dairy TRQ import licenses are "covered transactions" under the suspension and debarment regulations. In addition, revised Section 6.31 would specify the circumstances under which the Licensing Authority may suspend or revoke a license for violations of or failure to comply with the regulations set forth in this subpart. These changes will enable FAS to ensure compliance with the regulations and protect the integrity of the license program.

Section 6.33, "License fee," would be modified to include the current payment method of *pay.gov*.

Section 6.34, Adjustment of appendices, would add a new subparagraph to explain the TRQ

allotment and Appendices 1–4, which are published as notices in the **Federal Register**.

Section 6.35(b), "Correction of errors," would be modified to move the deadline for reporting errors from August 31 to March 31 of the calendar year following the year in which the error was alleged to have occurred.

Section 6.36, "Miscellaneous," would be modified to clarify that a document is filed on a day when it is received by 11:59 p.m., Eastern Time, and to note that all official correspondence, except where otherwise noted in the subpart, will be via email.

List of Subjects in 7 CFR Part 6

Agricultural commodities, Application requirements, Dairy cheese, Imports, Procedural rules, Tariff-rate Quota, Reporting and recordkeeping requirements.

Accordingly, for reasons described in the preamble, 7 CFR part 6 is proposed to be amended as follows:

PART 6—IMPORT QUOTAS AND FEES

Subpart B—Dairy Tariff-Rate Quota Import Licensing

- 1. The authority citation for Subpart B—Dairy Tariff-Rate Quota Import Licensing is revised to read as follows:

Authority: 19 U.S.C. 3513; 19 U.S.C. 3601; additional U.S. notes 6, 7, 8, 12, 14, 16–23 and 25 to Chapter 4 of the Harmonized Tariff Schedule of the United States (19 U.S.C. 1202); 31 U.S.C. 9701, Proc. 6763, 3 CFR, 1994 Comp., p. 147; Proc. 7235, 64 FR 55611 (October 13, 1999).

- 2. Sections 6.20 through 6.36 are revised to read as follows:

§ 6.20 Introduction.

(a) The Department of Agriculture will apply the regulations in this subpart to administer an import licensing system for certain dairy articles that are subject to in-quota tariff rates proclaimed in the Harmonized Tariff Schedule of the United States (HTS) (19 U.S.C. 1202).

(b) The dairy articles subject to this licensing system are listed in additional U.S. notes 6, 7, 8, 12, 14, 16–23 and 25 to Chapter 4 of the HTS. The Department annually publishes the list of dairy articles subject to licensing under this subpart in Appendices 1, 2, 3 and 4 in the **Federal Register**.

(c) Licenses permit the holder to import specified quantities of the subject dairy article into the United States at the applicable in-quota rate of duty. If an importer does not have a license for a dairy article subject to licensing, such importer will generally

be required to pay the applicable over-quota rate of duty.

§ 6.21 Definitions.

In this subpart:

ATLAS means the Agricultural Trade License Administration System, a web-based user interface system that persons must utilize to apply for and manage licenses, or any successor system designated by the Department.

CBP means the United States Customs and Border Protection, U.S. Department of Homeland Security.

Cheese or cheese articles means articles subject to a dairy import license as described in additional U.S. notes 16–23 and 25 to Chapter 4 of the HTS.

Commercial entry means any entry except those made by or for the account of the United States Government or for a foreign government, for the personal use of the importer or for sampling, taking orders, research, or the testing of equipment.

Country means country of origin as determined in accordance with CBP rules and regulations, except that "EU 27" and "Other countries or areas" will each be treated as a country.

Dairy article means a product subject to a dairy import license as described in additional U.S. notes 6–8, 12, 14, 16–23 and 25 to Chapter 4 of the Harmonized Tariff Schedule.

Dairy products means products in headings 0401 through 0406, margarine cheese listed under subheadings 1901.90.34 and 1901.90.36, ice cream listed under heading 2105, and casein listed under heading 3501 of the Harmonized Tariff Schedule.

Days means calendar days. If any deadline date in this subpart falls on a Saturday, Sunday, or a Federal holiday, then the deadline will be the next business day.

Department means the United States Department of Agriculture.

EU 27 means, collectively, those countries listed in additional U.S. note 2 to Chapter 4 of the HTS.

Enter or Entry means the entry for consumption, or withdrawal from warehouse for consumption, of merchandise imported into the United States in accordance with CBP regulations and procedures.

Force majeure means severe weather conditions, fire, explosion, flood, earthquake, insurrection, riot, strike, labor dispute, act of civil or military authority, non-availability of transportation facilities, or any other cause beyond the control of the licensee that renders the ability to make entry on a license impossible.

Harmonized Tariff Schedule or HTS means the Harmonized Tariff Schedule of the United States.

Licensee means a person to whom a license has been issued under this subpart.

Licensing Authority means the officer or employee of the Department who has been duly designated as the Licensing Authority responsible for managing the Dairy Tariff-Rate Quota Import Licensing System.

Non-cheese articles means articles subject to a dairy import license as described in additional U.S. notes 6–8, 12, and 14 to Chapter 4 of the HTS.

Person means an individual, firm, corporation, partnership, association, trust, estate, or other legal entity.

Processed means any additional preparation of a dairy product, such as melting, grating, shredding, cutting and wrapping, or blending with any additional ingredient.

Quota year means the 12-month period beginning on January 1 of a given year.

Tariff-rate quota or *TRQ* means a quota that permits a specified quantity of imported merchandise to be entered at a reduced rate of duty during the quota period.

United States means the customs territory of the United States, which is limited to the 50 states, the District of Columbia, and Puerto Rico.

You means a person who is an applicant or licensee under this subpart.

§ 6.22 Requirement for a license.

If you seek to enter a dairy article as a commercial entry at the preferential in-quota tariff rate you must obtain a license in accordance with this subpart.

§ 6.23 Eligibility to apply for a license.

(a) *Generally.* To be eligible for any license, you must have suitable U.S. business facilities, to include an office in the United States, with appropriate record-keeping and inventory systems, and a U.S.-based agent for service of process. You also must continuously maintain a valid email address in ATLAS for use in communicating with the Licensing Authority.

(b) Eligibility.

(1) Historical licenses. If the Licensing Authority issued you a historical license for a dairy article for the current quota year, you will be eligible to apply for a historical license for the next quota year for the same dairy article from the same country in the same amount if, during the 12-month period ending August 31 prior to the quota year for which the license is being sought, you were either:

(i) Where the dairy article is cheese or cheese article,

(A) The owner of and importer of record for at least three separate commercial entries of cheese or cheese

products under heading 0406 or products entered under subheading 1901.90.34 or 1901.90.36 of the HTS totaling not less than 57,000 kilograms net weight, each of the three entries not less than 2,000 kilograms net weight;

(B) The owner of and importer of record for at least eight separate commercial entries of cheese or cheese products under heading 0406 or products entered under subheading 1901.90.34 or 1901.90.36 of the HTS, from at least eight separate shipments, totaling not less than 19,000 kilograms net weight, each of the eight entries not less than 450 kilograms net weight, with a minimum of two entries in each of at least three quarters during that period; or

(C) The owner or operator of a plant listed in Section II or listed in Section I as a processor of cheese of the most current issue of “Dairy Plants Surveyed and Approved for USDA Grading Service” and had processed or packaged at least 450,000 kilograms of cheese or cheese products in your own plant in the United States; or

(ii) Where the dairy article is a non-cheese article,

(A) The owner of and importer of record for at least three separate commercial entries of dairy products totaling not less than 57,000 kilograms net weight, each of the three entries not less than 2,000 kilograms net weight;

(B) The owner of and importer of record for at least eight separate commercial entries of dairy products, from at least eight separate shipments, totaling not less than 19,000 kilograms net weight, each of the eight entries not less than 450 kilograms net weight, with a minimum of two entries in each of at least three quarters during that period; or

(C) The owner or operator of a plant listed in the most current issue of “Dairy Plants Surveyed and Approved for USDA Grading Service” and had manufactured, processed or packaged at least 450,000 kilograms of dairy products in your own plant in the United States; or

(D) The exporter of dairy products in the quantities and number of shipments required under (A) or (B) above.

(2) Nonhistorical licenses for cheese or cheese articles. You will be eligible to annually apply for a nonhistorical license for cheese or cheese articles if you meet the requirements of *paragraph (b)(1)(i)* of this section.

(3) Nonhistorical licenses for non-cheese articles. You will be eligible to apply annually for a nonhistorical license for non-cheese articles if you meet the requirements of *paragraph (b)(1)(ii)* of this section.

(4) Designated license. You will be eligible to apply annually for a designated license if you meet the requirements of *paragraph (b)(1)(i)* of this section and the government of a country designates you for such license under § 6.25(d).

(b) Exceptions

(1) If you have a license in the current quota year and fail in the current quota year to enter at least 85 percent of the amount of the dairy article permitted under the license, you will not be eligible to receive a license for the same dairy article from the same country for the next quota year. For purposes of this paragraph, the amount of a dairy article permitted under the license will exclude any amounts surrendered under § 6.26(a), but will include any additional allocations received under § 6.26(b).

(2) *Paragraph (c)(1)* of this section will not apply where you demonstrate to the satisfaction of the Licensing Authority that the failure to enter the requisite 85 percent resulted from:

(i) breach by a carrier of its contract of carriage,

(ii) breach by a supplier of its contract to supply the dairy article, or

(iii) force majeure.

(3) *Paragraph (c)(1)* of this section will not apply in the case of historical or nonhistorical license holders where you demonstrate to the satisfaction of the Licensing Authority that the country specified on the license maintains or permits an export monopoly to control the dairy article concerned and you petition the Licensing Authority to waive this requirement before October 15 of the quota year preceding the quota year for which you are applying for a new license. To petition the Licensing Authority, you must submit evidence that the country maintains or permits an export monopoly, defined for purposes of this paragraph as a privilege granted by the government to one or more persons consisting of the exclusive right to carry on the exportation of any dairy article from a country to the United States.

(4) The Licensing Authority will not issue you a nonhistorical license for a dairy article from a country for the upcoming quota year if you are affiliated with another applicant that is applying for a nonhistorical license for the same dairy article from the same country for that quota year. Further, the Licensing Authority will not issue a nonhistorical license for butter to an applicant who is affiliated with another applicant to whom the Licensing Authority is issuing a historical butter license of 57,000 kilograms or greater.

(5) For purposes of this subpart, applicants will be deemed affiliates of each other if an applicant would economically benefit, directly or indirectly, by the other applicant's use of the license to be issued to the other applicant, either one controls or has the power to control the other, or a third person controls or has the power to control both. Indications of control include, but are not limited to, interlocking management or ownership, identity of interests among family members, shared facilities and equipment, employment of one applicant by the other, and common use of employees.

(6) If you receive a designated license for a dairy article, the Licensing Authority will not issue you a nonhistorical license for the same dairy article from the same country for the same quota year.

§ 6.24 Application for a license.

(a) You must apply for a license using the electronic forms designated by the Licensing Authority in ATLAS. The Licensing Authority will not accept incomplete applications. You must complete all parts of the application form, including providing the following information:

- (1) a physical address for your business facilities,
- (2) a federal tax ID for doing business in the United States,
- (3) an agent in the United States for service of process, and
- (4) an email address to be used for correspondence regarding licensing activities and reports.

(b) If you are applying for a nonhistorical license, you must submit as part of your application a signed certification that you are not affiliated with another applicant that is applying for a nonhistorical license for the same dairy article from the same country for which you are also applying.

(c) You must submit your application no earlier than September 1 and no later than October 31 of the year preceding that for which the license application is made.

(d) To establish eligibility on the basis of imports, as part of your application, you must provide identification of entries sufficient to establish you were the importer of record of entries required under § 6.23 during the 12-month period ending August 31 prior to the quota year for which a license is being sought. For qualifying licensed entries, verification will be processed through ATLAS and cross-checked with entries in the CBP system. For both licensed and unlicensed qualifying entries, you may submit an electronic

copy of the applicable signed CBP Form 7501 to the Licensing Authority.

(e) To establish eligibility on the basis of exports, for the quantities and number of export shipments required under § 6.23, during the 12-month period ending August 31 prior to the quota year for which a license is being sought, you must provide as part of your application:

- (1) an electronic copy of Form 7525–V, Shipper's Export Declaration (SED) or Electronic Export Information (EEI), and
- (2) electronic copies of the commercial invoice, bill of lading, or bill of sale.

(f) If you are applying for more than one nonhistorical license, you must rank order these requests by the applicable additional U.S. note number. You must rank cheese and cheese articles separately from non-cheese articles.

§ 6.25 Allocation of licenses.

(a) *Licensing Authority.* The Licensing Authority will issue historical, nonhistorical and designated licenses.

(b) *Historical licenses.* If you were issued a historical license for the current quota year, the Licensing Authority will issue you a historical license in the same amount for the same dairy article from the same country for the next quota year, assuming you meet the applicable eligibility and application requirements, except that, if you surrendered more than 50 percent of such historical license in at least three of the prior five quota years preceding the quota year for which you are applying, you will thereafter be issued a historical license in an amount equal to the average annual quantity entered during those five quota years.

(c) *Nonhistorical licenses.* The Licensing Authority will allocate nonhistorical licenses on the basis of a rank-order lottery system, which will operate as follows:

- (1) The minimum license size will be:
 - (i) In the case of a cheese or cheese article:

- (A) The total amount available for nonhistorical license where such amount is less than 9,500 kilograms;
 - (B) 9,500 kilograms where the total amount available for nonhistorical license is between 9,500 kilograms and 500,000 kilograms, inclusive;
 - (C) 19,000 kilograms where the total amount available for nonhistorical license is between 500,001 kilograms and 1,000,000 kilograms, inclusive;
 - (D) 38,000 kilograms where the total amount available for nonhistorical license is greater than 1,000,000 kilograms; or
 - (E) An amount less than the minimum license size established in *paragraphs*

(c)(1)(i) (A) through (D) of this section, if requested by the applicant;

- (ii) In the case of a non-cheese article:
 - (A) The total amount available for nonhistorical license where such amount is less than 19,000 kilograms;
 - (B) 19,000 kilograms where the total amount available for nonhistorical license is between 19,000 kilograms and 550,000 kilograms, inclusive;
 - (C) 38,000 kilograms where the total amount available for nonhistorical license is between 550,001 kilograms and 1,000,000 kilograms, inclusive;
 - (D) 57,000 kilograms where the total amount available for nonhistorical license is greater than 1,000,000 kilograms; or
 - (E) An amount less than the minimum license sizes established in *paragraphs* (c)(1)(ii)(A) through (D) of this section, if requested by the applicant.

(2) Taking into account the order of preference submitted by each applicant pursuant to § 6.24(f), the Licensing Authority will allocate nonhistorical licenses for a dairy article from a country by a series of random draws. A license of minimum size will be issued to each applicant in the order established by such draws until the total amount of such dairy article available for nonhistorical licenses has been allocated. If the in-quota quantity for a dairy article reserved for nonhistorical licenses is not fully allocated, an applicant that receives a nonhistorical license for the dairy article will be removed from the pool for subsequent draws until every applicant has been allocated at least one nonhistorical license. Any amount remaining after the random draws which is less than the applicable minimum license size may, at the discretion of the Licensing Authority, be prorated equally among the nonhistorical licenses awarded for that dairy article.

(c)(1)(i) (A) through (D) of this section, if requested by the applicant;

(ii) In the case of a non-cheese article:

- (A) The total amount available for nonhistorical license where such amount is less than 19,000 kilograms;
- (B) 19,000 kilograms where the total amount available for nonhistorical license is between 19,000 kilograms and 550,000 kilograms, inclusive;
- (C) 38,000 kilograms where the total amount available for nonhistorical license is between 550,001 kilograms and 1,000,000 kilograms, inclusive;
- (D) 57,000 kilograms where the total amount available for nonhistorical license is greater than 1,000,000 kilograms; or
- (E) An amount less than the minimum license sizes established in *paragraphs* (c)(1)(ii)(A) through (D) of this section, if requested by the applicant.

(2) Taking into account the order of preference submitted by each applicant pursuant to § 6.24(f), the Licensing Authority will allocate nonhistorical licenses for a dairy article from a country by a series of random draws. A license of minimum size will be issued to each applicant in the order established by such draws until the total amount of such dairy article available for nonhistorical licenses has been allocated. If the in-quota quantity for a dairy article reserved for nonhistorical licenses is not fully allocated, an applicant that receives a nonhistorical license for the dairy article will be removed from the pool for subsequent draws until every applicant has been allocated at least one nonhistorical license. Any amount remaining after the random draws which is less than the applicable minimum license size may, at the discretion of the Licensing Authority, be prorated equally among the nonhistorical licenses awarded for that dairy article.

(a) *Designated licenses.*

(1) With respect to a dairy article for which the government of an applicable country may designate importers to receive licenses, the government of the applicable country, not later than October 31 prior to the beginning of a quota year, may submit directly by email to the Licensing Authority:

(i) The names, addresses and emails of the importers that it is designating to receive licenses; and

(ii) The amount, in kilograms, of such dairy article for which each such importer is being designated. Where quantities for designation result from both Tokyo Round concessions and Uruguay Round concessions, the designations should be made in terms of each.

In the event no submission is received by the October 31 deadline, USDA will reallocate that country's quantity to the non-historical appendix for that quota year.

(2) To the extent practicable, the Licensing Authority will issue designated licenses to those importers, and in those amounts, indicated by the government of the applicable country, provided that the importer designated meets the applicable eligibility and application requirements set forth in this subpart. Consistent with the international obligations of the United States, the Licensing Authority may disregard a designation if the Licensing Authority determines that the person designated is not eligible for the reason set forth in § 6.23(c)(1).

§ 6.26 Surrender and reallocation.

(a) If you determine that you will not enter the entire amount of a dairy article permitted under a license issued to you under this subpart before the end of the relevant quota year, you must surrender your right to enter the amount that you do not intend to enter. Surrender must be made to the Licensing Authority no later than September 1. Any surrender will be final and will be only for that quota year, except for historical licenses as provided in § 6.25(b). The amount of the license not surrendered will be subject to the license use requirements of § 6.23(c)(1).

(b) For each quota year, the Licensing Authority will, to the extent practicable, reallocate any amounts surrendered.

(c) If you are qualified for or were issued a cheese or cheese article license for the quota year, you may apply for a license or additional amounts to an existing license, as applicable, for a portion of the amount of any cheese or cheese article quota being reallocated. If you are qualified for or were issued a non-cheese article license for the quota year, you may apply for a license or additional amounts to an existing license, as applicable, for a portion of the amount of any non-cheese article quota being reallocated.

(d) If you wish to apply for any amounts surrendered, you must submit to the Licensing Authority no earlier than August 1 and not later than August 15 using the electronic forms designated by the Licensing Authority in ATLAS an application in accordance with section 6.24. The application must further specify:

(1) Your company name.

(2) The dairy article and country requested, the applicable HTS additional U.S. note number and, if you are requesting more than one dairy

article, a rank-order by additional U.S. note number; and

(3) If applicable, the number of the license issued to you for that quota year permitting entry of the same dairy article from the same country you are requesting.

The Licensing Authority will not accept incomplete applications. You must complete all parts of the application form.

(e) The Licensing Authority will reallocate surrendered amounts among applicants as follows:

(1) The minimum license size, or addition to an existing license, will be the total amount of the dairy article from a country surrendered, or 10,000 kilograms, whichever is less;

(2) Minimum size licenses, or additions to an existing license, will be allocated among applicants requesting dairy articles on the basis of the rank-order lottery system described in § 6.25(c);

(3) If there is any amount of a dairy article from a country left after minimum size licenses have been issued, the Licensing Authority may allocate the remainder in any manner it determines, including on a first-come, first-served basis; and

(4) No amount will be reallocated to a licensee who has surrendered a portion of its license for the same dairy article from the same country during that quota year and has applied for a reallocation for that same dairy article from the same country until all other applicants applying for a reallocated quantity of that TRQ have been allocated their requested amounts.

(f) If the government of an exporting country with a right to designate importers chooses to designate eligible importers to receive amounts surrendered by designated license holders for that country, the Licensing Authority will issue the designated licenses for the reallocated amounts in accordance with 6.25(d)(2), provided that the government of the exporting country notifies the Licensing Authority of its designations no later than August 1. Such notification must contain the names, addresses, and email addresses of the importers that it is designating and the share of the quantity of such dairy articles for which each importer(s) is being designated. In such case the requirements of *paragraph (c)* of this section will not apply.

§ 6.27 Limitations on use of license.

You must not obtain or use a license for speculation or brokering. You must not sell a license issued to you by the Licensing Authority or permit any other person to use such license.

§ 6.28 Change in business entity.

If you change your business name or entity type (e.g., from a limited liability corporation (LLC) to a corporation), but the ownership of the business has not changed, you must provide the Licensing Authority with supporting documents for the new business entity within 10 business days of the change in order for the Licensing Authority to update this information in ATLAS. Entries made under licenses by the original entity will be considered as having been made by the new business entity to whom the Licensing Authority issued the license for purposes of determining the new business entity's eligibility for the next quota year in accordance with § 6.23.

§ 6.29 Use of licenses.

(a) The country of origin of a dairy article entered under a license must be the country specified on the license, as determined by CBP.

(b) A dairy article entered or withdrawn from warehouse for consumption under a license must be entered in the name of the licensee as the importer of record by the licensee or its agent and must be owned by the licensee at the time of such entry.

(c) If the dairy article entered or withdrawn from warehouse for consumption was purchased by the licensee through a direct sale from a foreign supplier, the licensee must present the following documents or their authorized electronic equivalent, when available, at the time of entry:

(1) A true and correct copy of a through bill of lading from the country; and

(2) A commercial invoice or bill of sale from the seller, showing the quantity and value of the dairy article, the date of purchase and the country of origin; or

(3) Where the dairy article was entered into warehouse by the foreign supplier, CBP Form 7501 endorsed by the foreign supplier and the commercial invoice or bill of sale, from the seller to the buyer.

(d) If the dairy article entered was purchased by the licensee via sale-in-transit, the licensee must present the following documents or their authorized electronic equivalent, when available, at the time of entry:

(1) A true and correct copy of a through bill of lading endorsed by the original consignee of the goods;

(2) A certified copy of the commercial invoice or bill of sale from the foreign supplier to the original consignee of the goods; and

(3) A commercial invoice or bill of sale from the original consignee to the licensee.

(e) If the dairy article entered was purchased by the licensee in warehouse, the licensee must present the following documents or their authorized electronic equivalent, when available, at the time of entry:

(1) CBP Form 7501 endorsed by the original consignee of the goods;

(2) A certified copy of the commercial invoice or bill of sale from the foreign supplier to the original consignee of the goods; and

(3) A commercial invoice or bill of sale from the original consignee to the licensee.

(f) The Licensing Authority may waive the requirements of paragraphs (c), (d) or (e), if it determines that because of strikes, lockouts or other unusual circumstances, compliance with those requirements would unduly interfere with the entry of such dairy articles.

(g) Nothing in this subpart will prevent the use of immediate delivery in accordance with the provisions of CBP regulations relating to tariff-rate quotas.

§ 6.30 Record maintenance and inspection.

You must retain all records relating to purchases, sales, and transactions governed by this subpart, including all records necessary to establish your eligibility, for five years following the end of the quota year in which such purchases, sales, or transactions occurred. During that period, you must, upon reasonable notice and during ordinary hours of business, grant officials of the Department full and complete access to your premises to inspect, audit, or copy such records. During that period, you must, upon request, promptly provide to officials of the Department copies of such records that have been requested by them.

§ 6.31 Debarment, suspension, and revocation.

(a) The debarment and suspension regulations in 2 CFR part 180 and 2 CFR part 417 apply to this subpart.

(b) The Licensing Authority may suspend or revoke a license for a quota year and may not issue a license to a person for up to three subsequent quota years for any violation of or failure to comply with any provision of these regulations, including, but not limited to, the following:

(1) Failure to pay a license fee in accordance with § 6.33;

(2) Submission of false or misleading information in connection with an application, the use of a license, or a

request for information under this subpart;

(3) Failure to observe the limitations on and proper use of the license as set out in this subpart;

(4) Failure to maintain appropriate records or provide requested records during the required period of time in accordance with § 6.30; and

(5) The person is owned, controlled, employed, or managed by a person whose license has been suspended or revoked.

(c) The Licensing Authority will determine whether to suspend or revoke a license under paragraph (b) and, except in cases of willfulness or when public health, interest, or safety requires otherwise, will give written notice of such determination to the licensee. The notice will give a plain and concise explanation of the factual basis and grounds for the determination, specify the length of suspension or revocation and a date on which such suspension or revocation will become effective. If such opportunity has not already been provided, the notice will provide the licensee an opportunity to demonstrate or achieve compliance with all lawful requirements.

(d) Any action taken by the Licensing Authority to suspend or revoke a license is without prejudice to the rights of the U.S. Government to pursue any other available legal recourse, civil, criminal, or administrative.

§ 6.32 Globalization of licenses.

If the Licensing Authority determines that entries of a dairy article from a country are likely to fall short of that country's total allocated amount under the relevant TRQ, the Licensing Authority may permit, with the approval of the Office of the United States Trade Representative, the applicable licensees to enter the remaining balance or a portion thereof from any country during that quota year. Requests by licensees for consideration of such adjustments must be submitted to the Licensing Authority no later than September 1. The Licensing Authority will obtain prior consent for such an adjustment of license quantities from the government of the exporting country consistent with the relevant international commitments of the United States. No globalization requests will be considered prior to April 1 of each year.

§ 6.33 License fee.

(a) A fee will be assessed each quota year for each license based on the Department's costs of administering the licensing system. To the extent practicable, the fee will be announced

annually by the Licensing Authority in a notice published in the **Federal Register** no later than August 31 of the year preceding the quota year for which the fee is assessed.

(b) The license fee for each license issued is due and payable in full no later than March 15 of the year for which the license is issued. The fee for any license issued after March 15 of any quota year is due and must be paid in full no later than 10 days from the date of issuance of the license. Fee payments are payable to the Treasurer of the United States and must be made via the pay.gov link provided in the ATLAS system.

(c) If you do not pay the license fees for all licenses issued to you in full by the applicable due dates, a hold will be placed on the use of all licenses issued to you and no dairy article will be permitted entry under those licenses. The Licensing Authority will send you a warning by email advising that if payment is not made in accordance with subparagraph (b) above and received within 10 days from the date of the email, all licenses issued to you will be revoked. Where the license at issue is a historical license, this will result, pursuant to § 6.23(b), in the person's permanent loss of eligibility for such historical license.

§ 6.34 Adjustment of appendices.

(a) The Department will annually publish the list of dairy articles and the portion of each TRQ allotted to historical, nonhistorical, and designated licenses in the **Federal Register** in Appendix 1 (historical licenses), Appendix 2 (nonhistorical licenses), Appendix 3 (designated licenses per Tokyo Round concessions), and Appendix 4 (designated licenses per Uruguay Round concessions). Whenever quantities of a historical license are permanently surrendered, revoked by the Licensing Authority, or not issued to an applicant pursuant to the provisions of § 6.23, such quantity will be transferred to the quantity available to nonhistorical licenses for that dairy article.

(b) The cumulative annual transfers to nonhistorical licenses made in accordance with *paragraph (b)* of this section will be published in the **Federal Register** each year. If a transfer results in the addition of a new dairy article, or a dairy article from a country not previously listed in Appendix 2, the Licensing Authority will afford all eligible applicants for the current quota year the opportunity to apply for a nonhistorical license for such dairy article during the reallocation period.

§ 6.35 Correction of errors and explanation of denial.

(a) If you demonstrate, to the satisfaction of the Licensing Authority, that errors were made by officers or employees of the United States Government in implementing this subpart, the Licensing Authority will review and rectify the errors to the extent feasible and permitted under this subpart.

(b) You must provide sufficient documentation regarding the error to the Licensing Authority by email as soon as practicable after you become aware of the error but no later than by March 31 of the calendar year following the calendar year in which the error was alleged to have been committed.

(c) If the error resulted in the loss of a historical license by a license holder, the Licensing Authority will transfer the amount of such license from the amounts available to the nonhistorical licenses back to the amounts available to historical licenses in order to provide for the issuance of such license in the calendar year following the calendar year for which the license was revoked.

(d) At the request of the applicant, the Licensing Authority will provide a written explanation for the denial of a license application within 45 days of receiving the request.

§ 6.36 Miscellaneous.

(a) If any deadline date in this subpart falls on a Saturday, Sunday, or a Federal holiday, then the deadline will be the next business day. A document is filed on a day when it is received by 11:59 p.m., Eastern Time.

(b) All official correspondence with the Licensing Authority, except as provided otherwise in this subpart, must be by email. Digital scanned versions (e.g., PDF, JPEG, TIF, etc.) of hardcopy documents submitted by email are acceptable electronic communications.

Daniel B. Whitley,

Administrator, Foreign Agricultural Service.

[FR Doc. 2026-04599 Filed 3-6-26; 8:45 am]

BILLING CODE 3410-10-P

DEPARTMENT OF AGRICULTURE**Agricultural Marketing Service****7 CFR Part 923**

[Doc. No. AMS-SC-25-0617]

Sweet Cherries Grown in Designated Counties in Washington; Modification of Handling Regulations

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Proposed rule.

SUMMARY: This proposed rule would implement a recommendation from the Washington Cherry Marketing Committee (Committee) to update the handling regulations for sweet cherries grown in designated counties in Washington. The Committee's proposal seeks to increase the minimum size requirements for all sweet cherry varieties, except the Rainier, Royal Anne, and similar varieties, commonly referred to as "light sweet cherries." In addition, the proposal would remove one row count/row size designation, add two new row count/row size designations, and revise the title of the Marketing Order's pack requirements table.

DATES: Comments must be received by April 8, 2026.

ADDRESSES: Interested persons are invited to submit written comments concerning this proposed rule. Comments can be sent to the Docket Clerk, Market Development Division, Specialty Crops Program, AMS, USDA, 1400 Independence Avenue SW, STOP 0237, Washington, DC 20250-0237. Comments can also be sent to the Docket Clerk electronically by email: MarketingOrderComment@usda.gov or via the internet at: <https://www.regulations.gov>. Comments should reference the document number and the date and page number of this issue of the **Federal Register**. Comments submitted in response to this proposed rule will be included in the record and will be made available to the public and can be viewed at: <https://www.regulations.gov>. Please be advised that comments are posted to [regulations.gov](https://www.regulations.gov) without change.

FOR FURTHER INFORMATION CONTACT: Virginia Tjemsland, Marketing Specialist, or Barry Broadbent, Chief, Northwest Region Branch, Market Development Division, Specialty Crops Program, AMS, USDA; telephone: (503) 326-2724; or email: Virginia.L.Tjemsland@usda.gov or Barry.Broadbent@usda.gov.

SUPPLEMENTARY INFORMATION: This action, pursuant to 5 U.S.C. 553, proposes to amend regulations issued to carry out a marketing order as defined in 7 CFR 900.2(j). This proposed rule is issued under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674) (the Act), and Marketing Order No. 923 (7 CFR part 923) (the Order), which regulates the handling of sweet cherries grown in designated counties of Washington. The Committee locally administers the Order and is comprised of growers and

handlers of sweet cherries operating within the production area.

This action is exempt from the Office of Management and Budget (OMB) review process required by Executive Order 12866. This rule amends existing Marketing Order No. 923, as amended (7 CFR part 923), Sweet Cherries Grown in Designated Counties in Washington, and is necessary for the continued operation of Marketing Order No. 923.

Additionally, this action is exempt from the requirements of Executive Order 14192, "Unleashing Prosperity Through Deregulation," pursuant to section 5(c).

This proposed rule has been reviewed under Executive Order 13175, "Consultation and Coordination with Indian Tribal Governments," which requires Federal agencies to consider whether their rulemaking actions would have Tribal implications. The Agricultural Marketing Service (AMS) has determined this proposed rule is unlikely to have substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes.

This proposed rule has been reviewed under Executive Order 12988, "Civil Justice Reform." This proposed rule is not intended to have a retroactive effect.

Under the Order, sweet cherries produced in designated counties in Washington are required to be inspected and are subject to grade, size, quality, maturity, pack, and container requirements. This proposed rule would increase the minimum size requirements for all sweet cherry varieties, except the Rainier, Royal Anne, and similar varieties, commonly referred to as "light sweet cherries." In addition, the proposal would remove one row count/row size designation and add two new row count/row size designations to the Order's pack requirements.

Section 923.51 of the Order authorizes the Committee to recommend handling regulations to the Secretary. Section 923.52 of the Order authorizes the Secretary to establish such handling regulations. Further, § 923.53 authorizes the Committee to recommend the modification, suspension, or termination of handling regulations when it finds that industry conditions so dictate. Section 923.322 establishes the minimum grade, size, quality, maturity, pack, and container requirements for sweet cherries handled subject to the Order. Section 923.322(b) establishes the Order's minimum size requirements and § 923.322(d) details the Order's pack requirements. Section

923.322(d)(1) includes a table that specifies the allowable row count/row size designations and the corresponding allowable size variation tolerance.

Pursuant to 7 CFR 923.53, the Committee determined that the production and marketing conditions of Washington sweet cherries have changed and that the Order's handling regulations should be modified accordingly. The Committee met on May 22, 2024, and recommended, with a vote of nine in favor, three opposed, and one abstention, modifying the Order's handling regulations by increasing the minimum size requirements for all cherries, except cherries of the Rainier, Royal Anne, and other similar "light sweet cherries," in § 923.322(b)(2). Later, the Committee met again on August 27, 2025, and unanimously recommended, with a vote of 12 in favor and none opposed, modifying the Order's pack requirements in § 923.322(d)(1). The Committee recommended these changes to allow the industry to maximize market returns and facilitate access to crop insurance for growers, when necessary.

Currently, the size requirements in the Order's handling regulations require that at least 90 percent of all sweet cherries, except the Rainier, Royal Anne, and other similar "light sweet cherries," be a minimum size of $\frac{5}{16}$ inch in diameter and not more than $\frac{5}{16}$ inch in diameter, by count, may be less than $\frac{5}{16}$ inch in diameter. In addition, under the Order's pack requirements, the current minimum row count/row size designation is a 12-row, with at least 90 percent, by count, not smaller than $\frac{5}{16}$ inch in diameter. The largest defined row count/row size designation is an 8-row, with at least 90 percent, by count, not smaller than $\frac{8}{16}$ inch in diameter. Because there is no maximum size requirement defined by the Order's handling regulations, cherries larger than $\frac{8}{16}$ inches in diameter are all currently designated as 8-row size/row count. For context, higher number row count/row size designations correlate to smaller fruit and lower number row count/row size designations correlate to larger size fruit.

The Committee held two public meetings on May 22, 2024, and August 27, 2025, to consider changes to the Order's handling regulations. At its meeting on May 22, 2024, the Committee recommended, with a vote of nine in favor, three opposed, and one in abstention, modifying the Order's handling regulations by increasing the minimum size requirements for all cherries, except cherries of the Rainier, Royal Anne, and other similar "light

sweet cherries," from $\frac{5}{16}$ inch in diameter (12-row count/row size designation) to $\frac{5}{16}$ inch in diameter (11½-row count/row size designation). Under the proposed change, at least 90 percent, by count, of cherries in any lot would be required to measure not less than $\frac{5}{16}$ inch in diameter, and not more than 5 percent, by count, could measure less than $\frac{5}{16}$ inch in diameter. Additionally, the Committee recommended eliminating the 12-row count/row size designation from the table in the Order's pack requirements to conform with the proposed minimum size requirement increase to $\frac{5}{16}$ inch in diameter (11½-row count/row size). The three members opposed did not believe the recommendation would be good for industry and would limit growers' ability to market all their fruit, as in some very specific circumstances, 12-row count/row size designated sweet cherries can be marketed. The abstaining member wanted additional time to consider the recommendation.

According to the Committee, small size cherries ranging from $\frac{5}{16}$ to $\frac{5}{16}$ inch in diameter (12-row count/row size) account for approximately 1 to 2 percent of the Washington sweet cherry market annually. In addition to making up a very small percentage of sweet cherry volume, small size cherries usually command a lower market price, which can create competition with the larger size fruit which is also produced within the production area. Further, during difficult crop years when weather events adversely impact yield and fruit size, growers are often required to pick and deliver their 12-row count/row size cherries to handlers to qualify for crop insurance coverage, even if picking the smaller size cherries is not economically viable. This is because crop insurance adjusters typically require harvesting all "marketable" fruit prior to submission of a crop insurance claim, even though the smaller size cherries have little market value to the grower or the handler. For these reasons, the Committee believes that increasing the minimum size requirement to $\frac{5}{16}$ inch in diameter and eliminating the corresponding 12-row count/row size designation in the Order's pack requirements would be beneficial to the industry by preventing low value, small size cherries from competing in the market against larger, more valuable fruit, and by reducing crop insurance barriers for growers following weather-induced crop losses.

At its public meeting on August 27, 2025, the Committee recommended, with a vote of 12 in favor and none opposed, to further modify the Order's handling regulations by adding two new

row count/row size designations to the Order's pack requirements. The proposal would add a 7½-row count/row size designation, with a minimum $\frac{8}{16}$ inch diameter, and a 7-row count/row size designation, with a minimum $\frac{9}{16}$ inch diameter. Currently, 8-row count/row size (minimum $\frac{8}{16}$ inches in diameter) and larger sweet cherries are marketed without further size definition, making it difficult for industry to differentiate and capitalize on the larger size fruit. The Committee believes that adding the two larger size designations will benefit growers and handlers of larger size sweet cherries and facilitate industry's desire to market larger size cherries in export markets at premium prices.

Therefore, this proposed rule would amend the size requirements in § 923.322(b)(2) by increasing the minimum size requirement from $\frac{5}{16}$ inch in diameter to $\frac{5}{16}$ inch in diameter. Under the proposal, at least 90 percent, by count, of cherries in any lot would be required to measure not less than $\frac{5}{16}$ inch in diameter, and not more than 5 percent, by count, could measure less than $\frac{5}{16}$ inch in diameter. Further, this proposed rule would amend the table in 7 CFR 923.322(d)(1) by removing the 12-row count/row size designation in Column 1, as well as the corresponding minimum $\frac{5}{16}$ inch in diameter from same row in Column 2. The proposal would also add two new row count/row size designations to the table: a 7½-row count/row size in Column 1, with a corresponding minimum $\frac{8}{16}$ inch diameter in Column 2, and a 7-row count/row size in Column 1, with a corresponding minimum $\frac{9}{16}$ inch diameter in Column 2. Lastly, this proposed rule will make a technical amendment to revise the title of the table to "Table 1 to paragraph (d)(1)". The proposed changes in the Order's handling regulations are expected to benefit growers, handlers, and consumers of Washington sweet cherries.

Initial Regulatory Flexibility Analysis

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA) (5 U.S.C. 601–612), AMS has considered the economic impact of this proposed rule on small entities. Accordingly, AMS has prepared this initial regulatory flexibility analysis.

The purpose of the RFA is to fit regulatory actions to the scale of businesses subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Act, and the rules issued thereunder, are unique in that they are brought about

through group action of typically small entities acting on their own behalf.

There are approximately 1,350 sweet cherry growers in the production area and approximately 35 handlers subject to regulation under the Order. At the time this analysis was prepared, the Small Business Administration (SBA) defined small agricultural producers as those having annual receipts equal to or less than \$3,500,000 (NAICS code 111339, Other Noncitrus Fruit Farming). Small agricultural service firms, which include sweet cherry handlers, were defined by the SBA as those having annual receipts equal to or less than \$34,000,000 (NAICS code 115114, Postharvest Crop Activities) (13 CFR 121.201).

Based on data from the National Agricultural Statistics Service (NASS) and the Committee, the reported average price growers received for Washington sweet cherries during the 2024–2025 fiscal year was approximately \$1.08 per pound. Using the average grower price, shipment information, and the number of growers, and assuming a normal distribution, the majority of growers have estimated average annual receipts of significantly less than \$3,500,000 (\$1.08 multiplied by 404,000,000 pounds equals \$436,320,000, divided by 1,350 growers equals \$323,200 per grower). Thus, the majority of growers may be classified as small entities.

According to data from Market News and production records from the Committee, the average price of Washington sweet cherries handled during the 2024–2025 fiscal year was approximately \$3.17 per pound, with total shipments of around 404,000,000 pounds. Based on the average terminal market price, shipment information, and the number of handlers, and assuming a normal distribution, the majority of Washington sweet cherry handlers have estimated average annual receipts of more than \$34,000,000 (\$3.17 multiplied by 404,000,000 pounds equals \$1,280,680,000 divided by 35 handlers equals \$36,590,857 per handler). Thus, the majority of handlers may be classified as large entities.

This proposed rule would increase the minimum size requirements in the Order's handling regulation for all varieties, other than Rainier, Royal Anne, and other similar "light sweet cherries," from $\frac{5}{4}$ inch in diameter to $\frac{5}{7}$ inch in diameter. Under the proposed change, at least 90 percent, by count, of cherries in any lot would be required to measure not less than $\frac{5}{7}$ inch in diameter, and not more than 5 percent, by count, could measure less than $\frac{5}{4}$ inch in diameter. Additionally, the proposal would

modify the table in the Order's pack requirements by eliminating the 12-row count/row size designation, which corresponds to a minimum diameter of $\frac{5}{4}$ inches, and by adding a $7\frac{1}{2}$ -row count/row size designation ($\frac{8}{8}$ inches in diameter) and a 7-row count/row size designation ($\frac{9}{2}$ inches in diameter). Under the proposed rule, the minimum row count/row size designation would be $11\frac{1}{2}$, with a corresponding minimum diameter of $\frac{5}{7}$ inches.

At its May 22, 2024, meeting, the Committee voted nine in favor, three opposed, and one in abstention, to recommend changes to the Order's minimum size and pack requirements. The Committee stated that 12-row ($\frac{5}{4}$ inch in diameter) cherries regularly make up only 1 to 2 percent of the market and are not readily accepted by wholesale buyers, nor do handlers often choose to pack and market such small cherries. The Committee further indicated that in years of weather-induced crop failure or yield reductions, crop insurance requires growers to harvest and deliver all the cherries produced, even if handlers would prefer that growers forgo delivery of small size fruit and growers would prefer to avoid the expense and burden of harvesting such small size fruit. With this proposed rule, sweet cherry growers would be able to harvest fruit that is more readily accepted by handlers and successfully market such fruit to consumers. The proposed rule would also facilitate growers' use of crop insurance in years when the industry experiences a crop failure.

At its August 27, 2025, meeting, the Committee voted, 12 in favor and none opposed, to add a $7\frac{1}{2}$ -row count/row size designation ($\frac{8}{8}$ inches in diameter) and a 7-row count/row size designation ($\frac{9}{2}$ inches in diameter) to the table in the Order's pack requirements. The Committee believes that adding these size designations will allow the industry to differentiate markets and facilitate marketing large size, premium sweet cherries.

This proposed rule would not impose any additional costs to industry. It is not expected to have a significant impact positively or negatively on the revenue of handlers or growers of Washington sweet cherries as the quantity of small, 12-row size fruit produced is very small, the market currently does not readily accept 12-row size sweet cherries, and such cherries, when produced and marketed, command lower prices than larger size fruit. The quality of sweet cherries is not expected to be significantly affected by this proposed change, and increasing the minimum size of marketable cherries aligns with

what the market already demands. In addition, the Order's current minimum grade requirements would not be impacted by this proposed rule, and the addition of the larger size designations in the Order's pack requirements is expected to have a neutral or positive impact.

The Committee considered alternatives to the recommended changes made at its May 2024 meeting, including taking no action and continuing to regulate according to the requirements currently in effect under the Order. The Committee considered increasing the minimum size requirement to $\frac{6}{1}$ inch in diameter and raising the minimum row count/row size designation to 11-row, thereby eliminating both the 12 and $11\frac{1}{2}$ -row count/row size designations from the pack requirements. However, the Committee determined that the minimum size and minimum row count/row size designation, as proposed herein, would be in the best interest of the growers, handlers, and consumers of Washington sweet cherries. As such, the Committee rejected all other alternatives.

Further, the Committee also discussed alternatives to the recommended changes made at the August 2025 meeting, including taking no action and continuing to regulate based on the recommended proposals presented at the May 2024 meeting. The Committee considered various options regarding defining larger size fruit in the table in the Order's pack requirements. However, the Committee ultimately determined that adding two additional row count/row size designations ($7\frac{1}{2}$ -row ($\frac{8}{8}$ inch in diameter) and 7-row ($\frac{9}{2}$ inch in diameter)) would be in the best interest of the growers, handlers, and consumers of Washington sweet cherries and rejected all other alternatives.

Committee meetings are widely publicized throughout the Washington sweet cherry industry. All interested persons are invited to attend meetings and participate in Committee deliberations. Like all Committee meetings, the May 22, 2024, and August 27, 2025, meetings were public meetings and all entities, both large and small, were able to express their views on this issue. Finally, interested persons are invited to submit comments on this proposed rule, including the regulatory and informational impacts of this action on small businesses.

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the Order's information collection requirements have been previously approved by the Office of

Management and Budget (OMB) and assigned OMB No. 0581–0189, Fruit Crops. This proposed rule does not require changes to the current information collection. Should any changes become necessary, they would be submitted to OMB for approval.

This proposed rule would not impose any additional reporting or recordkeeping requirements on either small or large sweet cherry handlers. As with all Federal marketing order programs, reports and forms are periodically reviewed to reduce information requirements and duplication by industry and public sector agencies.

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

AMS has not identified any relevant Federal rules that duplicate, overlap, or conflict with this proposed rule.

After consideration of all relevant material presented, including the information and recommendations submitted by the Committee and other available information, AMS has determined that this proposed rule is consistent with and would effectuate the purposes of the Act.

A 30-day comment period is provided to allow interested persons to respond to this proposed rule. All written comments timely received will be considered before a final determination is made on this action.

List of Subjects in 7 CFR Part 923

Cherries, Fruits, Marketing agreements, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, AMS proposes to amend 7 CFR part 923 as follows:

PART 923—SWEET CHERRIES GROWN IN DESIGNATED COUNTIES IN WASHINGTON

■ 1. The authority citation for part 923 continues to read as follows:

Authority: 7 U.S.C. 601–674.

■ 2. Amend § 923.322 by revising paragraph (b)(2) and, in paragraph (d)(1), by revising the title of the table and the table itself to read as follows:

§ 923.322 Washington cherry handling regulation.

* * * * *

(b) * * *

(2) For all other varieties, at least 90 percent, by count, of the cherries in any

lot shall measure not less than 57/64 inch in diameter and not more than 5 percent, by count, may be less than 54/64 inch in diameter.

* * * * *

(d) * * *

(1) * * *

TABLE 1 TO PARAGRAPH (d)(1)

Column 1, row count/ row size	Column 2 diameter (inches)
7	92/64
7½	88/64
8	84/64
8½	79/64
9	75/64
9½	71/64
10	67/64
10½	64/64
11	61/64
11½	57/64

* * * * *

Erin Morris,

Administrator, Agricultural Marketing Service.

[FR Doc. 2026–04571 Filed 3–6–26; 8:45 am]

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DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 932

[Doc. No. AMS–SC–25–0002]

Olives Grown in California; Decreased Assessment Rate

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Proposed rule.

SUMMARY: This proposed rule would implement a recommendation from the California Olive Committee (Committee) to decrease the assessment rate established for the 2025 fiscal year and subsequent fiscal years from \$28.00 to \$24.00 per ton of assessable olives grown in California. The proposed assessment rate would remain in effect indefinitely until modified, suspended, or terminated.

DATES: Comments must be received by April 8, 2026.

ADDRESSES: Interested persons are invited to submit written comments concerning this proposed rule. Comments can be sent to the Docket Clerk, Market Development Division, Specialty Crops Program, AMS, USDA, 1400 Independence Avenue SW, STOP 0237, Washington, DC 20250–0237. Comments can also be sent to the Docket Clerk electronically by email:

MarketingOrderComment@usda.gov or via the internet at: <https://www.regulations.gov>. Comments should reference the document number and the date and page number of this issue of the **Federal Register**. Comments submitted in response to this proposed rule will be included in the record, will be made available to the public and can be viewed at: <https://www.regulations.gov>. Please be advised that public comments are posted to *regulations.gov* without change.

FOR FURTHER INFORMATION CONTACT:

Kathie Notoro, Marketing Specialist, or Abigail Maharaj, Chief, West Region Branch, Market Development Division, Specialty Crops Program, AMS, USDA; telephone: (559) 487–5901; or email: *Kathie.Notoro@usda.gov* or *Abigail.Maharaj@usda.gov*.

SUPPLEMENTARY INFORMATION: This action, pursuant to 5 U.S.C. 553, proposes to amend regulations issued to carry out a marketing order as defined in 7 CFR 900.2(j). This proposed rule is issued under Marketing Order No. 932 as amended (7 CFR part 932), regulating the handling of olives grown in California. Part 932 (referred to as “the Order”) is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), hereinafter referred to as the “Act.” The California Olive Committee (Committee) locally administers the Order and is comprised of producers and handlers of olives operating within the area of production.

This action is exempt from the Office of Management and Budget (OMB) review process required by Executive Order 12866. This rule amends the existing Marketing Order No. 932 (7 CFR part 932), Olives Grown in California and is necessary for the continued operation of Marketing Order No. 932. Additionally, this action is exempt from the requirements of Executive Order 14192, “Unleashing Prosperity Through Deregulation,” pursuant to section 5(c).

This proposed rule has been reviewed under Executive Order 13175, “Consultation and Coordination with Indian Tribal Governments,” which requires Federal agencies to consider whether their rulemaking actions would have Tribal implications. AMS has determined that this proposed rule is unlikely to have substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes.

This proposed rule has been reviewed under Executive Order 12988, “Civil Justice Reform.” Under the Order now in effect, California olive handlers are subject to assessments. Funds to administer the Order are derived from such assessments. It is intended that the assessment rate would be applicable to all assessable olives for the 2025 fiscal year, and continue until amended, suspended, or terminated.

This proposed rule would decrease the assessment rate for assessable olives handled under the Order from \$28.00 to \$24.00 per ton for the 2025 fiscal year and subsequent fiscal years.

Sections 932.38 and 932.39 of the Order authorize the Committee, with the approval of AMS, to formulate an annual budget of expenses and collect assessments from handlers to administer the program. The members of the Committee are familiar with the Committee’s needs and with the costs of goods and services in their local area and can formulate an appropriate budget and assessment rate. The assessment rate is formulated and discussed in a public meeting, and all directly affected persons have an opportunity to participate and provide input.

For the 2024 fiscal year and subsequent fiscal years, the Committee recommended, and AMS approved, an assessment rate of \$28 per ton of assessable olives within the production area. That rate continues in effect from fiscal year to fiscal year until modified, suspended, or terminated by AMS upon recommendation and information submitted by the Committee or other information available to AMS.

The Committee met on December 19, 2024, and unanimously recommended 2025 fiscal year expenditures of \$1,174,697 and an assessment rate of \$24 per ton of assessed olives. In comparison, the 2024 fiscal year budgeted expenditures were \$1,100,151. The proposed assessment rate of \$24 is \$4 lower than the rate currently in effect. Although the recommended 2025 fiscal year expenditures are higher than those in 2024, the Committee recommended decreasing the assessment rate due to the significantly higher crop size in 2024 (fruit that is marketed over the course of the 2025 fiscal year), and the need to maintain its reserve funds within a level authorized under the marketing order. The Committee estimates approximately 48,560 tons of olives from the 2024 crop year that will be assessable during the 2025 fiscal year. This amount is substantially higher than the 34,000 tons of olives that were harvested in 2023.

Olives harvested in 2024 will be marketed over the course of the 2025 fiscal year, which began on January 1, 2025, as the harvested olives are stored in brining tanks and processed over the subsequent year. The 48,560 tons of assessable olives from the 2024 crop would generate \$1,165,440 (48,560 tons multiplied by the \$24 assessment rate) in assessment revenue over the 2025 fiscal year at the proposed assessment rate. The balance of funds needed to cover budgeted expenditures would come from interest income and the Committee’s financial reserve. The 2025 fiscal year assessment rate decrease is appropriate to ensure the Committee has sufficient revenue to fund the recommended 2025 fiscal year budgeted expenditures while also ensuring that funds in the reserve do not exceed approximately one fiscal year’s expenses, the maximum reserve amount permitted by 7 CFR 932.40.

The Order has a fiscal year and a crop year that are independent of each other. The crop year is a 12-month period that begins on August 1 of each year and ends on July 31 of the following year. The fiscal year is the 12-month period that begins on January 1 and ends on December 31 of each year. Olives are an alternate-bearing crop, with a small crop (2023) followed by a large crop (2024). For this proposed rule, the Committee utilized the estimated 2024 crop year receipts to determine the recommended assessment rate for the 2025 fiscal year.

The Committee derived the recommended assessment rate by considering anticipated fiscal year expenses, the expected volume of assessable olives, and the level of funds available in the authorized financial reserve. The expected 48,560 tons of assessable olives would generate \$1,165,440 in assessment revenue at the proposed rate (48,560 tons multiplied by the \$24 assessment rate). The income generated from handler assessments, along with reserve funds and interest income, would be sufficient to meet the Committee’s estimated program expenditures of \$1,174,697 for the 2025 fiscal year. Funds available in the financial reserve (currently about \$1,723,008) would be kept within the maximum permitted by the Order (approximately one fiscal year’s expenses as authorized by 7 CFR 932.40).

The proposed assessment rate would continue in effect indefinitely until modified, suspended, or terminated by AMS upon recommendation and information submitted by the Committee or other available information. Although this assessment rate would be in effect for an indefinite

period, the Committee will continue to meet prior to or during each fiscal year to recommend a budget of expenses and consider recommendations for modification of the assessment rate. The dates and times of Committee meetings are available from the Committee or AMS. Committee meetings are open to the public and interested persons may express their views at these meetings. AMS evaluates Committee recommendations and other available information to determine whether modification of the assessment rate is needed. The Committee’s 2025 fiscal year budget, and those for subsequent fiscal years, will be reviewed and approved by AMS.

Initial Regulatory Flexibility Analysis

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA) (5 U.S.C. 601–612), AMS has considered the economic impact of this proposed rule on small entities. Accordingly, AMS has prepared this initial regulatory flexibility analysis.

The purpose of the RFA is to fit regulatory actions to the scale of businesses subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Act, and the rules issued thereunder, are unique in that they are brought about through group action of essentially small entities acting on their own behalf.

The Small Business Administration (SBA) defines, in 13 CFR part 121, small agricultural service firms, including handlers, as those whose average annual receipts are no greater than \$34 million (North American Industry Classification System (NAICS) code 115114, Postharvest Crop Activities). SBA defines small agricultural producers of olives as those having average annual receipts no greater than \$3.5 million (NAICS code 111339, Other Noncitrus Fruit Farming).

According to the Committee, there are two handlers subject to regulation under the Order. The volume of olives produced in the production area—a two-year average of 31,520 tons for crop years 2023 to 2024—would require large scale processing facilities for just two handlers to be able to process the entire California crop; therefore, it is likely that both handlers would exceed the SBA threshold of \$34 million in annual receipts, and therefore, not be considered small businesses under the SBA definition of a small firm engaging in postharvest crop activities.

In the 2022 Census of Agriculture, the most recent to date, the National Agricultural Statistics Service (NASS)

reports the existence of 1,613 olive-farming operations in California totaling 41,828 bearing acres. To estimate the number of olive growers that would be considered to be “small” per the SBA definition, AMS calculates the acreage required to produce the volume of olives at an average price to reach the \$3.5 million threshold. Due to the alternate-bearing nature of olives, a two-year average is used to estimate price and yield, based on the most recent NASS data for 2023 and 2024.

NASS reports 2023 and 2024 California grower prices for olives for canning at \$1,080 per ton and \$1,140 per ton, respectively. This results in a two-year average price received by California growers of olives for canning of \$1,110 per ton (\$1,080 plus \$1,140, divided by 2). Olive yields in California measured 3.04 tons per acre in 2023 and 3.78 tons per acre in 2024, resulting in an average yield of 3.41 tons of olives per acre (3.04 tons plus 3.78 tons, divided by 2). These figures are utilized in the equations below to estimate the amount of acreage needed to produce the volume of olives sold at the average price to reach the SBA threshold of \$3.5 million.

Dividing the SBA threshold for a small olive grower of \$3.5 million by the \$1,110 per ton average grower received price and by the estimated average yield of 3.41 tons per acre results in approximately 925 acres that would be required for an olive grower to reach \$3.5 million in annual receipts. Therefore, AMS concludes that an olive grower would need 926 bearing acres to be considered “large” per the SBA definition.

According to the 2022 Census of Agriculture, published by NASS in February 2024, of the 1,613 olive farms in California, four had bearing acreage between 750 and 999.9 acres, and three had bearing acreage equal to or exceeding 1,000 acres. This means that between 99.6 percent (1,613 minus 7 (4 plus 3), divided by 1,613) and 99.8 percent (1,613 minus 3, divided by 1,613) of farms, or growers, would be considered to be small businesses under the SBA definition.

This proposal would decrease the assessment rate collected from handlers for the 2025 fiscal year and subsequent fiscal years from \$28.00 to \$24.00 per ton of assessable olives. The Committee unanimously recommended 2025 expenditures of \$1,174,697 and an assessment rate of \$24 per ton. The recommended assessment rate of \$24 is \$4 lower than the 2024 assessment rate. The 2024 crop is estimated to be 48,560 tons. The \$24 per ton should provide \$1,165,440 in assessment income

(48,560 tons multiplied by \$24 assessment rate). Income derived from handler assessments, along with interest income and funds from the authorized reserve, should be sufficient to cover budgeted expenses.

The Committee deliberated on many of the expenses, weighed the relative value of various programs or projects, and decreased their expenses for inspection and marketing activities while increasing the expenses of their program administration and research activities. Overall, the 2025 budget of \$1,174,697 is \$74,546 more than the \$1,100,151 budgeted for the 2024 fiscal year.

Prior to arriving at this budget and assessment rate, the Committee considered information from various sources including the Committee’s Executive, Marketing, Inspection, and Research Subcommittees. Alternate expenditure levels were discussed by these groups, based upon the relative value of various projects to the olive industry and the increased olive production. The assessment rate of \$24 per ton of assessable olives was derived by considering anticipated expenses, the high volume of assessable olives, the current balance in the monetary reserve, and additional pertinent factors.

A review of NASS historical and preliminary information indicates the two-year average producer price for California olives is approximately \$1,180 per ton. Therefore, utilizing the recommended assessment rate of \$24 per ton, assessment revenue for the 2024 fiscal year as a percentage of total producer revenue would be approximately 2 percent (\$24 divided by \$1,180, multiplied by 100).

This proposed rule would decrease the assessment obligation imposed on handlers. Assessments are applied uniformly to all handlers. Some of the assessment costs to handlers may be passed on to producers. Decreasing the assessment rate would reduce the burden on handlers and may also, therefore, reduce the burden on producers.

The Committee’s meetings are widely publicized throughout the production area and all interested persons are invited to attend the meetings and participate in Committee deliberations on all issues. Like all Committee meetings, the December 19, 2024, meeting was a public meeting and all entities, both large and small, were able to express views on this issue. Finally, interested persons are invited to submit comments on this proposed rule, including the regulatory and information collection impacts of this action on small businesses.

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the Order’s information collection requirements have been previously approved by OMB and assigned OMB No. 0581–0178, “Vegetable and Specialty Crops.” No changes in those requirements would be necessary because of this proposed rule. Should any changes become necessary, they would be submitted to OMB for approval.

This proposed rule would not impose any additional reporting or recordkeeping requirements on either small or large California olive handlers. As with all Federal marketing order programs, reports and forms are periodically reviewed to reduce information requirements and duplication by industry and public sector agencies.

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

AMS has not identified any relevant Federal rules that duplicate, overlap, or conflict with this proposed rule.

After consideration of all relevant material presented, including the information and recommendations submitted by the Committee and other available information, AMS has determined that this proposed rule is consistent with, and would effectuate the purposes of, the Act.

A 30-day comment period is provided to allow interested persons to respond to this proposed rule. All written comments timely received will be considered.

List of Subjects in 7 CFR Part 932

Marketing agreements, Olives, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, the Agricultural Marketing Service proposes to amend 7 CFR part 932 as follows:

PART 932—OLIVES GROWN IN CALIFORNIA

■ 1. The authority citation for part 932 continues to read as follows:

Authority: 7 U.S.C. 601–674.

■ 2. Section 932.230 is revised to read as follows:

§ 932.230 Assessment rate.

On and after January 1, 2025, an assessment rate of \$24 per ton is established for California olives.

Erin Morris,

Administrator, Agricultural Marketing Service.

[FR Doc. 2026–04580 Filed 3–6–26; 8:45 am]

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DEPARTMENT OF AGRICULTURE**Agricultural Marketing Service****7 CFR Part 981**

[Doc. No. AMS–SC–25–0188]

**Almonds Grown in California;
Extension of Inedible Disposition
Obligation Deadline**

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Proposed rule.

SUMMARY: This proposed rule would implement a recommendation from the Almond Board of California (Board) to extend the inedible disposition obligation deadline prescribed under the Federal marketing order for almonds grown in California (Order) from September 30 to November 30 indefinitely.

DATES: Comments must be received by April 8, 2026.

ADDRESSES: Interested persons are invited to submit written comments concerning this proposed rule. Comments can be sent to the Docket Clerk, Market Development Division, Specialty Crops Program, AMS, USDA, 1400 Independence Avenue SW, STOP 0237, Washington, DC 20250–0237. Comments can also be sent to the Docket Clerk electronically by email: MarketingOrderComment@usda.gov or via the internet at: <https://www.regulations.gov>. Comments should reference the document number and the date and page number of this issue of the **Federal Register**. Comments submitted in response to this proposed rule will be included in the record, will be made available to the public, and can be viewed at: <https://www.regulations.gov>. Please be advised that public comments are posted to [regulations.gov](https://www.regulations.gov) without change.

FOR FURTHER INFORMATION CONTACT: Jeremy Sasselli, Marketing Specialist, or Abigail Maharaj, Chief, West Region Branch, Market Development Division, Specialty Crops Program, AMS, USDA; telephone: (559) 487–5901, or email: Jeremy.Sasselli@usda.gov or Abigail.Maharaj@usda.gov.

SUPPLEMENTARY INFORMATION: This action, pursuant to 5 U.S.C. 553, proposes to amend regulations issued to carry out a marketing order as defined in 7 CFR 900.2(j). This proposed rule is issued under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674) (the Act), amending Marketing Order No. 981 (7 CFR part 981; the Order), regulating the handling of almonds grown in California. The Almond Board of California (Board) locally administers the Order and is comprised of producers and handlers of almonds operating within the production area.

This action is exempt from the Office of Management and Budget (OMB) review process required by Executive Order 12866. This rule amends existing Marketing Order No. 981, as amended (7 CFR part 981), Almonds Grown in California, and is necessary for the continued operation of Marketing Order No. 981. Additionally, this action is exempt from the requirements of Executive Order 14192, “Unleashing Prosperity Through Deregulation,” pursuant to section 5(c).

This proposed rule has been reviewed under Executive Order 13175, “Consultation and Coordination with Indian Tribal Governments,” which requires Federal agencies to consider whether their rulemaking actions would have Tribal implications. The Agricultural Marketing Service (AMS) has determined this proposed rule is unlikely to have substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes.

This proposed rule has been reviewed under Executive Order 12988, “Civil Justice Reform.” This proposed rule is not intended to have retroactive effect.

This proposed rule would extend the inedible disposition deadline prescribed under the Order from September 30 to November 30. Section 981.42 of the Order authorizes the Board, with the approval of the Secretary, to establish rules and regulations necessary for the administration of the inedible program for quality control. Under this section, the Order currently mandates that inedible kernels for each almond variety in excess of two percent shall constitute an inedible obligation that must be delivered to the Board or Board-accepted users. Section 981.442 of the Order establishes the disposition obligation schedule for California almonds. These requirements are specified in § 981.442(a)(5) and require handlers to meet the disposition

obligation deadline no later than September 30 succeeding the crop year in which obligation was incurred.

Since the 2023–2024 crop year, meeting the disposition obligation deadline of September 30 has become problematic because heavy winter precipitation and insect damage have increased the percentage of inedible kernels, a trend that industry believes will continue to adversely impact future crops. For example, during the 2022–2023 crop year, the inedible disposition percentage was 2.12 percent. For the 2023–2024 crop year, the percentage was measured at 4.23 percent (the highest inedible percentage in 40 years), and during the 2024–2025 crop year, the inedible disposition percentage was 3.07 percent. Prior to the 2023–2024 crop year, the previous 15-year inedible percentage average was 1.44 percent. Thus, the lower crop quality in 2023–2024 led to the largest recorded inedible disposition at 55.8 million pounds (the previous largest industry inedible disposition was 14.4 million pounds in 2017–2018 when the inedible percentage was 2.42 percent). This nearly quadrupling of the inedible disposition obligation meant that in addition to handling a record of 6.7 million pounds of inshell credits, industry was also required to ship a record 49.1 million pounds of inedible kernels by September 30, 2024.

Because recent historical inedible percentages have been around 1.5 percent prior to the 2023–2024 crop year, the two percent inedible tolerance had remained reasonable for industry and could be addressed during the current 14-month timeframe. While the 2024–2025 crop year inedible disposition of 3.09 percent decreased from the record high percentage of 4.23 percent in 2023–2024, the current inedible percentage remains nearly double the historical inedible percentage. Such an increase in the inedible disposition percentage has made it difficult for industry to meet the current September 30 deadline.

Given the notable increase in overall inedible product occurring since 2023, the Board met on June 17, 2025, and unanimously recommended, eight in favor and none opposed, to extend the inedible disposition deadline from September 30 to November 30. This action was previously developed during a Loss & Exempt Task Force meeting on February 26, 2025, where it was supported unanimously, and was voted on at the Almond Quality, Food Safety & Services (AQFSS) Committee meeting on March 20, 2025, where it was also supported unanimously. The Board believes adjusting the deadline by 60

days, from September 30 to November 30, will allow sufficient time and more flexibility for industry to meet the disposition obligation deadline.

Initial Regulatory Flexibility Analysis

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA) (5 U.S.C. 601–612), AMS has considered the economic impact of this proposed rule on small entities. Accordingly, AMS has prepared this initial regulatory flexibility analysis.

The purpose of the RFA is to fit regulatory actions to the scale of businesses subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Act are unique in that they are brought about through group action of essentially small entities acting on their own behalf.

There are approximately 7,600 growers of California almonds subject to regulation under the Order and approximately 100 handlers in the production area. At the time this analysis was prepared, the Small Business Administration (SBA) defined small agricultural growers of almonds as defined as those having annual receipts of less than \$3,750,000 (NAICS code 111335, Tree Nut Farming) (13 CFR 121.201) and small agricultural service firms as those having annual receipts of less than \$34,000,000 (North American Industry Classifications System (NAICS) code 115114, Postharvest Crop Activities).

Data from USDA's National Agricultural Statistics Service (NASS) 2022 Agricultural Census reports that there were 7,596 almond farms with bearing acres in the production area. Additionally, the Census indicates that out of the 7,596 California farms with bearing acres of almonds, 4,805 (63 percent) have fewer than 100 bearing acres.

In its annual *Noncitrus Fruits and Nuts* publication, NASS reported a 2023 crop year average yield of 1,790 pounds per acre (shelled basis) and a season average grower price of \$1.64 per pound. Therefore, a 100-acre farm with an average yield of 1,790 pounds per acre would produce about 179,000 pounds of almonds (1,790 pounds times 100 acres equals 179,000 pounds). At \$1.64 per pound, that farm's production would be valued at \$293,560 (179,000 pounds times \$1.64 per pound equals \$293,560). Since the Census indicated that 63 percent of California's almond farms have fewer than 100 bearing acres, it could be concluded that the majority of California almond growers had annual receipts from the sale of almonds

of less than \$293,560 for the 2022 crop year, which is below the SBA threshold of \$3,750,000 for small growers. Therefore, the majority of growers may be classified as small businesses.

To estimate the proportion of almond handlers that would be considered small or large businesses, it was assumed that the unit value per pound of almonds exported in a particular year could serve as a representative almond price at the handler level. A unit value for a commodity is the value of exports divided by the quantity exported. Data from the Global Agricultural Trade System (GATS) database of USDA's Foreign Agricultural Service showed that the value of almond exports from August 2022 to July 2023 (shelled equivalent, combining shelled and inshell) was \$4.115 billion. The quantity of almond exports over that period was 1.783 billion pounds. Dividing the export value by the quantity yields a unit value of \$2.31 per shelled pound (\$4.115 billion divided by 1.783 billion pounds equals \$2.31).

NASS estimated that the California almond industry produced 2.511 billion pounds of almonds in 2022. Applying the \$2.31 derived representative handler price per pound to total industry production results in an estimated total revenue at the handler level of \$5.80 billion (2.511 billion pounds times \$2.31 per pound equals \$5.80 billion). With an estimated 100 handlers in the California almond industry, average revenue per handler would be approximately \$58 million (\$5.80 billion divided by 100 equals \$58 million). Assuming a normal distribution of revenues, most almond handlers shipped almonds valued at more than \$34,000,000 during the 2022 crop year. Therefore, the majority of handlers may be classified as large businesses.

This proposed rule would extend the inedible disposition obligation deadline in § 981.442(a)(5) of the Order from September 30 to November 30. This proposed rulemaking would revise § 981.442(a)(5). Authority for this change is provided in § 981.42. This proposed change would only impact the inedible disposition deadline prescribed under the Order. The Board's meetings are widely publicized throughout the California almond industry and all interested persons are invited to attend the meetings and participate in Board deliberations on all issues. Like all Board meetings, the June 17, 2025, meeting was a public meeting and all entities, both large and small, were able to express views on this issue. Finally, interested persons are invited to submit comments on this proposed rule,

including the regulatory and information collection impacts of this action on small businesses.

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the Order's information collection requirements have been previously approved by OMB and assigned OMB No. 0581–0178, Vegetable and Specialty Crops, and 0581–0242, Almond Salmonella. This proposed rule does not require changes to the current information collection. Should any changes become necessary, they would be submitted to OMB for approval.

This proposed rule would not impose any additional reporting or recordkeeping requirements on either small or large California almond handlers. As with all Federal marketing order programs, reports and forms are periodically reviewed to reduce information requirements and duplication by industry and public sector agencies.

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

AMS has not identified any relevant Federal rules that duplicate, overlap, or conflict with this proposed rule.

After consideration of all relevant material presented, including the information and recommendations submitted by the Board and other available information, AMS has determined that this proposed rule is consistent with and would effectuate the purposes of the Act.

A 30-day comment period is provided to allow interested persons to respond to this proposed rule. All written comments timely received will be considered.

List of Subjects in 7 CFR Part 981

Marketing agreements, Nuts, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, the Agricultural Marketing Service proposes to amend 7 CFR part 981 as follows:

PART 981—ALMONDS GROWN IN CALIFORNIA

■ 1. The authority citation for part 981 continues to read as follows:

Authority: 7 U.S.C. 601–674.

§ 981.442 [Amended]

■ 2. Amend § 981.442(a)(5) by removing the word “September” and adding in its place the word “November”.

Erin Morris,
Administrator, Agricultural Marketing Service.

[FR Doc. 2026–04573 Filed 3–6–26; 8:45 am]

BILLING CODE 3410–02–P

DEPARTMENT OF AGRICULTURE**Agricultural Marketing Service****7 CFR Part 1212**

[Doc. No. AMS–SC–25–0122]

**Honey Packers and Importers;
Increased Assessment Rate**

AGENCY: Agricultural Marketing Service (AMS), USDA.

ACTION: Proposed rule.

SUMMARY: This proposed rule would implement a recommendation from the National Honey Board to increase the assessment rate for first handlers and importers from 1.5 cents (\$0.015) per pound of assessable honey and honey products to 2 cents (\$0.02) per pound of assessable honey and honey products over two fiscal periods. The proposed assessment rate would remain in effect indefinitely until modified or terminated.

DATES: Comments must be received by April 8, 2026.

ADDRESSES: Interested persons are invited to submit written comments concerning this proposed rule. Comments may be mailed to the Docket Clerk, Market Development Division, Specialty Crops Program, AMS, USDA, 1400 Independence Avenue SW, STOP 0244, Washington, DC 20250–0237; submitted by fax: (202) 720–8938; or submitted electronically by email: SM.USDA.MRP.AMS.MDDComment@usda.gov; or via the Federal e-rulemaking portal at <https://www.regulations.gov>. Comments should reference the document number and the date and page number of this issue of the **Federal Register**. The identity of the individuals or entities submitting the comments will be made public on the internet at the address provided above. Do not submit confidential business information or otherwise proprietary, sensitive, or protected information. Comments are posted to [regulations.gov](https://www.regulations.gov) without change.

FOR FURTHER INFORMATION CONTACT: Katie Cook, Marketing Specialist, or Alexandra Caryl, Chief, Mid-Atlantic Region Branch, Market Development

Division, Specialty Crops Program, AMS, USDA; telephone: (202) 720–8085 or via email: Katie.Cook@usda.gov or Alexandra.Caryl@usda.gov.

SUPPLEMENTARY INFORMATION: This proposed rule affecting the Honey Packers and Importers Research, Promotion, Consumer Education and Industry Information Order (7 CFR part 1212) (Order) is authorized by the Commodity Promotion, Research, and Information Act of 1996 (7 U.S.C. 7411–7425) (Act).

Executive Order 12866

This action is exempt from the Office of Management and Budget (OMB) review process required by Executive Order 12866. This rule amends an existing research and promotion program and is necessary for the continued operation of the Honey Packers and Importers Research, Promotion, Consumer Education and Industry Information Order. Additionally, this action is exempt from the requirements of Executive Order 14192, “Unleashing Prosperity Through Deregulation,” pursuant to section 5(c).

Executive Order 13175

This action has been reviewed in accordance with the requirements of Executive Order 13175, “Consultation and Coordination with Indian Tribal Governments.” The AMS has assessed the impact of this proposed rule on Indian Tribes and determined that this rule would not have Tribal implications that require consultation under Executive Order 13175.

Executive Order 12988

This proposal has been reviewed under Executive Order 12988, “Civil Justice Reform.” It is not intended to have retroactive effect. Section 524 of the Commodity Promotion, Research, and Information Act of 1996 (the Act) (7 U.S.C. 7423) provides that it shall not affect or preempt any other Federal or State law authorizing promotion or research relating to an agricultural commodity.

Under section 519 of the Act (7 U.S.C. 7418), a person subject to an order may file a written petition with USDA stating that an order, any provision of an order, or any obligation imposed in connection with an order, is not established in accordance with the law, and request a modification of an order or an exemption from an order. Any petition filed challenging an order, any provision of an order, or any obligation imposed in connection with an order, shall be filed within two years after the effective date of an order, provision, or obligation subject to challenge in the

petition. The petitioner will have the opportunity for a hearing on the petition. Thereafter, USDA will issue a ruling on the petition. The Act provides that the district court of the United States for any district in which the petitioner resides or conducts business shall have the jurisdiction to review a final ruling on the petition if the petitioner files a complaint for that purpose not later than 20 days after the date of the entry of USDA’s final ruling.

Background

Under the Order, the National Honey Board (NHB or Board) administers a nationally coordinated program of research, development, advertising, and promotion designed to strengthen the honey industry’s position in the marketplace, and to establish, maintain, and expand markets for honey and honey products. To fund the program, 7 CFR 1212.52 authorizes the Board to collect assessments on first handlers and importers who handle and/or import more than 250,000 pounds of honey or honey products per calendar year.

Currently, first handlers and importers who handle and/or import more than 250,000 pounds per calendar year pay \$0.015 per pound of assessable honey and honey products. The Order specifies that first handlers are responsible for paying the assessment to the Board on all domestically produced honey and honey products the first handler handles. Producers who are first handlers are responsible for paying the assessment to the Board. Importers are responsible for payment of assessments to the Board on all honey and honey products the importer imports into the United States through the United States Customs and Border Protection (Customs).

The assessment rate has changed once since the program was established in 2008. In 2015, the assessment rate increased from \$0.01 to the current rate of \$0.015. Pursuant to 7 CFR 1212.52(f), the Board may recommend to the Secretary an assessment change as it deems appropriate by at least two-thirds vote of members present at a meeting of the Board. Additionally, the Order specifies that the recommendation may not increase the assessment by more than \$0.02 per pound and by more than \$0.0025 in any single fiscal year.

Board Recommendation To Adjust the Assessment Rate

This proposed rule would amend 7 CFR 1212.52(a) by increasing the assessment rate from \$0.015 per pound to \$0.0175 per pound, effective June 1,

2026, and another increase to \$0.02 per pound, effective January 1, 2027.

The Board first discussed this recommendation at their spring 2024 meeting. In June 2024, the Board shared the potential of an assessment increase at the National Honey Packers and Dealers Association (NHPDA) meeting. The NHPDA voted to request NHB raise the assessments to \$0.02. The Board met on October 25, 2024, and voted 9 in favor to 1 opposed to recommend the assessment increase from \$0.015 cents to \$0.02 cents per pound of assessable honey.

Since the last assessment change in 2015, inflation in the U.S. has risen 36%. When applying this increase across costs for staffing, promotion, and research, it significantly affects the Board's budget and contracts with agency partners. Although NHB's assessment revenue has increased slightly since 2023, inflation and the cost of conducting business have outpaced it. Consequently, the Board's effectiveness is compromised due to the loss of purchasing power, which limits implementation of necessary promotion and research projects.

The Board's budget also continues to be constrained by rising reimbursement requests on imported organic honey. Pursuant to 7 CFR 1212.53(c), products that are 100 percent organic, as defined by the National Organic Program, may be exempt from assessments under the Order. Customs collects assessments on all imported honey and honey products, meaning importers must request a reimbursement from the NHB for any certified organic honey that was assessed. Aside from the costs incurred to process these reimbursement requests, the Board must set aside substantial funds for reimbursements requested throughout the fiscal year and 90 days into the next fiscal year as required by 7 CFR 1212.53(e)(1). This causes the Board to be more conservative with promotion and research efforts to ensure funds are available to reimburse these assessments. By increasing assessments, the Board will fund promotion and research efforts with less concern of having to move funds to cover reimbursement requests for certified organic honey.

Initial Regulatory Flexibility Act and Paperwork Reduction Act

In accordance with the Regulatory Flexibility Act (RFA) (5 U.S.C. 601–612), AMS is required to examine the impact of the proposed rule on small entities. Accordingly, AMS has considered the economic impact of this action on such entities.

This rule proposes an increased assessment rate on importers and handlers of \$0.02 per pound of honey. Based on the calculated volume of honey assessed in 2024, described below, the increased assessment rate would add \$2.99 million to the program's budget, with \$2.42 million being paid by importers and \$567,782 paid by handlers. Assessments are applied uniformly to all first handlers and importers who handle or import an amount of honey above the de minimis threshold of 250,000 pounds. This proposed action would increase the assessment imposed on first handlers and importers but not disproportionately burden small domestic first handlers and importers.

The purpose of the RFA is to fit regulatory actions to the scale of businesses subject to such actions so that small businesses will not be unduly or disproportionately burdened. The Small Business Administration (SBA) defines small agricultural producers of honey as those having annual receipts equal to or less than \$3.25 million (North American Industry Classification System (NAICS code 112910, Apiculture)) (13 CFR 121.201), and small agricultural service firms (first handlers and importers) as those having annual receipts equal to or less than \$34 million (NAICS code 115114, Postharvest Crop Activities except Cotton Ginning).¹

The Board reported there were 95 importers and 34 first handlers of honey and honey products covered under the program during the 2024 fiscal period. Total assessments for 2024 were \$8.96 million, of which 81 percent was paid by importers and 19 percent was paid by first handlers. This data can be used to estimate the average annual revenue from honey sales of importers and first handlers along with determining the number of these considered to be small businesses based on the SBA definitions. Of total paid assessments in 2024, importers paid \$7.26 million, and first handlers paid \$1.70 million. The amount of honey assessed in pounds can be calculated by dividing 2024 assessment values by the 2024

¹ The activities of honey handler and importers span multiple NAICS classifications in industry group 311999—All Other Miscellaneous Food Manufacturing. The small business size standards associated with these classifications are defined by number of employees; however, with the data available to USDA, basing the definition of a small business on average annual receipts results in a more meaningful analysis of the impact of the rule on honey handlers and importers in the RFA. Therefore, USDA used the definition of a small firm which engages in "Postharvest Crop Activities (except Cotton Ginning)" as a more appropriate criterion for this analysis.

assessment rate of \$0.015 per pound. This results in assessed honey volumes of 484.11 million pounds for importers and 113.56 million pounds for first handlers. Based on analysis of Customs and Border Protection importer data, the 2024 average importer price for honey was \$5.34 per pound. Little data is available regarding handler prices; therefore, USDA used this estimated importer price as a proxy for handler price for the purposes of this RFA. Multiplying the estimated importer and handler price of \$5.34 per pound by the 2024 assessed volumes results in estimated 2024 total revenues for assessed entities of \$2.59 billion for the 95 assessed importers and \$606.39 million for the 34 assessed handlers. Assuming equal distribution of revenues, per entity annual receipts would be \$27.21 million per importer and \$17.83 million per handler, both below the SBA threshold for a small business, which calls for annual receipts no greater than \$34 million.

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the information collection and recordkeeping requirements imposed by the Order have been approved under OMB control number 0581–0093.

As with all Federal research and promotion programs, reports and forms are periodically reviewed to reduce the burden of information requirements and duplication by industry and public sector agencies. USDA has not identified any relevant Federal rules that duplicate, overlap, or conflict with this proposed rule.

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

Regarding alternatives, the Board considered not making the proposed changes to the Order and leaving it as-is. If the Order was left unchanged, operational costs and services provided by the Board would continue to be issues that could result in the Board failing to cover its expenses through assessments as prescribed by 7 CFR 1212.52(a). After considering these potential issue, the Board decided against leaving the Order unchanged.

Regarding outreach efforts, the Board discussed the assessment rate change at its meetings throughout 2024. Board staff also traveled to industry events, like the NHPDA meeting, to garner feedback and gauge support. On October 25, 2024, the Board voted to recommend the assessment rate change to the

Secretary. The members who voted represent producers, handlers, importers, and the industry marketing cooperative. AMS performed this initial RFA analysis regarding the impact of this action on small entities and invites comments concerning the potential effects of this action.

USDA has determined that this proposed rule, if finalized, is consistent with and would effectuate the purposes of the Act. A 30-day comment period is provided to allow interested persons to respond to this proposal. All written comments received in response to this proposed rule by the date specified will be considered prior to finalizing this action.

List of Subjects in 7 CFR Part 1210

Administrative practice and procedure, Advertising, Consumer education, Honey and honey products, Marketing agreements, Promotion, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, AMS proposes to revise 7 CFR part 1212 as follows:

PART 1212—HONEY PACKERS AND IMPORTERS RESEARCH, PROMOTION, CONSUMER EDUCATION AND INDUSTRY INFORMATION ORDER

- 1. The authority citation for part 1212 continues to read as follows:

Authority: 7 U.S.C. 7411–7425; 7 U.S.C. 7401.

- 2. Amend § 1212.52 by revising paragraph (a) to read as follows:

§ 1212.52 Assessments.

(a) The Board will cover its expenses by levying in a manner prescribed by the Secretary an assessment on first handlers and importers. Through May 31, 2026, the assessment rate shall be \$0.015 per pound of assessable honey and honey products. For the period of June 1, 2026, through December 31, 2026, the assessment rate shall be \$0.0175 per pound of assessable honey and honey products. On and after January 1, 2027, the assessment rate shall be \$0.02 per pound of assessable honey and honey products.

* * * * *

Erin Morris,

Administrator, Agricultural Marketing Service.

[FR Doc. 2026–04567 Filed 3–6–26; 8:45 am]

BILLING CODE:P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2026–2292; Project Identifier MCAI–2024–00043–R]

RIN 2120–AA64

Airworthiness Directives; Airbus Helicopters

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to adopt a new airworthiness directive (AD) for all Airbus Helicopters Model AS 350B2, AS 350B3, EC120B, and EC 130 B4 helicopters. This proposed AD was prompted by a short-circuit due to foreign object debris (FOD) or dust inside the lighting and ancillaries control unit (LACU). This proposed AD would require repetitively cleaning and inspecting the affected LACU for FOD. Depending on the configuration of your helicopter, this proposed AD would also require modifying the emergency floatation system (EFS) activation switches and revising the existing rotorcraft flight manual (RFM) for your helicopter, which would constitute terminating action for the proposed repetitive cleaning and inspection requirements. Additionally, this proposed AD would prohibit installing an affected LACU on any helicopter unless certain requirements are met. The FAA is proposing this AD to address the unsafe condition on these products.

DATES: The FAA must receive comments on this NPRM by April 23, 2026.

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

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

AD Docket: You may examine the AD docket at [regulations.gov](https://www.regulations.gov) under Docket No. FAA–2026–2292; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except

Federal holidays. The AD docket contains this NPRM, the mandatory continuing airworthiness information (MCAI), any comments received, and other information. The street address for Docket Operations is listed above.

Material Incorporated by Reference:

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

- You may view this material at the FAA, Office of the Regional Counsel, Southwest Region, 10101 Hillwood Parkway, Room 6N–321, Fort Worth, TX 76177. For information on the availability of this material at the FAA, call (817) 222–5110. It is also available at [regulations.gov](https://www.regulations.gov) under Docket No. FAA–2026–2292.

FOR FURTHER INFORMATION CONTACT:

Deep Gaurav, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (817) 228–3731; email: deep.gaurav@faa.gov.

SUPPLEMENTARY INFORMATION:

Comments Invited

The FAA invites you to send any written relevant data, views, or arguments about this proposal. Send your comments to an address listed under **ADDRESSES**. Include “Docket No. FAA–2026–2292; Project Identifier MCAI–2024–00043–R” at the beginning of your comments. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. The FAA will consider all comments received by the closing date and may amend this proposal because of those comments.

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

Confidential Business Information

CBI is commercial or financial information that is both customarily and actually treated as private by its owner. Under the Freedom of Information Act (FOIA) (5 U.S.C. 552), CBI is exempt from public disclosure. If your comments responsive to this NPRM

contain commercial or financial information that is customarily treated as private, that you actually treat as private, and that is relevant or responsive to this NPRM, it is important that you clearly designate the submitted comments as CBI. Please mark each page of your submission containing CBI as “PROPIN.” The FAA will treat such marked submissions as confidential under the FOIA, and they will not be placed in the public docket of this NPRM. Submissions containing CBI should be sent to Deep Gaurav, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590. Any commentary that the FAA receives which is not specifically designated as CBI will be placed in the public docket for this rulemaking.

Background

EASA, which is the Technical Agent for the Member States of the European Union, issued EASA AD 2021–0168, dated July 16, 2021 (EASA AD 2021–0168), to correct an unsafe condition on all Airbus Helicopters Model EC120B helicopters and on Model EC 130 B4, AS 350B2, and AS 350B3 helicopters with certain modifications installed. EASA AD 2021–0168 stated that during a flight on a Model EC 130 B4 helicopter, a “strong burnt smell” and smoke appeared in the cockpit, which activated visual and aural alarms. An investigation revealed that the root cause of this occurrence was a short circuit inside the LACU, which was probably caused by the presence of FOD or dust. EASA AD 2021–0168 further stated that failure of the LACU, if not detected and corrected, could lead to the loss of the EFS, resulting in failure of the EFS to activate during an emergency water landing. Due to the design similarities, EASA AD 2021–0168 stated the unsafe condition can also exist or develop on Model EC120B helicopters and on certain Model AS 350-series helicopters. Depending on the configuration of the helicopter, EASA AD 2021–0168 required either a one-time inspection and cleaning of the affected parts or repetitive inspections and cleaning of the affected parts and, depending on findings, accomplishment of applicable corrective actions. EASA AD 2021–0168 also included requirements for the installation of affected parts.

EASA superseded EASA AD 2021–0168 with EASA AD 2024–0018, dated January 11, 2024 (EASA AD 2024–0018) (also referred to as “the MCAI”), after determining that the unsafe condition can only develop if the helicopter is equipped with an EFS. Consequently, Airbus Helicopters developed a

modification of the EFS activation buttons to allow the use of the EFS function even in the event of an LACU failure. The MCAI partially retains the repetitive cleaning and inspection requirements in EASA AD 2021–0168 and requires modifying certain helicopters as terminating action for the cleaning and inspections. Concurrently with the modification, the MCAI requires revising the existing RFMS (Rotorcraft Flight Manual Supplement) for the helicopter to include information and updated procedures that reflect the modification to the EFS activation buttons.

For further information, you may examine the MCAI in the AD docket at [regulations.gov](https://www.regulations.gov) under Docket No. FAA–2026–2292.

Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed EASA AD 2024–0018, which specifies procedures for cleaning and repetitively inspecting the LACU for FOD. EASA AD 2024–0018 also specifies procedures for amending the RFMs and modifying the location of EFS activation switches on certain helicopters, which constitutes terminating action for the repetitive inspection requirements. Lastly, EASA AD 2024–0018 prohibits installing certain EFS and LACUs on any helicopter, unless certain requirements are met.

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

FAA’s Determination

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

Proposed AD Requirements in This NPRM

This proposed AD would require accomplishing the actions specified in EASA AD 2024–0018, described previously, as incorporated by reference, except for any differences identified as exceptions in the regulatory text of this proposed AD. See “Differences Between this Proposed AD

and the MCAI” for a general discussion of these differences.

Differences Between This Proposed AD and the MCAI

EASA AD 2024–0018 requires informing all flight crews of the revisions to the RFMS and thereafter operating the helicopter accordingly. However, this AD does not require those actions as those actions are already required by FAA regulations. FAA regulations require operators furnish to pilots any changes to the flight manual (for example, 14 CFR 135.21) and to ensure the pilots are familiar with the flight manual (for example, 14 CFR 91.505). FAA regulations also require pilots to follow the procedures in the existing flight manual including all updates. Therefore, including a requirement in this AD to inform the flight crew and operate the helicopter according to the revised RFMS would be redundant and unnecessary.

Explanation of Required Compliance Information

In the FAA’s ongoing efforts to improve the efficiency of the AD process, the FAA developed a process to use some CAA ADs as the primary source of information for compliance with requirements for corresponding FAA ADs. The FAA has been coordinating this process with manufacturers and CAAs. As a result, the FAA proposes to incorporate EASA AD 2024–0018 by reference in the FAA final rule. This proposed AD would, therefore, require compliance with EASA AD 2024–0018 in its entirety through that incorporation, except for any differences identified as exceptions in the regulatory text of this proposed AD. Using common terms that are the same as the heading of a particular section in EASA AD 2024–0018 does not mean that operators need comply only with that section. For example, where the AD requirement refers to “all required actions and compliance times,” compliance with this AD requirement is not limited to the section titled “Required Action(s) and Compliance Time(s)” in EASA AD 2024–0018. Material required in EASA AD 2024–0018 for compliance will be available at www.regulations.gov by searching for and locating Docket No. FAA–2026–2292 after the FAA final rule is published.

Costs of Compliance

The FAA estimates that this AD, if adopted as proposed, would affect 576 helicopters of U.S. registry.

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

ESTIMATED COSTS

Action	Labor cost	Parts cost	Cost per product	Cost on U.S. operators
Clean and inspect the LACU	2 work-hours × \$85 per hour = \$170 per helicopter.	\$0	\$170	\$97,920 per inspection cycle.
Modification of EFS	16 work-hours × \$85 per hour = 1,360	0	1,360	\$783,360.
Revise RFM	1 work-hour × \$85 per hour = \$85	0	85	\$48,960.

Authority for This Rulemaking

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

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

Regulatory Findings

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

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

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

List of Subjects in 14 CFR Part 39

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

The Proposed Amendment

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

PART 39—AIRWORTHINESS DIRECTIVES

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

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

§ 39.13 [Amended]

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

Airbus Helicopters: Docket No. FAA–2026–2292; Project Identifier MCAI–2024–00043–R.

(a) Comments Due Date

The FAA must receive comments on this airworthiness directive (AD) by April 23, 2026.

(b) Affected ADs

None.

(c) Applicability

This AD applies to all Airbus Helicopters Model AS 350B2, AS 350B3, EC120B, and EC 130 B4 helicopters, certificated in any category.

(d) Subject

Joint Aircraft System Component (JASC) Code 3100, Indication/Recording System.

(e) Unsafe Condition

This AD was prompted by a short-circuit due to foreign object debris or dust inside the lighting and ancillaries control unit (LACU) in a Model EC 130 B4 helicopter. The FAA is issuing this AD to prevent this malfunction. This unsafe condition, if not detected and addressed, could lead to loss of the emergency floatation system (EFS) and result in failure of the EFS to activate during an emergency water landing.

(f) Compliance

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

(g) Requirements

Except as specified in paragraphs (h) and (i) of this AD: Comply with all required actions and compliance times specified in, and in accordance with, European Union Aviation Safety Agency AD 2024–0018, dated January 11, 2024 (EASA AD 2024–0018).

(h) Exceptions to EASA AD 2024–0018

- (1) Where EASA AD 2024–0018 requires compliance in terms of flight hours, this AD requires using hours time-in-service.
- (2) Where EASA AD 2024–0018 refers to its effective date and to July 30, 2021 (the

effective date of EASA AD 2021–0168, dated June 16, 2021), this AD requires using the effective date of this AD.

(3) This AD requires that paragraph (2) of EASA AD 2024–0018 apply only to Group 1 helicopters as defined in EASA AD 2024–0018.

(4) This AD does not adopt paragraph (3) of EASA AD 2024–0018. Instead, this AD requires that, during any inspection required by paragraph (1) or (2) of EASA AD 2024–0018, if foreign object debris or dust is found, you must clean the printed circuit board of the control panel. After the modification required by paragraph (4) of EASA AD 2024–0018, the helicopter is a Group 2 helicopter.

(5) Where paragraph (5) of EASA AD 2024–0018 specifies to inform all flight crews and thereafter operate the helicopter accordingly, this AD does not require those actions as those actions are already required by existing FAA operating regulations (see 14 CFR 91.505 and 14 CFR 135.21).

(6) Where the material referenced in EASA AD 2024–0018 specifies to discard parts, this AD requires removing these parts from service.

(7) Where the material referenced in EASA AD 2024–0018 specifies ensuring the applicable rotorcraft flight manual (RFM) is at the latest update, this AD only requires revising your RFM to the revision specified in the material and not to later revisions (updates).

(8) This AD does not adopt paragraph (7.2) of EASA AD 2024–0018.

(9) This AD does not adopt the "Remarks" section of EASA AD 2024–0018.

(i) No Reporting Requirement

Although the material referenced in EASA AD 2024–0018 specifies to submit information to the manufacturer, this AD does not require that action.

(j) Alternative Methods of Compliance (AMOCs)

(1) The Manager, International Validation Branch, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or local Flight Standards District Office, as appropriate. If sending information directly to the manager of the International Validation Branch, send it to the attention of the person identified in paragraph (k) of this AD and email to: 9-AVS-AIR-730-AMOC@faa.gov.

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

(k) Additional Information

For more information about this AD, contact Deep Gaurav, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (817) 228-3731; email: deep.gaurav@faa.gov.

(l) Material Incorporated by Reference

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

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

(i) European Union Aviation Safety Agency (EASA) AD 2024-0018, dated January 11, 2024.

(ii) [Reserved]

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

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

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

Issued on March 4, 2026.

Steven W. Thompson,

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

[FR Doc. 2026-04526 Filed 3-6-26; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF THE TREASURY**Internal Revenue Service****26 CFR Part 1**

[REG-117270-25]

RIN 1545-BR91

Trump Accounts

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document contains proposed regulations relating to Trump accounts. The proposed regulations provide guidance on making an election to open a Trump account and reserve additional sections for further guidance on Trump accounts. The proposed regulations would affect children eligible to have a Trump account, individuals who would make elections

with respect to those children, and trustees of Trump accounts.

DATES: Written or electronic comments and requests for a public hearing must be received by May 8, 2026.

ADDRESSES: Commenters are strongly encouraged to submit public comments electronically via the Federal eRulemaking Portal at <https://www.regulations.gov> (indicate IRS and REG-117270-25) by following the online instructions for submitting comments. Requests for a public hearing must be submitted as prescribed in the “Comments and Requests for a Public Hearing” section. Once submitted to the Federal eRulemaking Portal, comments cannot be edited or withdrawn. The Department of the Treasury (Treasury Department) and the IRS will publish for public availability any comments submitted to the IRS’s public docket on www.regulations.gov. Send paper submissions to: CC:PA:01:PR (REG-117270-25), Room 5503, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044.

FOR FURTHER INFORMATION CONTACT:

Concerning the proposed regulation, Neil Sandhu at (804) 916-3775; concerning submissions of comments or a public hearing, the Publications and Regulations Section at (202) 317-6091 (not toll-free numbers) or by email at publichearings@irs.gov (preferred).

SUPPLEMENTARY INFORMATION:**Authority**

This document contains proposed amendments to the Income Tax Regulations (26 CFR part 1) to implement section 530A of the Internal Revenue Code (Code). Section 530A(a) authorizes the Secretary¹ to prescribe special rules for when a Trump account is not treated in the same manner as an individual retirement account (IRA) under section 408(a). Section 530A(b)(1)(A)(i) provides that an individual’s first Trump account (initial Trump account) is to be “created or organized by the Secretary.” Section 530A(b)(1)(B) provides that a Trump account must be “designated (in such manner as the Secretary shall prescribe)” at the time of its establishment as a Trump account. Section 530A(b)(2)(C) authorizes the Secretary to prescribe rules regarding the time and manner for making elections to establish a Trump account. Section 408(a)(2) authorizes the

Secretary to approve nonbank trustees for an IRA. Section 7805(a) authorizes the Secretary to “prescribe all needful rules and regulations for the enforcement of [the Code], including all rules and regulations as may be necessary by reason of any alteration of law in relation to internal revenue.”

Background

Section 70204 of Public Law 119-21, 139 Stat. 72 (July 4, 2025), commonly referred to as the One, Big, Beautiful Bill Act, added new sections 530A, 128, and 6434 to the Code. Section 530A provides for the establishment of a Trump account for an eligible individual.

A Trump account is a type of traditional IRA established for the exclusive benefit of an eligible individual or such eligible individual’s beneficiaries under section 530A. The Secretary will create or organize the initial Trump account for each eligible individual. An eligible individual is any individual (i) who has not attained age 18 before the close of the calendar year in which an election to open an initial Trump account is made, (ii) for whom a social security number (within the meaning of section 24(h)(7)) has been issued before the date on which the election is made, and (iii) for whom the election is made. After an initial Trump account has been established, a subsequent Trump account (rollover Trump account) may be established for the account beneficiary during the period that begins when such initial Trump account is established and that ends on December 31st of the calendar year in which the account beneficiary² of the initial Trump account attains age 17 (growth period). The rollover Trump account must be funded by a qualified rollover contribution, which is a trustee-to-trustee transfer of the entire account balance from the account beneficiary’s existing Trump account.³

A Trump account is subject to certain special rules inapplicable to other traditional IRAs. The special rules that apply only during the growth period include rules regarding contributions, investments, distributions, and reporting. After the growth period, most of the special rules no longer apply and the rules under section 408 governing traditional IRAs generally apply. Proposed regulations regarding the

² After an initial Trump account has been opened for an eligible individual, the individual is referred to as the account beneficiary.

³ A Trump account qualified rollover contribution under section 530A(e) may be made only during an account beneficiary’s growth period and is different from and unrelated to a qualified rollover contribution for a Roth IRA under section 408A(e).

¹ Section 7701(a)(11)(B) provides that the term “Secretary” means the Secretary of the Treasury or his delegate. Section 7701(a)(12)(A)(i) defines delegate to include any agency of the Treasury Department, which includes the IRS.

special rules that apply during and after the growth period are reserved in this document. The Treasury Department and IRS anticipate proposing regulations regarding these rules at a future date.

Additionally, section 70204 of the One, Big, Beautiful Bill Act added section 6434, which provides for a one-time \$1,000 pilot program contribution from the Secretary to the Trump account of an eligible child with respect to whom an election is made under section 6434. Section 6434(a) provides that an election for the pilot program contribution is made by an individual with respect to an eligible child of that individual. Section 6434(c) provides that an eligible child is a qualifying child under section 152(c) who (i) is born during the 2025, 2026, 2027, or 2028 calendar years; (ii) has had no prior pilot program election made by any individual; and (iii) is a United States citizen. The Treasury Department and the IRS are proposing regulations under section 6434 in a separate notice of proposed rulemaking (REG-117002-25) published elsewhere in this issue of the **Federal Register**.

Because the criteria under section 530A to be an eligible individual for whom an initial Trump account can be opened are less restrictive than the criteria under section 6434 to be an eligible child for a pilot program contribution, only some eligible individuals will also be an eligible child. Similarly, the criteria under section 530A for who can make the election to open an initial Trump account are less restrictive than the criteria under section 6434 for who can make the election for a pilot program contribution.

Section 128 employer contributions paid to a Trump account of an employee or a dependent of an employee are not includible in the employee's income. Such contributions are limited to \$2,500, subject to cost-of-living adjustments after 2027. Section 128 employer contributions must be made pursuant to a section 128(c) Trump account contribution program. (The Treasury Department and the IRS intend to issue guidance under section 128 at a future date.)

Notice 2025-68, 2025-52 IRB 856, informed taxpayers that the Treasury Department and the IRS intend to propose regulations providing guidance with respect to section 70204, including with respect to making an election to open an initial Trump account. The notice addresses certain initial questions related to Trump accounts and requests comments, with the comment period ending February 20,

2026. The notice indicates that proposed regulations regarding the election to open an initial Trump account (that is, these proposed regulations) may be issued prior to the end of the comment period and to the extent comments in response to the notice regarding that subject are not received in time to consider in drafting the proposed regulations, they will be considered in drafting the final regulations.

Explanation of Provisions

Proposed § 1.530A-1 would provide general requirements for Trump accounts, certain definitions relating to Trump accounts, rules regarding the election to open an initial Trump account, and rules regarding the responsible party for the initial Trump account.

I. Trump Accounts—General Requirements

As provided under section 530A(b)(1), proposed § 1.530A-1(b)(1) would provide that a Trump account is a type of traditional IRA that is established for the exclusive benefit of an eligible individual and, after the death of the individual, his or her beneficiaries. As provided under section 530A(h)(1), proposed § 1.530A-1(b)(1) would clarify that a Trump account cannot be a SIMPLE IRA under section 408(p) and cannot accept contributions from an employer's SEP arrangement under section 408(k).

Proposed § 1.530A-1(b)(2) would provide requirements for a Trump account. First, as provided under section 530A(b)(1)(A)(i) and (ii), a Trump account is either (i) an initial Trump account, which is a Trump account created or organized by the Secretary for an eligible individual, or (ii) a rollover Trump account, which is a subsequent Trump account created during the growth period and funded by a qualified rollover contribution from the account beneficiary's existing Trump account.⁴ Because a rollover Trump account must be funded by a qualified rollover contribution (which is a transfer of the entire account balance from the individual's prior Trump account), an individual is permitted to have only one Trump account containing funds (funded Trump account) at a time.

Second, because a Trump account is a traditional IRA, the written governing instrument establishing a Trump account must generally meet the

requirements of section 408(a)(1) through (6), as well as the requirements of section 530A(b)(1)(C)(i) through (iii). The written governing instrument generally should reflect both the rules that apply during the growth period and the rules that apply after the growth period. The requirements of section 530A(b)(1)(C)(i) through (iii) would be clarified in §§ 1.530A-2 through 1.530A-4, which are reserved in this document and are expected to be proposed in the future.

Third, under the authority in sections 408(a)(2) and 530A(a), proposed § 1.530A-1(b)(2)(iii) would provide for the automatic approval to act as a trustee of a Trump account of any person approved by the IRS as of December 31, 2025, to be a nonbank trustee of an IRA. Persons who are approved by the IRS after December 31, 2025, must request approval in the application to act as a trustee of a Trump account. The Treasury Department and the IRS are also considering changes to the requirements to be a nonbank trustee and request comments. In particular, comments are requested on whether the adequacy of net worth requirement in § 1.408-2(e)(5)(ii) should be changed to treat certain debt as equity (for example, for broker-dealers, debt meeting the conditions specified in the rule may be treated as capital pursuant to the Securities and Exchange Commission rule in 17 CFR 240.15c3-1), whether the special rule for a governmental unit seeking to be a nonbank trustee in § 1.408-2(e)(8) should be expanded to include other types of IRAs (including Trump accounts) beyond a deemed IRA that is part of the governmental unit's own qualified employer plan, and whether the fiduciary experience requirement in § 1.408-2(e)(2)(iii) should take into account the fiduciary experience of subcontractors of the applicant.

Fourth, as provided under section 530A(b)(1)(B), the written governing instrument establishing a Trump account must clearly designate the account as a Trump account at the time of establishment. Proposed § 1.530A-1(b)(2)(iv) would also require that the account must be titled as a Trump account.

Proposed § 1.530A-1(b)(3) would outline the general areas where Trump accounts differ from other traditional IRAs. There are special rules for Trump accounts during the growth period related to: contributions (as provided under section 530A(c)); investments (as provided under section 530A(b)(3)); distributions (as provided under section 530A(d)); reporting (as provided under

⁴ The Treasury Department and IRS intend to release sample language for rollover Trump accounts in future guidance.

section 530A(i)); and coordination with IRA rules (as provided under section 530A(h)). These requirements would be clarified in §§ 1.530A–2 through 1.530A–6, which are reserved in this document and are expected to be proposed in the future. Proposed § 1.530A–1(b)(3) would also provide that, after the growth period, the rules under section 408 that apply to other traditional IRAs generally apply to Trump accounts (as provided under section 530A(a) and (h)).

Proposed § 1.530A–1(b)(4) would define terms that apply for purposes of section 530A and the regulations thereunder.

In accordance with section 530A(b)(4), proposed § 1.530A–1(b)(4)(i) would define *account beneficiary* as the individual for whom a Trump account was established.

Proposed § 1.530A–1(b)(4)(ii) would define *authorized individual* as the individual described in proposed § 1.530A–1(c)(1)(i).

In accordance with section 530A(b)(2), proposed § 1.530A–1(b)(4)(iii) would define *eligible individual* as any individual who has not attained age 18 before the end of the calendar year in which an election to open an initial Trump account is made under § 1.530A–1(c), has been issued a social security number within the meaning of section 24(h)(7) before the election is made, and for whom the election is made pursuant to proposed § 1.530A–1(c).

Proposed § 1.530A–1(b)(4)(iv) would define an account beneficiary's *growth period* as the period that begins when the initial Trump account is established and ends on December 31 of the calendar year in which the account beneficiary attains age 17. This term is created for ease of reference and stands for the concept generally used in section 530A of "the period before the first day of the calendar year in which the account beneficiary attains age 18."

Proposed § 1.530A–1(b)(4)(v) would define *IRA* for purposes of section 530A as an individual retirement account under section 408(a) and includes a custodial account that is treated as a trust pursuant to section 408(h). Although in other places in the Code and regulations, the term *IRA* includes both individual retirement accounts under section 408(a) and individual retirement annuities under section 408(b), this definition excludes individual retirement annuities under section 408(b), in accordance with section 530A(b)(1).

Proposed § 1.530A–1(b)(4)(vi) would define *pilot program contribution* as a \$1,000 contribution made by the

Secretary upon the processing of an election for the Trump accounts contribution pilot program under section 6434. Only individuals who meet the definition of an eligible child under section 6434 (which is different from the section 530A(b)(2) definition of eligible individual) are eligible to receive a pilot program contribution.

In accordance with section 530A(e), proposed § 1.530A–1(b)(4)(vii) would define *qualified rollover contribution* as a direct trustee-to-trustee transfer of the account beneficiary's entire Trump account balance to a rollover Trump account for the same account beneficiary.

Proposed § 1.530A–1(b)(4)(viii) would define *traditional IRA* as an individual retirement account under section 408(a) that is not a Roth IRA under section 408A.

Proposed § 1.530A–1(b)(5) would provide that, for purposes of section 530A, an individual will attain an age on the individual's birthday (the birthday rule). See Rev. Rul. 2003–72, 2003–33 IRB 346, for other instances in which the birthday rule is applied for specific sections of the Code.

II. Election To Open an Initial Trump Account

A. Who Can Make the Election

Proposed § 1.530A–1(c)(1) would provide that an election to open an initial Trump account for an eligible individual could be made either by an authorized individual or by the Secretary, in accordance with the two methods for making an election provided under section 530A(b)(2)(C).

As provided under section 530A(b)(2)(C)(ii), a person other than the Secretary (which the proposed regulation would limit to a particular person referred to as the "authorized individual") may make the election if no prior election to open an initial Trump account has been made by the Secretary for the eligible individual. Under the proposed regulation, an authorized individual would be defined in two different ways. If an election under section 6434 for a pilot program contribution is being made at the same time as the election to open the initial Trump account, proposed § 1.530A–1(c)(1)(i)(A) would provide that the authorized individual is the individual authorized to make (and is making) the election under section 6434 for a pilot program contribution. This approach would ensure that the person permitted to elect to open the initial Trump account is the same person making a pilot program election under section 6434. The proposed regulations would

provide that, by making the election, the authorized individual is representing, under penalties of perjury, that he or she is the pilot program-electing individual.

If a pilot program election is not being made at the same time as the election to open an initial Trump account (for example, because the eligible individual was born before January 1, 2025, and therefore is not eligible for a pilot program contribution), proposed § 1.530A–1(c)(1)(i)(B) would provide an ordering rule to determine who is the authorized individual for purposes of making the election to open an initial Trump account. Because only one election to open an initial Trump account can be made for an eligible individual, the Treasury Department and the IRS believe that an ordering rule is necessary to provide a clearer process for determining who may make that election. Under the proposed ordering rule, the authorized individual would be, in order of priority, a legal guardian, parent, adult sibling, or grandparent of the eligible individual. If multiple individuals share the same highest level of priority and no prior election has been made for the eligible individual, any individual with that level of priority may make the election to open an initial Trump account. Because no pilot program election is being made, there is no need to conform to the requirements of section 6434. This ordering rule is based on § 1.529A–2(c), which governs who (other than the designated beneficiary of an account established under a section 529A⁵ qualified ABLE program (an ABLE account)) may establish the designated beneficiary's only ABLE account. The proposed regulations would provide that, by making the election, the authorized individual is representing, under penalty of perjury, that he or she is authorized under these rules to open the initial Trump account for the eligible individual and that there is no other person with a higher priority available to make the election.

Comments are requested on (1) whether definitions are needed for the terms "legal guardian," "parent," "sibling," and "grandparent," (2) whether any other individual who bears a relationship to the eligible individual under section 152(c)(2) should also be an authorized individual, and (3) who may be the authorized individual in situations involving foster children, orphans, emancipated minors, wards of

⁵ Section 529A was enacted by Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014, which was enacted as part of the Tax Increase Prevention Act of 2014, Public Law 113–295 (128 Stat. 4010).

the State, and other situations involving minors that may need clarification in the regulations (particularly, whether a State that is the guardian of the child would be an authorized person eligible to open the account).

Alternatively, as would be provided in proposed § 1.530A–1(c)(1)(ii), if an election was made by an individual who was not an authorized individual with respect to an eligible individual at the time that the election was made, the Secretary is deemed to have made the election to open the initial Trump account. In such instance, even though the Trump account was opened based on an election by an individual who was not an authorized individual, the account will not cease to be a Trump account. See Section II.C for certain situations in which a responsible party may be removed and replaced.

The Treasury Department and the IRS have received comments that the Secretary should make an election on behalf of each individual who has met the requirements to be an eligible individual based on information from tax returns or otherwise (for example, from Social Security Administration data). Commenters argue that making an election to open an initial Trump account on behalf of these children is within the authority granted to the Secretary under section 530A(b)(2)(C)(i). Commenters point to the success of automatic enrollment (opt-out design) in analogous state-based early wealth building programs and also in qualified retirement plans. These opt-out designs (which do not require any participant action before enrollment) have increased participation relative to opt-in designs (which require action before enrollment).

Notably, opt-out designs that exist in analogous state-based early wealth building programs and qualified retirement plans involve pooled accounts as opposed to individual retirement accounts. Pooled accounts are well-suited to automatic enrollment because a plan or program can add a new individual as a participant or beneficiary of an existing pooled vehicle without establishing a new, separately maintained account in that individual's name. By contrast, automatically opening a Trump account would require establishing a new individual account and completing the associated administrative steps needed to open and maintain that account in compliance with the Code and other applicable law (including federal and state banking, securities, and anti-money laundering laws).

Although opt-out designs would result in higher participation, the

Treasury Department and the IRS have determined that it is necessary to limit the situations in which the Secretary will make the election. Most significantly, the Secretary would be unable to fulfill certain requirements to open and operate a Trump account without disclosure of taxpayer information. Section 6103 prohibits the disclosure or inspection of information from taxpayers' tax returns or that is otherwise received, recorded, prepared, furnished to, or collected by the IRS with respect to the taxpayer except as expressly authorized in the Code. Without an exception from the prohibition on disclosure, the Treasury Department would be unable to perform necessary actions to open an account, make eligible investments (which could be reportable financial transactions), or assign a responsible party other than the Secretary; thus, an account opened in this way would therefore be unable to comply with the Code and applicable law.

Without an exception to section 6103, the Secretary may be prohibited from disclosing the existence of the Trump account to any individuals who might apply to become a responsible party. This would be a barrier to the account receiving any contributions from family members, who would not have any account information, or to receiving the pilot program contribution (because an election must be made by a pilot program-electing individual under section 6434). It would also prevent families from opening rollover Trump accounts because there would be no ability to authorize a qualified rollover contribution, which is needed to fund the rollover Trump account. Keeping the Secretary as the responsible party would be particularly problematic for account beneficiaries otherwise eligible for a rollover to an ABL account because the Secretary generally will have no way of knowing whether such a rollover would be appropriate for a particular beneficiary.

The Treasury Department and the IRS have sought to make the election process as simple and frictionless as possible by permitting individuals to file a one-page Form 4547 at the time of filing their tax return or at a different time, or through an electronic application or web page made available by the Secretary. Comments are requested on additional ways in which the Treasury Department and the IRS can further simplify making the election to open an initial Trump account while complying with the requirements under the Code and applicable law (including federal and state banking, securities, and anti-money laundering laws).

Comments are also requested on whether the Treasury Department and the IRS should authorize a State or other government entity to make an election on behalf of an eligible individual after a certain period of time if an initial Trump account has not yet been created by an authorized individual, again while complying with the requirements under the Code and other applicable laws.

B. How To Make the Election

Proposed § 1.530A–1(c)(2) would provide that an election by an authorized individual to open an initial Trump account must be made on or before December 31 of the calendar year in which the eligible individual attains age 17, as required by section 530A(b)(2)(A).

Proposed § 1.530A–1(c)(3) would provide that the election by an authorized individual must be made on the form prescribed by the Secretary (Form 4547, *Trump Account Election(s)*) or through an electronic application or web page made available by the Secretary, in accordance with applicable instructions. The election may be made at any time during the period specified in proposed § 1.530A–1(c)(2), including at the same time that the authorized individual files such individual's Federal income tax return. The initial Trump account election, however, is not a part of any individual's tax return and is independent of the filing of the income tax return.

Proposed § 1.530A–1(c)(4) would provide that only the first election to open an initial Trump account processed by the IRS with respect to an eligible individual will result in an initial Trump account being opened for that eligible individual. Once the first election is processed, no further election to open an initial Trump account will be allowed. This proposed rule is intended to prevent multiple initial Trump accounts from being opened for the same eligible individual and conforms with the section 530A(b)(2)(C) requirements that no prior election for that eligible individual has been made.

C. Responsible Party

Section 530A(b)(1)(A)(i) requires that the Secretary create or organize the initial Trump account. Because the account beneficiary of a Trump account does not initially have legal capacity under applicable law, a responsible party is needed to take actions on behalf of the account beneficiary in managing the Trump account; therefore, the Secretary must designate a responsible party to act on behalf of the account beneficiary. Proposed § 1.530A–1(d)

would provides that, in general (that is, unless State law or, if the trustee chooses, the account agreement, provides otherwise), the responsible party of the initial Trump account will be the individual who makes the election to open the account. The responsible party could have the authority to select among eligible investments (if there is more than one eligible investment offered), to direct a transfer to a different trustee pursuant to a qualified rollover contribution or to an ABL account pursuant to a qualified ABL rollover contribution, or to select a successor responsible party. However, applicable law, including State law, or the account agreement could limit or condition the actions that the responsible party will be able to take on behalf of the account beneficiary.

The Treasury Department and the IRS recognize that there may be situations in which it may be appropriate for the person who is currently the responsible party of a Trump account to be replaced, including when the individual who made the election to open the initial Trump account was not, in fact, an authorized individual. In these situations, applicable law (including State law) or the account agreement will govern when and how a responsible party may be removed and replaced. For example, a legal guardian might be able to obtain a court appointment under applicable State law to be a responsible party of a Trump account. Further, to the extent not inconsistent with State law, the account agreement might provide procedures under which a responsible party may be removed and replaced without a court appointment. For example, to the extent not inconsistent with applicable law, these procedures could include who can request the removal of a responsible party (such as the account beneficiary's legal guardian) and who can be the new responsible party (such as a corporate trustee, the account beneficiary's legal guardian, or another person who is an authorized individual, consistent with the ordering rule in proposed § 1.530A-1(c)(1)).

III. Reserved Regulations Regarding Trump Accounts

This notice of proposed rulemaking reserves §§ 1.530A-2 through 1.530A-6 for future guidance addressing contributions, investments, distributions, reporting, and other special rules and coordination with IRA rules.

Proposed Applicability Date

The regulations are proposed to apply to taxable years beginning on or after

January 1, 2026. In accordance with section 7805(b)(2), the Treasury Department and the IRS intend to publish final regulations within 18 months of the date of enactment of section 530A.

Special Analyses

I. Regulatory Planning and Review

Executive Orders 12866 and 13563 direct agencies to assess costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, reducing costs, harmonizing rules, and promoting flexibility.

The proposed regulations have been designated by the Office of Management and Budget's (OMB's) Office of Information and Regulatory Affairs (OIRA) as subject to review under Executive Order 12866 pursuant to the Memorandum of Agreement (MOA, July 4, 2025) between the Treasury Department and the OMB regarding review of tax regulations. OIRA has determined that the proposed rulemaking is economically significant under section 3(f)(1) of Executive Order 12866 and subject to review under Executive Order 12866 and section 1(b) of the MOA. Accordingly, the proposed regulations have been reviewed by OMB. This proposed rule is not expected to be considered a regulatory action under Executive Order 14192 because it imposes no more than de minimis costs.

Need for Regulation

The proposed regulations would explain how to make an election to open a Trump account under section 530A of the Internal Revenue Code (Code). The proposed regulations would define terms for the purpose of implementing section 530A, clarify who may elect to open an initial Trump account, explain how to elect to open an initial Trump account, and designate a default responsible party to manage an initial Trump account on behalf of the account beneficiary.

The Statute and the Proposed Regulations

Public Law 119-21, commonly referred to as the One, Big, Beautiful Bill Act, added new sections 530A, 128, and 6434 to the Code. Section 530A describes Trump accounts, section 128

describes certain employer contributions to Trump accounts, and section 6434 describes the Trump accounts contribution pilot program. The proposed regulations provide guidance on making an election to open an initial Trump account under section 530A.

Section 530A defines a Trump account as a traditional individual retirement account (IRA) with some special rules. Most special rules that distinguish Trump accounts from other IRAs apply only during the growth period. The first day of the growth period is the day the account is established, and the final day of the growth period is December 31 of the calendar year in which the account beneficiary attains age 17. The rules for traditional IRAs generally apply after the growth period. A Trump account may be established for the benefit of a child prior to the calendar year in which the child attains age 18 if the child has been issued a social security number.

In general, distributions from Trump accounts are not permitted during the growth period. The entire balance of a Trump account may be rolled over in a direct trustee-to-trustee transfer to a new Trump account of the account beneficiary. The entire balance of a Trump account may be rolled over in a direct trustee-to-trustee transfer to an ABL account of the account beneficiary in the calendar year the account beneficiary attains age 17.

Investments in a Trump account must track the returns of a broad index of equities in primarily U.S. companies for which regulated futures contracts are traded, avoid the use of leverage, and avoid annual fees and expenses above 0.1%.

Trump accounts may receive contributions from nonprofits, governments, employers, and individuals. In general, contributions to a Trump account are subject to an annual limit of \$5,000, adjusted for inflation.

Governments and nonprofits may only make contributions through the Treasury Department, and such contributions must be made in equal amounts to the Trump accounts of every account beneficiary in a qualified class. Contributions from governments and nonprofits through the Treasury Department do not count towards the \$5,000 annual contribution limit.

Section 128 sets rules for certain employer contributions to Trump accounts. Employers may contribute to the Trump account of an employee or an employee's dependent. Section 128 employer contributions to a Trump account are excluded from the

employee's income, up to an annual limit of \$2,500, adjusted for inflation. Section 128 employer contributions count towards the \$5,000 annual contribution limit.

Section 6434 describes the Trump accounts contribution pilot program. In the pilot program, the Secretary will pay \$1,000 to the Trump accounts of eligible children. A U.S. citizen born in 2025, 2026, 2027, or 2028 who has been issued a social security number and for whom no request for a pilot program contribution has previously been processed is eligible for a pilot program contribution. Pilot program contributions do not count towards the \$5,000 annual contribution limit.

All other contributions to a Trump account, including contributions from friends or family members, are non-deductible contributions (they create investment in the contract (basis)) and count towards the \$5,000 annual contribution limit.

The proposed regulations would be just one piece of the implementation of section 530A; the proposed regulations would reserve the following sections in the Code of Federal Regulations for future guidance: §§ 1.530A–2, 1.530A–3, 1.530A–4, 1.530A–5, and 1.530A–6. The proposed regulations would define the following terms for the purposes of implementing section 530A: growth period, IRA, pilot program contribution, and traditional IRA. Growth period is a concise term for the period described repeatedly by the statute as “the period before the first day of the calendar year in which the account beneficiary attains age 18.” An IRA is an individual retirement account. A pilot program contribution is a contribution to a Trump account under section 6434. A traditional IRA is an individual retirement account that is not a Roth IRA.

The proposed regulations would clarify who may elect to open an initial Trump account. Under the proposed regulations, an individual who is making a pilot program election for an eligible child under section 6434 must also elect to open an initial Trump account if no prior election was made to open an initial Trump account.⁶ If no individual is making a pilot program election, then one of the following individuals may elect to open an initial Trump account: a legal guardian, a parent, an adult sibling, or a grandparent, in that order of priority.

The proposed regulations would explain how to elect to open an initial Trump account. Under the proposed regulations, the election to open an initial Trump account must be made on a form prescribed by the Secretary (Form 4547, Trump Account Election(s)) or through an electronic application or web page made available by the Secretary.

The proposed regulations would designate a default responsible party to manage an initial Trump account on behalf of the account beneficiary while the account beneficiary does not have legal capacity. Under the proposed regulations, in general, the default responsible party for an initial Trump account is the individual who makes the election to open an initial Trump account.

Baseline

The Treasury Department and the IRS have assessed the benefits and costs of the proposed regulations relative to a no-action baseline reflecting anticipated Federal income tax-related behavior in the absence of these proposed regulations.

Affected Entities and Taxpayers

The proposed regulations are expected to affect 73 million children in 44 million families.

Economic Effects of the Proposed Regulations

Election To Open an Initial Trump Account

In general, the regulations would provide clarity to the 44 million families with children under age 18 who may be eligible to open an initial Trump account. The regulations would be responsive to the statutory requirement that the election to open an initial Trump account be made in a time and manner prescribed by the Secretary. These regulations would clarify who may open an initial Trump account for the minor child and in what order of priority, and who may be the responsible party for the initial Trump account while the child is still a minor. The statute does not prescribe a time or manner to make the election to open an initial Trump account; the statute requires the Secretary to prescribe the time and manner of an election. Providing clarity about the election to open an initial Trump account would result in initial Trump accounts opening for some children under age 18 for whom an account would have been opened later or not at all. Those children would benefit from receiving a qualified general contribution or a contribution from a family member that they may have missed had the account been opened later or not at all. The Treasury Department and the IRS used historical returns for a broad index of U.S. equities to quantify the benefit at age 18 of \$1,000 invested at various ages.⁷ Among birth cohorts from 1926 to 2006, Table 1 shows that while an earlier investment allows for more growth, there are still typically benefits at age 18 from making an investment even at age 17.

TABLE 1

Investment scenario	Value at age 18 of investment in broad index of U.S. equities		
	10th Percentile	50th Percentile	90th Percentile
\$1,000 at birth	2,980	6,180	13,800
\$1,000 at age 1	2,860	5,690	11,990
\$1,000 at age 2	2,680	4,920	10,040
\$1,000 at age 3	2,400	4,750	9,030
\$1,000 at age 4	2,150	4,260	8,040
\$1,000 at age 5	2,020	3,990	7,110
\$1,000 at age 6	1,770	3,620	6,350
\$1,000 at age 7	1,660	3,280	5,380
\$1,000 at age 8	1,680	3,150	4,670
\$1,000 at age 9	1,480	2,740	4,110

⁶ A pilot program election under section 6434 is a request for a pilot program contribution, which is \$1,000 paid to the Trump account of a child born

in 2025 through 2028. A pilot program election is distinct from an election to open an initial Trump account under section 530A.

⁷ Kenneth R. French Data Library. https://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html

TABLE 1—Continued

Investment scenario	Value at age 18 of investment in broad index of U.S. equities		
	10th Percentile	50th Percentile	90th Percentile
\$1,000 at age 10	1,350	2,460	3,560
\$1,000 at age 11	1,340	2,350	3,040
\$1,000 at age 12	1,180	2,050	2,720
\$1,000 at age 13	1,050	1,890	2,390
\$1,000 at age 14	1,020	1,630	2,060
\$1,000 at age 15	990	1,400	1,810
\$1,000 at age 16	970	1,240	1,590
\$1,000 at age 17	900	1,160	1,330

Notes: Percentiles at age 18 are calculated based on birth cohorts 1926 through 2006. For a particular birth cohort, the value at age 18 of one dollar invested at birth is calculated as the gross 18-year market return for a broad index of U.S. equities.

Who May Open a Trump Account

The proposed regulations would clarify who may elect to open an initial Trump account. The proposed regulations would allow the following individuals to open an initial Trump account: an individual making a pilot program election for an eligible child under section 6434, a legal guardian, a parent, an adult sibling, or a grandparent. An alternative would be to allow only an individual for whom the eligible individual is a dependent under the Code to make the election.

This choice and several others would provide clarity about the election to open an initial Trump account, which may allow the account beneficiary to receive a contribution that they otherwise would have missed. See Table 1 for the value at age 18 of a \$1,000 investment at a range of ages in a range of historical market conditions.

Although section 530A contemplates an election to open an initial Trump account made by the Secretary, the Treasury Department and IRS have determined that the Treasury Department would generally be unable to perform necessary actions to open an account (1) without a statutory exception to the disclosure prohibition in section 6103 and (2) due to additional legal constraints (including federal and state banking, securities, and anti-money laundering laws). For these reasons, the Secretary making the election to open an initial Trump account was not an alternative within the discretion of the Treasury Department and IRS. If there were a legal path for the Treasury Department to open initial Trump accounts, then there would still be substantial administrative challenges to consider.

Ordering Rule

The proposed regulations would set an ordering rule among individuals authorized to elect to open an initial Trump account. The proposed regulations would prioritize an

individual making a pilot program election. If no one is making a pilot program election, then the proposed regulations would use the same ordering rule as is used in section 529A: legal guardian, parent, adult sibling, grandparent. An alternative would be to decline to specify an ordering rule. By prioritizing an individual making a pilot program election, the proposed regulations would streamline the process of opening an initial Trump account and making a pilot program election. By specifying the ordering rule used in section 529A in other cases, the proposed regulations would use an established system for guiding taxpayers and ordering elections.

This choice and several others would provide clarity about the election to open an initial Trump account, which may allow the account beneficiary to receive a contribution that they otherwise would have missed. See Table 1 for the value at age 18 of a \$1,000 investment at a range of ages in a range of historical market conditions.

Responsible Party

The proposed regulations would designate a default responsible party to manage an initial Trump account on behalf of the account beneficiary. Under the proposed regulations, the default responsible party for an initial Trump account would be the individual who makes the election to open an initial Trump account. One alternative would be for the legal guardian to be the responsible party. Another alternative would be for the individual making the initial Trump account election to specify a responsible party. Designating the individual who makes the initial Trump account election as the default responsible party simplifies the process and avoids confusion from involving multiple individuals in the process of opening and managing the account.

II. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520) generally requires that a Federal agency obtain the approval of the Office of Management and Budget (OMB) before collecting information from the public, whether such collection of information is mandatory, voluntary, or required to obtain or retain a benefit. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number. The information collection in proposed § 1.530A–1(c) is used to open an initial Trump account for eligible individuals. The burden associated with the collection of information in these proposed regulations are included in Form 4547 and its instructions and approved under OMB control number 1545–2336 in accordance with PRA procedures under 5 CFR 1320.10.

III. Regulatory Flexibility Act

The Secretary hereby certifies that these proposed regulations would not have a significant economic impact on a substantial number of small entities pursuant to the Regulatory Flexibility Act (5 U.S.C. chapter 6). The proposed rules would not impose any requirement or obligation upon small entities. The proposed rules affect individuals and the trustee of the initial Trump accounts, which is not a small entity. Because the regulation does not impose any requirement or obligation on small entities, a Regulatory Flexibility Act analysis is not required.

IV. Unfunded Mandates Reform Act

Section 202 of the Unfunded Mandates Reform Act of 1995 (UMRA) requires that agencies assess anticipated costs and benefits and take certain other actions before issuing a final rule that includes any Federal mandate that may result in expenditures in any one year by a State, local, or Tribal government,

in the aggregate, or by the private sector, of \$100 million in 1995 dollars, updated annually for inflation. These proposed regulations do not include any Federal mandate that may result in expenditures by State, local, or Tribal governments, or by the private sector in excess of that threshold.

V. Executive Order 13132: Federalism

Executive Order 13132 (Federalism) prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial, direct compliance costs on State and local governments, and is not required by statute, or preempts State law, unless the agency meets the consultation and funding requirements of section 6 of the Executive order. These proposed regulations do not have federalism implications and do not impose substantial direct compliance costs on State and local governments or preempt State law within the meaning of the Executive order.

VI. Small Business Administration

Pursuant to section 7805(f) of the Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for the Office of Advocacy of the Small Business Administration for comment on its impact on small business.

Comments and Request for a Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to comments regarding the notice of proposed rulemaking that are submitted timely to the IRS as prescribed in this preamble under the **ADDRESSES** section. The Treasury Department and the IRS request comments on all aspects of the proposed regulations. Any comments submitted will be made available at <https://www.regulations.gov> or upon request. A public hearing will be scheduled if requested in writing by any person who timely submits electronic or written comments. Requests for a public hearing are also encouraged to be made electronically. If a public hearing is scheduled, notice of the date and time for the public hearing will be published in the **Federal Register**.

Statement of Availability of IRS Documents

IRS revenue procedures, revenue rulings, notices, and other guidance cited in this document are published in the Internal Revenue Bulletin (or Cumulative Bulletin) and are available from the Superintendent of Documents, U.S. Government Publishing Office,

Washington, DC 20402, or by visiting the IRS website at <http://www.irs.gov>.

Drafting Information

The principal author of these proposed regulations is the Office of Associate Chief Counsel (Employee Benefits, Exempt Organizations, and Employment Taxes) at (202) 317-4148. Personnel from the Treasury Department and the IRS also participated in its development.

Lists of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Proposed Amendments to the Regulations

Accordingly, the Treasury Department and IRS propose to amend 26 CFR part 1 as follows:

PART 1—INCOME TAXES

■ **Paragraph 1.** The authority citation for part 1 is amended by adding an entry in numerical order for § 1.530A-1 to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Section 1.530A-1 also issued under 26 U.S.C. 408(a)(2), 530A(a), (b)(1)(A)(i), (b)(1)(B), and (b)(2)(C).

■ **Par. 2.** Sections 1.530A-1 through 1.530A-6 are added to read as follows:

§ 1.530A-1 Trump accounts—General requirements and election to open an account.

(a) *In general.* This section provides general requirements regarding Trump accounts and rules for making an election to open an initial Trump account.

(b) *Trump accounts—(1) In general.* A Trump account is a type of traditional IRA described in section 530A(b)(1) for the exclusive benefit of an eligible individual and, after the death of the individual, his or her beneficiaries. A Trump account is subject to special rules that are different from the rules for other traditional IRAs, most of which apply only during the growth period. Additionally, a Trump account cannot be a SIMPLE IRA under section 408(p) and cannot accept contributions from an employer's simplified employee pension (SEP) arrangement under section 408(k). See paragraph (b)(4) of this section for definitions applicable for this section.

(2) *Requirements for a Trump account.* A Trump account must meet the requirements stated in this paragraph (b)(2).

(i) *Types of Trump accounts.* A Trump account must be either an initial Trump account or a rollover Trump account.

(A) *Initial Trump account.* An individual's initial Trump account is the individual's first Trump account, which must be created or organized by the Secretary pursuant to an election that is made in accordance with the rules set forth in paragraph (c) of this section.

(B) *Rollover Trump account.* After an initial Trump account is established, a rollover Trump account may be established for the account beneficiary during his or her growth period. A rollover Trump account must first be funded by a qualified rollover contribution from the account beneficiary's existing Trump account before receiving any other contribution, and an individual may have only one Trump account containing funds at a time. See section 530A(e) for more details regarding qualified rollover contributions.

(ii) *Written governing instrument—(A) In general.* The written governing instrument establishing a Trump account must generally meet the requirements of section 408(a)(1) through (6), which apply to other IRAs, as well as the requirements of section 530A(b)(1)(C)(i) through (iii), which apply only to Trump accounts. The written governing instrument generally should reflect both the rules that apply during the growth period and the rules that apply after the growth period.

(B) *During the growth period.* During the growth period, a written governing instrument establishing a Trump account must generally restrict the timing and annual amount of contributions to the Trump account in accordance with section 530A(b)(1)(C)(i), prohibit distributions from the Trump account in accordance with section 530A(b)(1)(C)(ii), and require that the funds in the Trump account be invested only in an eligible investment in accordance with section 530A(b)(1)(C)(iii). Additionally, during the growth period, the written governing instrument establishing a Trump account must meet the requirements of section 408(a)(1) through (6), to the extent not inconsistent with section 530A. For example, during the growth period, the annual limit on the amount of contributions is governed by section 530A(c)(2) rather than section 408(a)(1). In addition, if the account beneficiary dies during the growth period, section 530A(d)(6) applies rather than the required minimum distribution rules of section 408(a)(6). In contrast, the other requirements of section 408 apply both

during and after the growth period, such as the requirement of section 408(a)(1) that contributions (other than rollovers, including qualified rollover contributions) must be made in cash, and the other requirements of section 408(a)(2) through (5). For example, pursuant to section 408(a)(2), the trustee of a Trump account must be a bank (as defined in section 408(n)) or a nonbank trustee approved by the IRS.

(C) *After the growth period.* A written governing instrument establishing a Trump account must meet the requirements of section 408(a)(1) through (6) after the growth period, except as provided in section 530A. For example, after the growth period, the contribution limits of section 408(a)(1) generally apply, except that the section 530A(h)(1) prohibition against a Trump account receiving contributions under a SEP arrangement under section 408(k) or a SIMPLE IRA plan under section 408(p) continues to apply to a Trump account after the growth period.

(iii) *Automatic approval for certain nonbank trustees.* For purposes of section 530A, any person approved by the IRS as of December 31, 2025, to be a nonbank trustee of an IRA is automatically approved to be a nonbank trustee of a Trump account. Any person who is automatically approved to be a nonbank trustee of a Trump account and actually becomes a Trump account trustee must notify the IRS, in writing, of this fact. See § 1.408–2(e)(6)(iv).

(iv) *Designation as a Trump account.* The written governing instrument establishing a Trump account must clearly designate the IRA as a Trump account at the time of establishment. Accordingly, an existing account (such as an IRA that is not a Trump account) cannot be amended to become a Trump account. In addition, a Trump account must be titled to clearly identify the account as a Trump account for the benefit of the account beneficiary.

(3) *Differences from other traditional IRAs—(i) During the growth period.* During the growth period, there are special rules for Trump accounts with respect to:

(A) Contributions (*see* section 530A(c));

(B) Investments (*see* section 530A(b)(3));

(C) Distributions (*see* section 530A(d));

(D) Reporting (*see* section 530A(i)); and

(E) Coordination with IRA rules (*see* section 530A(h)).

(ii) *After the growth period.* After the growth period (that is, starting January 1st of the year in which the account beneficiary attains age 18), the rules

under section 408 that apply to other traditional IRAs are generally applicable to Trump accounts, except as provided in section 530A(h).

(4) *Definitions.* For purposes of section 530A and the regulations thereunder, the following definitions apply—

(i) *Account beneficiary.* The term *account beneficiary* means the individual for whose benefit a Trump account was established.

(ii) *Authorized individual.* The term *authorized individual* means the individual as described in paragraph (c)(1)(i) of this section.

(iii) *Eligible individual.* The term *eligible individual* means any individual—

(A) Who has not attained age 18 before the end of the calendar year in which an election under paragraph (c) of this section is made;

(B) For whom a social security number (within the meaning of section 24(h)(7)) has been issued before the date on which an election under paragraph (c) of this section is made; and

(C) For whom an election is made under paragraph (c) of this section.

(iv) *Growth period.* For any individual with a calendar year taxable year, the term *growth period* means, with respect to an account beneficiary, the period that begins when the initial Trump account is established and ends on December 31 of the calendar year in which the account beneficiary attains age 17. For example, a child born on October 1, 2025, would attain age 17 on October 1, 2042, and therefore the last day of the growth period with respect to the child would be December 31, 2042.

(v) *IRA.* The term *IRA* means an individual retirement account under section 408(a) and includes a custodial account that is treated as a trust pursuant to section 408(h). Accordingly, the term *IRA* does not include an individual retirement annuity under section 408(b).

(vi) *Pilot program contribution.* The term *pilot program contribution* means a \$1,000 contribution to a Trump account made by the Secretary upon the processing of an election for the Trump accounts contribution pilot program under section 6434.

(vii) *Qualified rollover contribution.* The term *qualified rollover contribution* means a direct trustee-to-trustee transfer of an account beneficiary's entire Trump account balance to a rollover Trump account for the same account beneficiary.

(viii) *Traditional IRA.* The term *traditional IRA* means an IRA that is not a Roth IRA under section 408A.

(5) *Application of the birthday rule.* For purposes of section 530A, an individual attains an age on his or her birthday. For example, a child who is born on January 1, 2009, attains age 18 on January 1, 2027.

(c) *Election to open an initial Trump account—(1) Who can make the election.* An election to open an initial Trump account for an eligible individual may be made by:

(i) An authorized individual, if no prior election to open an initial Trump account has been made for the eligible individual by the Secretary under paragraph (c)(1)(ii) of this section. For this purpose, the authorized individual with respect to an eligible individual is determined as follows—

(A) If an election under section 6434 for a pilot program contribution with respect to the eligible individual is being made at the same time as the election to open the initial Trump account for the eligible individual, then the authorized individual is the individual who is authorized to make (and is making) the election under section 6434 for a pilot program contribution (the pilot program-electing individual). By making the election, the authorized individual is representing, under penalties of perjury, that he or she is the pilot program-electing individual; or

(B) If an election under section 6434 for a pilot program contribution is not being made at the same time as the election to open the initial Trump account, then the authorized individual is a legal guardian, parent, adult sibling, or grandparent of the eligible individual, in that order of priority. If multiple individuals have the same highest level of priority and no prior election has been made for the eligible individual, then any individual with that level of priority may make the election. For example, if there is no legal guardian, either parent of an eligible individual may make this election. By making the election, the authorized individual is representing, under penalties of perjury, that he or she is authorized to open the initial Trump account for the eligible individual and that there is no one else with a higher level of priority who is available to make the election; or

(ii) The Secretary, if the Secretary determines (based on information available to the Secretary from tax returns or otherwise) that the individual has met the other requirements to be an eligible individual, no prior election to open an initial Trump account has been made for the individual by an authorized individual under paragraph (c)(1)(i) of this section, and an election

was made by an individual who was not an authorized individual at the time that the election was made. In such instance, the Secretary is deemed to have made the election to open the initial Trump account and the Trump account that was opened based on an election by an individual who was not an authorized individual will not cease to be a Trump account.

(2) *Time to make the election.* An election to open an initial Trump account must be made (if at all) on or before December 31 of the calendar year in which the eligible individual attains age 17.

(3) *Manner of making the election.* The election by an authorized individual to open an initial Trump account must be made on the form prescribed by the Secretary or through an electronic application or web page made available by the Secretary, in accordance with applicable instructions. No initial Trump account will be opened based on an election by an authorized individual unless the authorized individual makes the election in such manner.

(4) *Resolving multiple elections for an eligible individual.* Only the first election to open an initial Trump account that is processed by the Secretary with respect to an eligible individual will result in the opening of an initial Trump account for the eligible individual. Once the Secretary processes the first election to open an initial Trump account, no further elections to open an initial Trump account for such eligible individual will be processed.

(d) *Responsible party for the initial Trump account.* In general, the individual who makes the election to open an initial Trump account will be the responsible party of the initial Trump account when the account is established. Unless otherwise provided under the account agreement or applicable law, the responsible party will have the authority, while the account beneficiary does not have legal capacity, to select among eligible investments (if more than one eligible investment is offered), direct a transfer for a qualified rollover contribution, direct a transfer for a qualified ABLE rollover contribution (see section 530A(d)(4)), or select a successor responsible party for the account.

(e) *Applicability date.* This section applies to taxable years beginning on or after January 1, 2026.

§§ 1.530A–2 through 1.530A–6 [Reserved]

Frank J. Bisignano,
Chief Executive Officer.

[FR Doc. 2026–04533 Filed 3–6–26; 8:45 am]

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 301

[REG–117002–25]

RIN 1545–BS00

Trump Accounts Contribution Pilot Program

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document contains proposed regulations relating to the Trump accounts contribution pilot program under which the Trump accounts of eligible children can receive \$1,000 pilot program contributions. Eligible children must be U.S. citizens with valid Social Security numbers born in 2025 through 2028. The proposed regulations would provide guidance on making an election for the Trump account of an eligible child to receive a \$1,000 pilot program contribution. The proposed regulations would affect eligible children and individuals who would make elections with respect to those children.

DATES: Written or electronic comments and requests for a public hearing must be received by April 8, 2026.

ADDRESSES: Commenters are strongly encouraged to submit public comments electronically via the Federal eRulemaking Portal at <https://www.regulations.gov> (indicate IRS and REG–117002–25) by following the online instructions for submitting comments. Requests for a public hearing must be submitted as prescribed in the “Comments and Requests for a Public Hearing” section. Once submitted to the Federal eRulemaking Portal, comments cannot be edited or withdrawn. The Department of the Treasury (Treasury Department) and the IRS will publish for public availability any comments submitted to the IRS’s public docket. Send paper submissions to: CC:PA:01:PR (REG–117002–25), Room 5503, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044.

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, Molly E. Lovern at (202) 317–5416;

concerning submissions of comments or a public hearing, the Publications and Regulations Section at (202) 317–6901 (not toll-free numbers) or by email at publichearings@irs.gov (preferred).

SUPPLEMENTARY INFORMATION:

Authority

This document contains proposed amendments to the Procedure and Administration Regulations (26 CFR part 301) to implement section 6434 of the Internal Revenue Code (Code) relating to the Trump accounts contribution pilot program. Section 6434(d) authorizes the Secretary of the Treasury or the Secretary’s delegate (Secretary) to prescribe rules for the time and manner for elections under section 6434. The proposed regulations are also issued under the authority of section 7805(a) of the Code, which authorizes the Secretary to “prescribe all needful rules and regulations for the enforcement of [the Code], including all rules and regulations as may be necessary by reason of any alteration of law to internal revenue.”

Background

I. Overview

Section 70204 of Public Law 119–21, 139 Stat. 72 (July 4, 2025), commonly known as the One, Big, Beautiful Bill Act of 2025, added new sections 530A and 6434 to the Code relating to Trump accounts. Section 530A of the Code provides for the establishment of a Trump account for an eligible individual as defined in section 530A(b)(2) and cross-references section 6434. Section 6434 provides for a one-time \$1,000 contribution from the Secretary to the Trump account of an eligible child with respect to whom an election under section 6434 is made (\$1,000 pilot program contribution).

These proposed regulations would implement section 6434. The Treasury Department and the IRS are proposing regulations under section 530A in another notice of proposed rulemaking (REG–117270–25) published elsewhere in this issue of the **Federal Register**.

II. Trump Accounts Generally

A Trump account is a type of traditional individual retirement account (IRA) established for the exclusive benefit of an eligible individual or the individual’s beneficiaries under section 530A. Section 530A directs the Secretary to create or organize the first Trump account (initial Trump account) for each eligible individual. An eligible individual is any individual (i) who has not attained age 18 before the close of

the calendar year in which an election to open an initial Trump account (initial Trump account election) is made, (ii) for whom a social security number has been issued before the date of the initial Trump account election, and (iii) for whom the initial Trump account election is made.

A Trump account is subject to certain special rules on contributions, investments, distributions, and reporting that are inapplicable to other individual retirement arrangements under section 408 of the Code. After the period beginning when a Trump account is established and ending on December 31 of the calendar year in which a Trump account beneficiary attains age 17 (growth period), most of the special rules no longer apply and the rules under section 408 governing traditional IRAs generally apply. During the growth period, a subsequent Trump account (rollover Trump account) may be established for an individual and must be funded by a trustee-to-trustee transfer of the entire account balance from the individual's existing Trump account. Because a rollover Trump account must be funded by a qualified rollover contribution (which is a transfer of the entire account balance from the individual's prior Trump account), an individual may only have one Trump account containing funds at a time.

Unlike contributions to other IRAs, which require an IRA owner to have includible compensation, under the special rules applicable during the growth period of a Trump account, a \$1,000 pilot program contribution may be made to the Trump account of a child eligible to receive the \$1,000 pilot program contribution even if the child does not have includible income. Because the criteria under section 530A to be an eligible individual for the opening of an initial Trump account differ from the criteria under section 6434 to be an eligible child whose Trump account may receive a \$1,000 pilot program contribution, only a portion of the individuals eligible for a Trump account will also be eligible to receive a \$1,000 pilot program contribution. However, a child who is eligible for a \$1,000 pilot program contribution must have a Trump account in order for the Secretary to pay the \$1,000 pilot program contribution. A child who does not have a Trump account for any reason will not receive a \$1,000 pilot program contribution, even if such child is otherwise eligible for a \$1,000 pilot program contribution.

III. Trump Accounts Contribution Pilot Program

In general, section 6434 provides that when an individual makes an election with respect to an eligible child of the individual, the election results in a one-time, \$1,000 pilot program contribution into the eligible child's Trump account. The term "Trump account" has the same definition as in section 530A.

Section 6434(a) provides that an individual makes an election for the Trump accounts contribution pilot program with respect to an eligible child of that individual. With such election, the eligible child is treated as making a \$1,000 payment against the income tax liability imposed by subtitle A of the Code for the taxable year for which the election is made. Section 6434 does not require that the election be made for a particular calendar year. Although the eligible child is receiving the benefit of the pilot program election, the eligible child does not make the pilot program election.

Section 6434(b) provides that the same amount of the \$1,000 payment is paid by the Secretary to the Trump account of the eligible child for which the election in section 6434(a) was made (\$1,000 pilot program contribution). The \$1,000 pilot program contribution into the eligible child's Trump account therefore cannot occur without an election having been made for that child. Section 6434(b) authorizes the Secretary to pay the \$1,000 pilot program contribution only "to the Trump account with respect to which such eligible child is the account beneficiary." Pursuant to section 6434(f)(1), a \$1,000 pilot program contribution made under section 6434 is not subject to reduction or offset by the mandatory offsets of subsections (c) (past-due support), (d) (debts owed to Federal agencies), (e) (past-due, legally enforceable state income tax obligations), and (f) (unemployment compensation debts) of section 6402 of the Code or any other similar offset. Similarly, section 6434(f)(2) prohibits reduction or offset of such \$1,000 pilot program contributions by other assessed Federal taxes subject to collection including levy. Section 6434(g) prevents overpayment interest under section 6611(a) of the Code from accruing prior to January 1, 2028, with respect to any payment under section 6434.

Section 6434(c) defines the term "eligible child" for purposes of section 6434. It provides that an eligible child is a qualifying child under section 152(c) of the Code; is born during the 2025, 2026, 2027, or 2028 calendar year; has had no prior pilot program election

made by any individual; and is a United States citizen.

Section 6434(e)(1) requires the pilot program election to include the social security number of the eligible child for whom the election is made. Section 6434(e)(2) cross-references section 24(h)(7) of the Code to define the term "social security number" for section 6434. The social security number must be issued before the election is made.

Section 6434(d) authorizes the Secretary to provide the rules for the time and manner of making the pilot program election.

Explanation of Provisions

Proposed § 301.6434-1 would establish the framework for the Trump accounts contribution pilot program. First, it would provide the general rule that a pilot program-electing individual must make a pilot program election with respect to an eligible child of such individual in order for the Secretary to make a \$1,000 pilot program contribution into the Trump account for which such eligible child is the beneficiary. Second, it would define several terms solely for purposes of section 6434, including the terms "eligible child," "pilot program election," "pilot program-electing individual," "special taxable year," and "social security number." Third, it would identify how the deemed payment upon the processing of a pilot program election generates an overpayment of tax for the eligible child in the amount of \$1,000, which is then refunded to the eligible child as a \$1,000 pilot program contribution into such child's Trump account. Fourth, it would provide the rules for the timing of the pilot program election. Lastly, it would provide the rules for the manner of making the pilot program election.

I. General Rule

Proposed § 301.6434-1(a) would provide that a pilot program-electing individual must make a pilot program election with respect to an eligible child of the pilot program-electing individual in order for the Secretary to make a \$1,000 pilot program contribution into the Trump account of the eligible child. This general rule would conform with the statutory scheme of section 6434(a), which provides that after a pilot program election, an eligible child is treated as making a \$1,000 payment against an income tax liability under subtitle A of the Code, and section 6434(b), which provides that the \$1,000 amount treated as a payment under section 6434(a) is paid by the Secretary to the Trump account of the eligible child.

II. Definitions

Proposed § 301.6434–1(b) would define terms that apply solely for purposes of § 301.6434–1.

Under proposed § 301.6434–1(b)(1), the term “eligible child” would mean an individual (i) who the pilot program-electing individual anticipates will be that individual’s qualifying child under section 152(c) for the taxable year of the pilot program-electing individual in which the pilot program election is made, (ii) who is born in calendar year 2025, 2026, 2027, or 2028, (iii) who is a United States citizen, (iv) to whom a social security number has been issued, and (v) with respect to whom no prior pilot program election has been made by any individual and processed by the Secretary. The birth year and citizenship requirements in proposed § 301.6434–1(b)(1)(ii) and (iii) would implement section 6434(c)(1) and (3), and the social security number requirement in proposed § 301.6434–1(b)(1)(iv) would implement section 6434(e).

The relationship requirement between the pilot program-electing individual and the eligible child, reflected as part of the eligible child definition in proposed § 301.6434–1(b)(1)(i), is mandated by section 6434(a), which provides that an election is made by an individual “with respect to an eligible child of the individual,” and section 6434(c), which provides that an eligible child is a qualifying child as defined in section 152(c). Although an individual may anticipate that an eligible child will be the individual’s qualifying child under section 152(c) for an ongoing taxable year, whether an eligible child is indeed any individual’s qualifying child under section 152(c) with respect to that individual’s taxable year cannot be conclusively determined until the close of such taxable year. However, section 6434 does not require elections to be made with reference to a closed taxable year of the pilot program-electing individual. Thus, to provide the pilot program-electing individual the flexibility to make the pilot program election at any time during a calendar year rather than wait until after the close of a taxable year, proposed § 301.6434–1(b)(1)(i) permits the child’s eligibility as long as a pilot program-electing individual anticipates the eligible child will be that individual’s qualifying child under section 152(c) for the taxable year in which the election is made. For additional information on who is a qualifying child under section 152(c), potential pilot program-electing individuals (including parents, foster parents, and other relatives) can look to

IRS Publication 501, *Dependents, Standard Deduction, and Filing Information*.

Lastly, with respect to the definition of the term *eligible child*, under proposed § 301.6434–1(b)(1)(v), a child would no longer be eligible once a pilot program election is made and processed for that child. This is required by section 6434(c)(2), which provides that an *eligible child*, among other requirements, is a child with respect to whom no prior pilot program election has been made. Proposed § 301.6434–1(b)(1)(v) would ensure that an eligible child is not prevented from receiving a \$1,000 pilot program contribution based on an erroneous or malicious election by conditioning the eligibility criteria on the making and processing of an election, rather than solely the making of an election.

Under proposed § 301.6434–1(b)(2), the term “pilot program election” means an election under section 6434.

Under proposed § 301.6434–1(b)(3), the term “pilot program-electing individual” means an individual authorized to make a pilot program election with respect to an eligible child. An individual is authorized to make a pilot program election with respect to an eligible child who the individual anticipates will be the individual’s qualifying child under section 152(c) for the taxable year of the individual in which the pilot program election is made, which is the same requirement reflected in proposed § 301.6434–1(b)(1)(i) for the definition of *eligible child*. The definition of *pilot program-electing individual* in proposed § 301.6434–1(b)(3) would cross-reference the relevant portion of the definition of *eligible child* in proposed § 301.6434–1(b)(1)(i). This definition accomplishes the purpose of section 6434 to facilitate investment into and financial growth of an eligible child’s Trump account by enabling a pilot program election to be made at any time during the calendar year. If section 6434 was interpreted to instead require pilot program elections to be made with respect to a calendar-based taxable year of the pilot program-electing individual for which the eligible child was such individual’s qualifying child under section 152(c), the earliest a pilot program election could possibly be made would be after the close of the taxable year of the pilot program-electing individual during which the eligible child was born. Such an interpretation would impose a restriction on making a pilot program election not found in section 6434 and would limit the maximum growth potential of contributions into the

eligible child’s Trump account. Furthermore, under section 6434, the payment is deemed to be made by the eligible child and has no connection to any taxable year of the pilot program-electing individual, thereby providing no clear basis to tie a pilot program election to a taxable year of the pilot program-electing individual. If a pilot program-electing individual makes an election in anticipation that an eligible child will be the individual’s qualifying child under section 152(c) and complies with all other rules promulgated by the Secretary for section 6434 elections, the pilot program election will not be rendered ineffective solely on the basis that it is later determined that the eligible child does not meet the definition of a qualifying child of the individual for the taxable year in which the pilot program election is made.

Under proposed § 301.6434–1(b)(4), the term “Secretary” means the Secretary of the Treasury or the Secretary’s delegate. See section 7701(a)(11)(B) of the Code.

Under proposed § 301.6434–1(b)(5), the term “social security number” has the meaning given such term in section 24(h)(7)(B), determined by substituting “before the date of the election made under section 6434” for “before the due date of such return” in section 24(h)(7)(B)(ii).

Under proposed § 301.6434–1(b)(6), the term “special taxable year” means a taxable period of an eligible child that arises upon the processing of a pilot program election and is deemed to close immediately after arising, for which no Federal income tax liability is owed, and which bears no relationship to the Federal income tax liability of the pilot program-electing individual for any taxable period. This special taxable year is distinct from any calendar-based taxable year for the eligible child’s Federal income tax liability and does not sever or modify the eligible child’s calendar-based taxable period. To implement the requirements of section 6434(a), (b), and (f) as explained in Section III of this Explanation of Provisions, proposed § 301.6434–1(c)(1) would provide that a pilot program election is made with respect to the eligible child’s special taxable year, rather than with respect to any calendar-based taxable year for the eligible child’s Federal income tax liability.

As explained in Section III of this Explanation of Provisions, an overpayment can only be determined after the close of a taxable year by comparing the amount of tax liability owed to the amount of payments made. Like the proposed definition of *pilot program-electing individual*, the

proposed definition of *special taxable year* accomplishes the purpose of section 6434 by allowing for the \$1,000 pilot program contribution to be deposited by the Secretary into the Trump account without waiting for the close of a calendar-based taxable year, thus facilitating the financial growth of the Trump account. Determining an overpayment from a special taxable year also meets the statutory intent that the contribution be made at any time during a calendar year rather than after the close of the taxable year for which an election is made—at the earliest. Additionally, as explained more thoroughly in Section III of this Explanation of Provisions, the proposed definition of a *special taxable year* ensures that an eligible child's deemed payment upon election under section 6434(a) generates an overpayment of \$1,000 instead of the deemed payment being reduced or eliminated if it were used to satisfy a child's potentially unpaid Federal income tax liability for a calendar-based taxable year election.

Under proposed § 301.6434–1(b)(7), the term “Trump account” has the meaning given to the term in section 530A(b)(1). This definition includes an initial Trump account and a rollover Trump account.

III. Effect of a Pilot Program Election

Proposed § 301.6434–1(c)(1) would provide that a pilot program election must be made by a pilot program-electing individual with respect to the special taxable year of an eligible child of the pilot program-electing individual. Proposed § 301.6434–1(c)(2) would provide that upon the processing of an election with respect to an eligible child, the eligible child would be treated as making a \$1,000 payment against a Federal income tax liability under subtitle A of the Code for the eligible child's special taxable year, resulting in a \$1,000 overpayment. Proposed § 301.6434–1(c)(3) would provide that the \$1,000 overpayment described in § 301.6434–1(c)(2) will be refunded by the Secretary as a \$1,000 pilot program contribution to the eligible child's Trump account.

Section 6434 fits into the existing framework for the refund of an overpayment of tax but creates some special rules for the determination and the refunding of the overpayment. In *Jones v. Liberty Glass Co.*, 332 U.S. 524, 531 (1947), the Supreme Court explained that an overpayment of tax for a taxable year is determined by comparing the amount by which payments exceed the amount of tax properly due at the close of the taxable year. Under these rules, a taxpayer who

pays \$1,000 towards a taxable year but owes zero Federal income tax liability for that taxable year will have an overpayment of \$1,000. *See also* section 6401(c) (“An amount paid as tax shall not be considered not to constitute an overpayment solely by reason of the fact that there was no tax liability in respect of which such amount was paid.”). In contrast, for example, a taxpayer who pays \$1,000 towards a taxable year but owes \$500 for that taxable year will have an overpayment of only \$500. Once the IRS determines the amount of an overpayment, the full amount of the overpayment may not necessarily be refunded to a taxpayer. Section 6402(a) provides the IRS the discretion to credit an overpayment against “any liability in respect of an internal revenue tax on the part of the person who made the overpayment.” Additionally, before the IRS can refund any remaining overpayment, the refund must be reduced and offset against any past-due non-tax debts of the taxpayer described in the provisions of section 6402(c), (d), (e), and (f), otherwise known as mandatory Treasury Offset Program offsets.

Concerning the determination of an overpayment, section 6434(b) provides that the “amount treated as a payment under subsection (a) shall be paid by the Secretary” to the eligible child's Trump account. Section 6434(a) provides that the eligible child for whom an election is made is treated as “making a payment . . . in an amount equal to \$1,000.” For most children who have no Federal income tax liability, the plain language of section 6434(a) and (b) is consistent with the Supreme Court's explanation of how to determine an overpayment in *Jones v. Liberty Glass*. However, if section 6434(a) were to be construed as providing for a deemed payment of \$1,000 for a taxable year for which an eligible child owes a Federal income tax liability, then that child would have an overpayment only if the deemed payment exceeded the tax owed and, if so, such overpayment would be less than \$1,000. Read in conjunction, however, section 6434(a) and (b) instruct that the Secretary's contribution to an eligible child's Trump account must be in the amount of \$1,000.

Moreover, section 6434(f) creates safeguards to ensure the entire \$1,000 amount is contributed to an eligible child's Trump account. As explained above, section 6402(a) provides that the IRS has the discretion to credit an overpayment to a taxpayer's unpaid tax liabilities and is required to reduce the refund of any remaining overpayment by the mandatory Treasury Offset Program offsets of section 6402(c), (d),

(e), and (f). Section 6434(f), which is described in proposed § 301.6434–1(c)(4), ensures that the entire \$1,000 overpayment amount described in proposed § 301.6434–1(c)(2) would be contributed into the eligible child's Trump account as provided in section 6434(a) and (b).

To implement the requirements of section 6434(a), (b), and (f), proposed § 301.6434–1(c)(1) would provide that a pilot program election is made with respect to the eligible child's special taxable year instead of the calendar year generally used for individual income taxes. The use of a special taxable year instead of a calendar year ensures that the plain language of section 6434(a), (b), and (f)—that when an election is made with respect to an eligible child, the result is a \$1,000 pilot program contribution to the eligible child's Trump account—may be accomplished with respect to any eligible child for whom an election is made in compliance with section 6434 and proposed § 301.6434–1.

Additionally, section 6434(b) and (i) require that the \$1,000 pilot program contribution is made specifically to the section 530A Trump account of the eligible child. Proposed § 301.6434–1(c)(3) would provide that the \$1,000 contribution will be made to the Trump account of the eligible child. Under section 6434(b) and (i) and proposed § 301.6434–1(c)(3) and (b)(7), the \$1,000 contribution may be made to an eligible child's initial Trump account or to a rollover Trump account in the case of an eligible child who has a rollover Trump account. Because section 6434 only authorizes the Secretary to pay the \$1,000 contribution “to the Trump account with respect to which such eligible child is the account beneficiary,” it does not allow for an eligible child who does not have a Trump account to receive a \$1,000 pilot program contribution; nor does it allow for an eligible child to receive the \$1,000 pilot program contribution in any manner other than as a contribution to the eligible child's Trump account. Thus, if an eligible child with respect to whom a pilot program election is made does not have an established Trump account for any reason—including if a Trump account was never established for the eligible child, or if an eligible child's Trump account ceased to be a Trump account for any reason including death of the eligible child—the Secretary is not authorized to remit the \$1,000 pilot program contribution to any recipient because such a remittance would not be “to the Trump account with respect to which such eligible child is the account beneficiary.” *See*

section 6434(b). Accordingly, proposed § 301.6434–1(c)(3) would provide that the \$1,000 overpayment described in proposed § 301.6434–1(c)(2) will not be refunded unless the eligible child has an established Trump account and that no refund will be paid under the provisions of section 6434 except as a \$1,000 pilot program contribution to the eligible child's Trump account.

Lastly, proposed § 301.6434–1(c)(5) would provide that a pilot program election is not a claim for credit or refund of an overpayment. Section 301.6402–2, which establishes the rules for a claim for credit or refund, provides that only the taxpayer with the overpayment may file such a claim. Section 6434(a), however, instructs that a pilot program election is not made by the eligible child for whom an overpayment for contribution is generated; it is instead made by a pilot program-electing individual with respect to an eligible child of the pilot program-electing individual. Because it is the filing of the pilot program election by the pilot program-electing individual that generates the overpayment that is refunded as a \$1,000 pilot program contribution into the eligible child's Trump account and the eligible child is not the person making such pilot program election, the pilot program election cannot be a claim for credit or refund.

IV. Timing of Election

Proposed § 301.6434–1(d) would provide timing rules for pilot program elections as authorized by section 6434(d). The rules of proposed § 301.6434–1(d) would clarify that an election may only be made during the time period prescribed, that relief for an untimely election is not available under §§ 301.9100–1, 301.9100–2, and 301.9100–3, that only the first election made and processed with respect to an eligible child will result in a \$1,000 contribution to the eligible child's Trump account, and that no subsequent elections will be processed after the first election is processed.

Section 6434 does not set forth a specific period in which a pilot program election must be made but instead prescribes that elections must be made at such time as the Secretary provides. Under proposed § 301.6434–1(d)(1)(i), elections may be made starting on the day that a child becomes eligible. An election made on any earlier date would not be allowed under section 6434 because it would not be “an election . . . with respect to an eligible child.” Proposed § 301.6434–1(d)(1)(ii) would provide that the last day for a pilot program election with respect to an

eligible child would be December 31 of the calendar year in which the eligible child reaches age 17. This corresponds with the termination of the growth period, after which a child is no longer eligible to open a Trump account pursuant to section 530A(1)(A)(ii)(I) and (2)(A) and many of the special rules in section 530A no longer apply to the account. This broad election period—from the date of eligibility to the final date of growth period—is intended to ensure all children are able to receive a \$1,000 pilot program contribution if they meet all section 6434 eligibility criteria during the time period in which a child would be eligible to have a Trump account opened. In cases where a pilot program election is not made until near the end of the growth period, the Secretary can nonetheless still make a \$1,000 pilot program contribution to an eligible child's Trump account after the growth period ends as long as a Trump account was established for the eligible child under section 530A and has not ceased to exist for any reason.

Proposed § 301.6434–1(d)(2) would provide that only the first pilot program election processed by the IRS with respect to an eligible child will result in a \$1,000 contribution to the eligible child's Trump account. Once the first pilot program election is processed no further election will be processed. This rule conforms with the section 6434(c)(2) requirement that an eligible child means a child with respect to whom no prior pilot program election has been made. Because this rule only applies once an election is processed, it would ensure that an unprocessed erroneous or malicious pilot program election would not preclude an eligible child from receiving a pilot program contribution.

V. Manner of Election

Proposed § 301.6434–1(e)(1) would provide that a pilot program election must be made by a pilot program-electing individual on the form prescribed by the Secretary or through an electronic application or web page made available by the Secretary, in accordance with applicable instructions. The IRS is using Form 4547, *Trump Account Election(s)*, for this purpose in calendar year 2026. A pilot program election may be made any time during the period in proposed § 301.6434–1(d)(1), including at the same time that the pilot program-electing individual files such individual's Federal income tax return. The pilot program election, however, is not a part of any individual's tax return and is independent of the filing of a tax return. The IRS has released instructions for

making pilot program elections via Form 4547 and will provide instructions for making pilot program elections via an electronic application or web page when made available by the Secretary. Proposed § 301.6434–1(e)(2) would reiterate the requirement of section 6434(e) that an eligible child's social security number is included with the pilot program election for that eligible child. Because the length of time varies in which a social security number may be obtained, this rule reinforces the broad pilot program election timing proposed in § 301.6434–1(d)(1).

Proposed Applicability Date

The regulations are proposed to apply on or after January 1, 2026. In accordance with section 7805(b)(2), the Treasury Department and the IRS intend to publish final regulations within 18 months of the date of enactment of section 6434.

Special Analyses

I. Regulatory Planning and Review

Executive Orders 12866 and 13563 direct agencies to assess costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, reducing costs, harmonizing rules, and promoting flexibility.

The proposed regulations have been designated by the Office of Management and Budget's (OMB's) Office of Information and Regulatory Affairs (OIRA) as subject to review under Executive Order 12866 pursuant to the Memorandum of Agreement (MOA, July 4, 2025) between the Treasury Department and the OMB regarding review of tax regulations. OIRA has determined that the proposed rulemaking is economically significant under section 3(f)(1) of Executive Order 12866 and subject to review under Executive Order 12866 and section 1(b) of the MOA. Accordingly, the proposed regulations have been reviewed by OMB. This proposed rule is not expected to be considered a regulatory action under Executive Order 14192 because it imposes no more than de minimis costs.

Need for Regulation

The proposed regulations would explain how to make a Trump accounts contribution pilot program election

under section 6434 of the Internal Revenue Code (Code). The proposed regulations would also define terms for the purpose of implementing section 6434, clarify the tax consequences of making a pilot program election, and explain the time and manner of making a pilot program election.

The Statute and the Proposed Regulations

Public Law 119–21, commonly known as the One, Big, Beautiful Bill Act of 2025, added new sections 530A and 6434 to the Code. Section 530A describes Trump accounts and section 6434 describes the Trump accounts contribution pilot program. The proposed regulations explain how the pilot program in section 6434 will be implemented.

Section 530A defines a Trump account as a traditional individual retirement account (IRA) with some special rules. Most special rules that distinguish Trump accounts from other IRAs apply only during the growth period. The first day of the growth period is the day the account is established, and the final day of the growth period is December 31 of the calendar year in which the account beneficiary attains age 17. The rules for traditional IRAs generally apply after the growth period. A Trump account may be established for the benefit of a child prior to the calendar year in which the child attains age 18 if the child has been issued a social security number.

In general, distributions from Trump accounts are not permitted during the growth period. The entire balance of a Trump account may be rolled over in a direct trustee-to-trustee transfer to a rollover Trump account. The entire balance of a Trump account may be rolled over in a direct trustee-to-trustee transfer to an account established under a section 529A¹ ABLE program (ABLE account) of the account beneficiary in the calendar year the account beneficiary attains age 17.

Investments in a Trump account must track the returns of a broad index of equities in primarily U.S. companies for which regulated futures contracts are traded, avoid the use of leverage, and avoid annual fees and expenses above 0.1%.

Trump accounts may receive contributions from nonprofits, governments, employers, and individuals. In general, contributions to a Trump account are subject to an

annual limit of \$5,000, adjusted for inflation.

Governments and nonprofits may only make contributions through the Treasury Department, and such contributions must be made in equal amounts to the Trump accounts of every account beneficiary in a qualified class. Contributions from governments and nonprofits through the Treasury Department do not count towards the \$5,000 annual contribution limit.

Section 6434 describes the Trump accounts contribution pilot program. In the pilot program, the Secretary will pay \$1,000 to the Trump accounts of eligible children for whom elections under section 6434 are made. A U.S. citizen born in 2025, 2026, 2027, or 2028, who has been issued a social security number, and for whom no request for a pilot program contribution has previously been processed is eligible for a pilot program contribution. Pilot program contributions do not count towards the \$5,000 annual contribution limit.

The proposed regulations would define the following terms for the purposes of implementing section 6434: eligible child, pilot program election, pilot program-electing individual, and special taxable year. A pilot program election is an election under section 6434, that is, a request for a pilot program contribution to the eligible child's Trump account. An eligible child is a U.S. citizen born in 2025, 2026, 2027, or 2028, who has been issued a social security number, for whom no pilot program election has previously been processed, and who is anticipated by the pilot program-electing individual to be that individual's qualifying child under section 152(c). A pilot program-electing individual is an individual who is authorized to make a pilot program election on behalf of an eligible child. The definitions of eligible child and pilot program-electing individual incorporate the following relationship: the pilot program-electing individual must anticipate that the eligible child will be a qualifying child of the individual for tax purposes for the taxable year in which the pilot program election is made. A special taxable year is a taxable year of the eligible child that is (1) created when a pilot program election is processed, (2) deemed to close immediately after arising, (3) defined to have zero tax liability, (4) distinct from any calendar-based taxable year for the child's income tax liability, and (5) not associated with any taxable period of the pilot program-electing individual.

The proposed regulations would clarify the tax consequences of making a pilot program election. Under the proposed regulations, when a pilot program election is processed by the Secretary, the Secretary would treat the eligible child as if the eligible child had made a \$1,000 payment for the special taxable year. Because a special taxable year has zero tax liability, treating the child as if they had made a \$1,000 payment against Federal income tax would result in an overpayment for the special taxable year. The IRS would not offset that overpayment by any other debts owed by the eligible child or the pilot program-electing individual. The Secretary would remit the full \$1,000 overpayment for the special taxable year as a \$1,000 pilot program contribution to the Trump account of the eligible child.

The proposed regulations would also explain the time and manner of making a pilot program election. A pilot program election would be made by a pilot program-electing individual with respect to an eligible child who the pilot program-electing individual anticipates will be the individual's qualifying child under section 152(c) for the taxable year of the individual during which the election is made. The first day a pilot program election can be made is the day the child becomes an eligible child, and the final day a pilot program election can be made is the final day of the calendar year in which the child attains age 17. The pilot program election would be made on a form, electronic application, or web page provided by the IRS. The pilot program election would not be made on the pilot program-electing individual's tax return.

Baseline

The Treasury Department and the IRS have assessed the benefits and costs of the proposed regulations relative to a no-action baseline reflecting anticipated Federal income tax-related behavior in the absence of these proposed regulations.

Affected Entities and Taxpayers

The proposed regulations are expected to affect 15 million children in 12 million families.

Economic Effects of the Proposed Regulations

The proposed regulations would make several choices that allow a pilot program election to be made as early as a few weeks after the birth of an eligible child instead of waiting until the following calendar year. For example, for a child born in 2027, these choices provide the opportunity to earn up to

¹ Section 529A was enacted by the Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014, which was enacted as part of the Tax Increase Prevention Act of 2014, Public Law 113–295 (128 Stat. 4010).

one additional year of investment returns, depending on the child's date of birth. The Treasury Department and the IRS used historical returns for a broad index of U.S. equities to quantify the benefit of an additional six months of investment returns by age 18.² Among birth cohorts from June 1926 to May 2007, the median difference in account value at age 18 between \$1,000 invested at birth and \$1,000 invested six months after birth was \$300.

Qualifying Child Standard

The proposed regulations would clarify how to apply the statutory requirement that the eligible child be a qualifying child of the pilot program-electing individual. The proposed regulations would require a pilot program election to be made by an individual who anticipates that the eligible child will be a qualifying child for the year in which the pilot program election is made. An alternative would be to require a pilot program election to be made by an individual for whom the eligible child was a qualifying child for a closed tax year. The forward-looking standard would allow the pilot program election to be made earlier than the backward-looking standard. For example, under the forward-looking standard, an election for a child born in 2027 could be made as soon as the child is issued a social security number. Under a backward-looking standard, an election for a child born in 2027 could not be made until 2028.

This choice and several others would allow a pilot program election to be made as early as a few weeks after birth instead of waiting until the following calendar year. For a child born in 2027, these choices provide the opportunity to earn up to one additional year of investment returns, depending on the child's date of birth. The Treasury Department and the IRS used historical returns for a broad index of U.S. equities to quantify the benefit of an additional six months of investment returns by age 18.³ Among birth cohorts from June 1926 to May 2007, the median difference in account value at age 18 between \$1,000 invested at birth and \$1,000 invested six months after birth was \$300.

Taxable Period of Payment Against Tax

The proposed regulations would clarify the taxable period in which the child is treated as making a \$1,000

payment against tax. The proposed regulations would apply the \$1,000 payment to a special taxable year that is created when a pilot program election is processed, deemed to close immediately after arising, and defined to have zero tax liability. An alternative would be to apply the \$1,000 payment to an ordinary taxable year of the eligible child. Applying the \$1,000 payment to a special taxable year allows the refund to be processed earlier, that is before the end of an ordinary taxable year.

This choice and several others would allow a pilot program election to be made as early as a few weeks after birth instead of waiting until the following calendar year. For example, for a child born in 2027, these choices provide the opportunity to earn up to one additional year of investment returns, depending on the child's date of birth. The Treasury Department and the IRS used historical returns for a broad index of U.S. equities to quantify the benefit of an additional six months of investment returns by age 18.⁴ Among birth cohorts from June 1926 to May 2007, the median difference in account value at age 18 between \$1,000 invested at birth and \$1,000 invested six months after birth was \$300.

Manner of Pilot Program Election

The proposed regulations would clarify how to make a pilot program election. The proposed regulations would require a pilot program election to be made on a form, electronic application, or web page. Under the proposed regulations, a pilot program election could be made at the same time as when a tax return is filed, but it would be on a form that is independent from the pilot program-electing individual's tax return. An alternative would be to require a pilot program election to be made on the pilot program-electing individual's tax return. Requiring the pilot program election to be made on a form that is independent from the pilot program-electing individual's tax return would allow the pilot program election to be made earlier than a pilot program election made on a tax return.

This choice and several others would allow a pilot program election to be made as early as a few weeks after birth instead of waiting until the following calendar year. For example, for a child born in 2027, these choices provide the opportunity to earn up to one additional year of investment returns, depending on the child's date of birth. The

Treasury Department and the IRS used historical returns for a broad index of U.S. equities to quantify the benefit of an additional six months of investment returns by age 18.⁵ Among birth cohorts from June 1926 to May 2007, the median difference in account value at age 18 between \$1,000 invested at birth and \$1,000 invested six months after birth was \$300.

Earliest Allowable Pilot Program Election

The proposed regulations would clarify the earliest a pilot program election can be made. The proposed regulations would require a pilot program election to be made no earlier than the day that a child becomes eligible. An alternative would be to require a pilot program election to be made no earlier than January 1 of the year after a child becomes eligible. Allowing a pilot program election to be made as early as the day that a child becomes eligible is possible because of three other choices in the proposed regulations: (1) requiring a forward-looking qualifying child standard, (2) applying the \$1,000 payment to a special taxable year, and (3) requiring the pilot program election to be on a form independent from a tax return. The proposed regulations made these choices to allow for the earliest possible pilot program election allowable by statute, which is the day that the child becomes eligible.

This choice and several others would allow a pilot program election to be made as early as a few weeks after birth instead of waiting until the following calendar year. For example, for a child born in 2027, these choices provide the opportunity to earn up to one additional year of investment returns, depending on the child's date of birth. The Treasury Department and the IRS used historical returns for a broad index of U.S. equities to quantify the benefit of an additional six months of investment returns by age 18.⁶ Among birth cohorts from June 1926 to May 2007, the median difference in account value at age 18 between \$1,000 invested at birth and \$1,000 invested six months after birth was \$300.

Latest Allowable Pilot Program Election

The proposed regulations would clarify the latest that a pilot program election can be made. The proposed regulations would require a pilot

² Kenneth R. French Data Library. https://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html.

³ Kenneth R. French Data Library. https://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html.

⁴ Kenneth R. French Data Library. https://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html.

⁵ Kenneth R. French Data Library. https://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html.

⁶ Kenneth R. French Data Library. https://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html.

program election to be made no later than December 31 of the year the child attains age 17. An alternative would be to require a pilot program election to be made no later than the year in which the child attains age 3. Age 3 is salient because, in general, a refund can be claimed no more than three years after a Federal return is filed.⁷ Age 17 is salient because it coincides with the end of the period when a Trump account can be opened and the end of the growth period. Age 17 was chosen rather than age 3 to provide more time to make a pilot program election. The proposed regulations would clarify that the statute of limitations for claiming a

refund is not relevant to the pilot program election because (1) a pilot program election is not a claim for a refund of an overpayment and (2) the \$1,000 payment is applied to a special taxable year, not to the year of birth or any ordinary taxable year.

Investment growth is generally maximized by making the investment as early as possible. However, some pilot program-electing individuals might not make a pilot program election as early as possible. One benchmark for timely pilot program elections may be timely filing of tax returns. Around ten percent of taxpayers who are required to file a return fail to file a timely return.⁸ For

example, for a child born in 2027, the choice to require a pilot program election to be made no later than December 31 of the year in which the child attains age 17 provides the opportunity to make the pilot program election as late as 2044. The Treasury Department and the IRS used historical returns for a broad index of U.S. equities to quantify the benefit at age 18 of returns on investments made at various ages.⁹ Among birth cohorts from 1926 to 2006, Table 1 shows that while an earlier investment allows for more growth, there are still typically benefits at age 18 from making an investment even at age 17.

Investment scenario	Value at age 18 of investment in broad index of U.S. equities		
	10th Percentile	50th Percentile	90th Percentile
\$1,000 at birth	2,980	6,180	13,800
\$1,000 at age 1	2,860	5,690	11,990
\$1,000 at age 2	2,680	4,920	10,040
\$1,000 at age 3	2,400	4,750	9,030
\$1,000 at age 4	2,150	4,260	8,040
\$1,000 at age 5	2,020	3,990	7,110
\$1,000 at age 6	1,770	3,620	6,350
\$1,000 at age 7	1,660	3,280	5,380
\$1,000 at age 8	1,680	3,150	4,670
\$1,000 at age 9	1,480	2,740	4,110
\$1,000 at age 10	1,350	2,460	3,560
\$1,000 at age 11	1,340	2,350	3,040
\$1,000 at age 12	1,180	2,050	2,720
\$1,000 at age 13	1,050	1,890	2,390
\$1,000 at age 14	1,020	1,630	2,060
\$1,000 at age 15	990	1,400	1,810
\$1,000 at age 16	970	1,240	1,590
\$1,000 at age 17	900	1,160	1,330

Notes: Percentiles at age 18 are calculated based on birth cohorts 1926 through 2006. For a particular birth cohort, the value at age 18 of one dollar invested at birth is calculated as the gross 18-year market return for a broad index of U.S. equities.

Prior Pilot Program Election Criterion

The proposed regulations would clarify how to apply the statutory requirement that no prior pilot program election has been made for an eligible child. The proposed regulations would specify that a prior pilot program election is only disqualifying if the prior pilot program election was processed by the Secretary. An alternative would be to disqualify a child for whom a prior pilot program election was made even if that prior pilot program election was not processed by the Secretary. Specifying that a prior pilot program election is only disqualifying if it was processed by the Secretary allows children who are otherwise eligible to receive the pilot

program contribution even if an error was made on an initial pilot program election. The proposed regulations propose this rule to avoid penalizing eligible children for the behavior of individuals who improperly attempt to make pilot program elections.

To assess the benefits of allowing a child for whom a pilot program election was made but not processed to receive a \$1,000 pilot program contribution after a subsequent pilot program election is made properly, the best evidence comes from a program in Oklahoma called SEED OK. SEED OK generated experimental evidence by embedding a randomized controlled trial into the design of the program. In

2007, Oklahoma randomly selected Oklahoma families to participate in the SEED OK program and, for newborns of consenting families randomly assigned to the treatment group, automatically opened Oklahoma 529 accounts for qualified higher education expenses and deposited \$1,000. Four years after the intervention, parents in the treatment group reported that their children exhibited higher levels of social-emotional development,¹⁰ mothers were more likely to be using mainstream financial products,¹¹ and mothers reported fewer depressive symptoms.¹² Thirteen years after the intervention, parents in the treatment group had higher levels of educational

⁷ <https://www.irs.gov/filing/time-you-can-claim-a-credit-or-refund>.

⁸ Langetieg, P., Payne, M. and Plumley, A., 2017. *Counting Elusive Nonfilers using IRS Rather than Census Data*. Internal Revenue Service Statistics of Income Working Paper.

⁹ Kenneth R. French Data Library. https://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html.

¹⁰ Huang, J., Sherraden, M., Kim, Y. and Clancy, M., 2014. Effects of Child Development Accounts on early social-emotional development: An experimental test. *JAMA pediatrics*, 168(3), pp.265–271.

¹¹ Huang, J., Sherraden, M.S., Sherraden, M. and Johnson, L., 2022. Experimental effects of child development accounts on financial capability of

young mothers. *Journal of Family and Economic Issues*, 43(1), pp.36–50.

¹² Huang, J., Sherraden, M. and Purnell, J.Q., 2014. Impacts of Child Development Accounts on maternal depressive symptoms: Evidence from a randomized statewide policy experiment. *Social Science & Medicine*, 112, pp.30–38.

expectations and college preparation.¹³ Like other programs organized or run by American states and cities that fund asset-building accounts for young children, long-term outcomes on educational attainment, employment, earnings, and wealth are not yet available for SEED OK families because the oldest participants are still young adults.

II. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520) (PRA) generally requires that a Federal agency obtain OMB approval before collecting information from the public, whether that collection of information is mandatory, voluntary, or required to obtain or retain a benefit. 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 control number assigned by OMB.

These proposed regulations describe an election required under section 6434 as set forth in proposed § 301.6434–1 (pilot program election). Specifically, section 6434(d) grants the Secretary the authority to establish the time and manner of the pilot program election and proposed § 301.6434–1(e) would provide that the pilot program election is made on a form prescribed by the Secretary or through an electronic application or web page made available by the Secretary, in accordance with applicable instructions. A taxpayer would use such form or electronic application to make a pilot program election for the Trump accounts contribution pilot program under section 6434 and to establish eligibility. The information provided on the form or electronic application will be used by the IRS for tax compliance purposes and to determine election eligibility. The burden associated with this election is included in *Form 4547, Trump Account Election(s)*, and its instructions and approved with OMB control number 1545–2336 in accordance with PRA procedures under 5 CFR 1320.10. The Secretary may establish an electronic application or web page to collect the same information. If established, the burden associated with this electronic application will be included on the application and approved by OMB in accordance with the same PRA procedures.

III. Regulatory Flexibility Act

The Secretary of the Treasury hereby certifies that these proposed regulations would not have a significant economic impact on a substantial number of small entities pursuant to the Regulatory Flexibility Act (5 U.S.C. chapter 6). The proposed rules would affect any individual who would like to make a pilot program election or receive a \$1,000 pilot program contribution. By statute, small entities are not permitted to make a pilot program election or to receive a \$1,000 pilot program contribution. The proposed rules would not impose any requirement or obligation upon small entities. Accordingly, a regulatory flexibility analysis under the Regulatory Flexibility Act is not required.

IV. Unfunded Mandates Reform Act

Section 202 of the Unfunded Mandates Reform Act of 1995 (UMRA) requires that agencies assess anticipated costs and benefits and take certain other actions before issuing a final rule that includes any Federal mandate that may result in expenditures in any one year by a State, local, or Tribal government, in the aggregate, or by the private sector, of \$100 million in 1995 dollars, updated annually for inflation. These proposed regulations do not include any Federal mandate that may result in expenditures by State, local, or Tribal governments, or by the private sector in excess of that threshold.

V. Executive Order 13132: Federalism

Executive Order 13132 (Federalism) prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial, direct compliance costs on State and local governments, and is not required by statute, or preempts State law, unless the agency meets the consultation and funding requirements of section 6 of the Executive order. These proposed regulations do not have federalism implications and do not impose substantial direct compliance costs on State and local governments or preempt State law within the meaning of the Executive order.

VI. Small Business Administration

Pursuant to section 7805(f) of the Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for the Office of Advocacy of the Small Business Administration for comment on its impact on small business.

Comments and Request for a Public Hearing

Before these proposed amendments to the final regulations are adopted as final regulations, consideration will be given to any comments that are timely submitted to the IRS as prescribed in this preamble under the **ADDRESSES** heading. The Treasury Department and the IRS request comments on all aspects of the proposed regulations. Any comments submitted will be available at <https://www.regulations.gov> or upon request. A public hearing will be scheduled if requested in writing by any person who timely submits electronic or written comments. Requests for a public hearing are also encouraged to be made electronically. If a public hearing is scheduled, notice of the date and time for the public hearing will be published in the **Federal Register**.

Drafting Information

The principal author of these proposed regulations is Molly E. Lovern of the Office of Associate Chief Counsel (Procedure and Administration). Other personnel from the Treasury Department and the IRS participated in its development.

Lists of Subjects in 26 CFR Part 301

Employment taxes, Estate taxes, Excise taxes, Gift taxes, Income taxes, Penalties, Reporting and recordkeeping requirements.

Proposed Amendments to the Regulations

Accordingly, the Treasury Department and IRS propose to amend 26 CFR part 301 as follows:

PART 301—PROCEDURE AND ADMINISTRATION

■ **Paragraph 1.** The authority citation for part 301 is amended by adding an entry for § 301.6434–1 in numerical order to read, in part, as follows:

Authority: 26 U.S.C. 7805.

* * * * *

Section 301.6434–1 also issued under 26 U.S.C. 6434(d).

* * * * *

■ **Par. 2.** Section 301.6434–1 is added to read as follows:

§ 301.6434–1 Election for Trump accounts contribution pilot program.

(a) *In general.* This section provides rules for the Trump accounts contribution pilot program and pilot program election under section 6434 of the Internal Revenue Code (Code). A pilot program-electing individual must make a pilot program election with

¹³ Sun, S., Huang, J. and Sherraden, M., 2025. The Long-Term Impacts of Child Development Accounts on Parental Educational Expectations and College Preparation. *Social Service Review*, 99(2).

respect to an eligible child of such individual in order for the Secretary to make a \$1,000 contribution into the Trump account for which such eligible child is the account beneficiary (\$1,000 pilot program contribution).

(b) *Definitions.* The following definitions apply solely for purposes of this section.

(1) *Eligible child.* The term *eligible child* means an individual:

(i) Who the pilot program-electing individual anticipates will be that individual's qualifying child under section 152(c) of the Code for the taxable year of the pilot program-electing individual in which the pilot program election is made;

(ii) Who is born after December 31, 2024, and before January 1, 2029;

(iii) Who is a United States citizen;

(iv) To whom a social security number has been issued; and

(v) With respect to whom no prior pilot program election has been made by any individual and processed by the Secretary.

(2) *Pilot program election.* The term *pilot program election* means an election under section 6434.

(3) *Pilot program-electing individual.* The term *pilot program-electing individual* means an individual authorized to make a pilot program election with respect to an eligible child. An individual is authorized to make a pilot program election if the eligible child for whom the pilot program election is to be made meets the requirements in paragraph (b)(1)(i) of this section with respect to such individual.

(4) *Secretary.* The term *Secretary* means the Secretary of the Treasury or the Secretary's delegate.

(5) *Social security number.* The term *social security number* has the meaning given such term in section 24(h)(7)(B) of the Code, determined by substituting "before the date of the election made under section 6434" for "before the due date of such return" in section 24(h)(7)(B)(ii).

(6) *Special taxable year.* The term *special taxable year* means a taxable period of an eligible child for a Federal income tax liability under subtitle A of the Code solely for the purposes of section 6434:

(i) That is deemed to arise solely upon the Secretary's processing of a pilot program election with respect to the eligible child;

(ii) That is deemed to close immediately after arising;

(iii) For which no Federal income tax liability is owed; and

(iv) Which bears no relation to the Federal income tax liability of the pilot

program-electing individual for any taxable period.

(7) *Trump account.* The term *Trump account* has the meaning given such term in section 530A(b)(1) of the Code.

(c) *Effect of pilot program election—*

(1) *In general.* A pilot program election must be made by a pilot program-electing individual with respect to the special taxable year of an eligible child of the pilot program-electing individual. A pilot program election has no effect on any taxable period of the pilot program-electing individual.

(2) *Deemed payment.* Upon the Secretary's processing of a pilot program election with respect to an eligible child, the eligible child will be treated as making a payment in the amount of \$1,000 against the eligible child's Federal income tax liability under subtitle A of the Code for the eligible child's special taxable year, resulting in a \$1,000 overpayment for the eligible child's special taxable year.

(3) *Refund of overpayment as contribution.* The \$1,000 overpayment described in paragraph (c)(2) of this section will only be refunded by the Secretary as a \$1,000 pilot program contribution directly to the Trump account established with respect to the eligible child. Under no circumstances will a refund be made under the provisions of section 6434 except as a \$1,000 pilot program contribution to the Trump account established with respect to the eligible child.

(4) *Excepted from reduction or offset.* The \$1,000 overpayment described in paragraph (c)(2) of this section will be refunded by the Secretary as a \$1,000 pilot program contribution to the Trump account of the eligible child without being offset against past-due debts under common law or section 6402(c), (d), (e), and (f) of the Code or credited under section 6402(a) against any other assessed Federal tax liabilities of the pilot program-electing individual or eligible child.

(5) *Not a claim for credit or refund.* A pilot program election does not constitute a claim for credit or refund.

(d) *Timing of election—*(1) *Election period.* A pilot program election must be made:

(i) No earlier than the day the eligible child meets the definition of an eligible child under paragraph (b)(1) of this section; and

(ii) No later than December 31 of the calendar year in which the eligible child attains age 17.

(2) *Resolving multiple elections for an eligible child.* Only the first pilot program election processed by the Secretary with respect to an eligible child will result in a \$1,000

overpayment being refunded as a \$1,000 pilot program contribution by the Secretary into the Trump account of such eligible child under paragraph (c)(3) of this section. Once the Secretary processes the first pilot program election with respect to an eligible child, no further pilot program elections for such eligible child will be processed.

(3) *9100 relief not available.* Relief is not available under §§ 301.9100–1, 301.9100–2, and 301.9100–3 to make a late pilot program election under section 6434.

(e) *Manner of making election—*(1) *In general.* A pilot program election must be made by a pilot program-electing individual on the form prescribed by the Secretary or through an electronic application or web page made available by the Secretary, in accordance with applicable instructions. No pilot program election will be processed and no \$1,000 pilot program contribution to a Trump account under paragraph (c)(3) of this section will be made unless the pilot program-electing individual makes the pilot program election in such manner.

(2) *Social security number required.* A pilot program election made with respect to an eligible child must include the eligible child's social security number. No pilot program election will be processed and no \$1,000 pilot program contribution to a Trump account under paragraph (c)(3) of this section will be made unless such pilot program election includes the eligible child's social security number.

(f) *Applicability date.* This section applies on or after January 1, 2026.

Frank J. Bisignano,
Chief Executive Officer.

[FR Doc. 2026–04534 Filed 3–6–26; 8:45 am]

BILLING CODE 4831–GV–P

DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

30 CFR Parts 550, 556, and 590

[Docket No. BOEM–2025–0042]

RIN 1010–AE26

Risk Management and Financial Assurance for OCS Lease and Grant Obligations

AGENCY: Bureau of Ocean Energy Management, Interior.

ACTION: Notice of proposed rulemaking and request for comment.

SUMMARY: The Department of the Interior (the Department or DOI), acting

through the Bureau of Ocean Energy Management (BOEM), in response to Executive Order (E.O.) 14154 of January 20, 2025, *Unleashing American Energy*, as well as Secretarial Order No. 3418 of February 3, 2025, has reviewed market conditions of supply and demand in the crude oil and gas markets, and, as a result, is proposing to amend its existing risk management and financial assurance regulations. BOEM is tasked with managing the development of U.S. Outer Continental Shelf (OCS) energy, mineral, and geological resources in an environmentally and economically responsible way. As such, BOEM is proposing to maintain certain provisions of the existing regulations and modify only those elements that, under new market conditions, merit updating. The major proposed amendments in this rule include returning to the previous BOEM practice of considering the financial strength of jointly liable predecessor lessees, revising the credit rating threshold for determining whether oil, gas, and sulfur lessees, right-of-use and easement (RUE) grant holders, and pipeline right-of-way (ROW) grant holders on the OCS are required to provide supplemental financial assurance above the required general financial assurance amount to ensure compliance with their Outer Continental Shelf Lands Act (OCSLA) obligations, revising the decommissioning estimate used to determine the amount of supplemental financial assurance required, and revising the appeals bond provision related to the Interior Board of Land Appeals (IBLA) appeal procedures. Each of these proposed amendments will be discussed in its corresponding section of this preamble. This proposed rule, if finalized, would significantly reduce the amount of supplemental financial assurance required from oil, gas, and sulfur lessees operating on the OCS, thereby supporting the goals of E.O. 14154 *Unleashing American Energy*. BOEM estimates that a total of approximately \$6.2 billion of financial burden to the regulated community will be reduced. This reduction of the financial burden increases the amount of capital available for oil and gas exploration and production on the OCS.

DATES: BOEM must receive your comments on or before May 8, 2026. BOEM has the discretion not to consider comments received after this date. You may make comments on the information collection (IC) burden in this rulemaking and the Office of Management and Budget (OMB) and BOEM must receive such comments on or before April 8, 2026. The IC burden

comment opportunity does not affect the deadline for the public to comment to BOEM on the proposed regulations.

ADDRESSES: You may submit comments on the rulemaking by any of the following methods. In your comments, please reference “Risk Management and Financial Assurance for OCS Lease and Grant Obligations, RIN 1010–AE26.” See the **SUPPLEMENTARY INFORMATION** section of this document for more details on submitting comments.

- *Federal rulemaking portal:* <https://www.regulations.gov> (BOEM preferred method). Follow the online instructions for submitting comments.

- *Mail or delivery service:* Send comments on the proposed rule to the Department of the Interior, Bureau of Ocean Energy Management, Office of Regulatory Affairs, Attention: Karen Thundiyl, Office Director, Office of Regulatory Affairs, BOEM, 1849 C Street NW, Washington, DC 20240.

You may submit comments on the IC to OMB’s desk officer for the Department of the Interior through <https://www.reginfo.gov/public/do/PRAMain>. From this main web page, you can find and submit comments on this particular information collection by proceeding to the boldface heading “Currently under Review—Open for Public Comments,” selecting “Department of the Interior” in the “Select Agency” pull down menu, clicking “Submit,” then, checking the box “Only Show ICR for Public Comment” on the next web page, scrolling to this proposed rule, and clicking the “Comment” button at the right margin. Additionally, you may use the search function to locate the IC request related to the rule on the main web page. Please provide a copy of your comments to the Information Collection Clearance Officer, Office of Regulatory Affairs, BOEM, Attention: Anna Atkinson, 45600 Woodland Road, Sterling, Virginia 20166; or by email to anna.atkinson@boem.gov. Please reference OMB Control Number 1010–0006 in the subject line of your comments.

FOR FURTHER INFORMATION CONTACT: Karen Thundiyl, Office Director, Office of Regulatory Affairs, BOEM, 1849 C Street NW, Washington, DC 20240, at email address regulatory.affairs@boem.gov, or at telephone number (202) 742–0970.

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 for contacting the contacts listed in this section. These services are available 24

hours a day, 7 days a week, to leave a message or question with the above individual. You will receive a reply during normal business hours.

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:

Docket: For access to the docket to read background documents or comments received, go to <https://www.regulations.gov>. In the entry titled, “Enter Keyword or ID,” enter BOEM–2025–0042 then click search. Here you can view supporting and related materials available for this rulemaking, as well as posted publicly submitted comments. In accordance with 5 U.S.C. 553(b)(4), a summary of this rule may be found at <https://www.regulations.gov/docket/BOEM-2025-0042>.

Instructions for submitting comments: In the entry titled, “Enter Keyword or ID,” enter BOEM–2025–0042 then click search. Follow the instructions to submit public comments. All submissions received must include the agency name and docket number or Regulatory Information Number (RIN) for this rulemaking (1010–AE26). Please include your name, and phone number or email address in the <https://www.regulations.gov> submission portal so we can contact you if we have questions regarding your submission.

BOEM may post all comments to <https://www.regulations.gov>. Before including your name, return address, phone number, email address, or other personally identifiable information in the body of your comment, you should be aware that your entire comment—including your personally identifiable information—may be made publicly available. In order for BOEM to withhold from disclosure your personally identifiable information, you must identify, in a cover letter, any information contained in the submittal of your comments that, if released, would constitute a clearly unwarranted invasion of your personal privacy. You must also briefly describe in such cover letter any possible harmful consequences of the disclosure of information, such as embarrassment, injury, or other harm. While you can ask us in your comment to withhold your personally identifiable information from public review, we cannot guarantee that we will be able to do so. Even if BOEM withholds your information in the context of this rulemaking, your submission is subject to the Freedom of Information Act (FOIA) and any relevant court orders, and if your

submission is requested under the FOIA or such court order, your information will only be withheld if a determination is made that one of the FOIA's exemptions to disclosure applies or if such court order is challenged. Such a determination will be made in accordance with the Department's FOIA regulations and applicable law.

Preamble acronyms and abbreviations. Multiple acronyms are included in this preamble. While this list may not be exhaustive, to ease the reading of this preamble and for reference purposes, BOEM explains the following acronyms here:

ANCSA Alaska Native Claims Settlement Act
BOEM Bureau of Ocean Energy Management
BSEE Bureau of Safety and Environmental Enforcement
CFR Code of Federal Regulations
DOI Department of the Interior (or Department)
E.O. Executive Order
FDIC Federal Deposit Insurance Corporation
FR Federal Register
FSLIC Federal Savings and Loan Insurance Corporation
GAO Government Accountability Office
GOA Gulf of America
IBLA Interior Board of Land Appeals
IC Information Collection
IRFA Initial Regulatory Flexibility Analysis
mmboe Million barrels of oil equivalents
MMS Minerals Management Service
NAICS North American Industry Classification System
NEPA National Environmental Policy Act
NPRM Notice of Proposed Rulemaking
NRSRO Nationally Recognized Statistical Rating Organization
NTL Notice to Lessees
OCS Outer Continental Shelf
OCSLA Outer Continental Shelf Lands Act
OIRA Office of Information and Regulatory Affairs (a component of OMB)
OMB Office of Management and Budget
ONRR Office of Natural Resources Revenue
PRA Paperwork Reduction Act
RIA Regulatory Impact Analysis
RFA Regulatory Flexibility Act
RUE Right-of-Use and Easement
ROW Right-of-Way
SBA Small Business Administration
SBREFA Small Business Regulatory Enforcement Fairness Act
SEC Securities and Exchange Commission
S&P Standard and Poor's
UMRA Unfunded Mandates Reform Act
U.S.C. United States Code

Background information. On April 24, 2024, the Department published the *Risk Management and Financial Assurance for OCS Lease and Grant Obligations* final rule (89 FR 31544, "2024 Final Rule"). The 2024 Final Rule finalized criteria for determining whether oil, gas, and sulfur lessees, RUE grant holders, and pipeline ROW grant holders on the OCS are required to

provide financial assurance above the general financial assurance amount to ensure compliance with their OCSLA obligations. The 2024 Final Rule also streamlined the criteria for evaluating the financial health of lessees and grantees, codified the use of the Bureau of Safety and Environmental Enforcement's (BSEE) probabilistic estimates of decommissioning costs in setting the level of demands for supplemental financial assurance, removed restrictive provisions for third-party guarantees and decommissioning accounts, added new criteria for cancelling supplemental financial assurance, and clarified financial assurance requirements for RUEs serving Federal OCS oil, gas, and sulfur leases. In response to E.O. 14154 *Unleashing American Energy*, the Department is proposing this action to revise the provisions that were finalized in the 2024 Final Rule.

Organization of this document. The information in this preamble is organized as follows:

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 - H. Executive Order 14156: Declaring a National Energy Emergency
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I. General Information

A. Executive Summary

1. Purpose of This Regulatory Action

The purpose of this proposed regulatory action is to address concerns regarding recent changes in BOEM's financial assurance program. Specifically, on April 24, 2024, the Department published the *Risk Management and Financial Assurance for OCS Lease and Grant Obligations* final rule (89 FR 31544, "2024 Final Rule"), which finalized criteria for determining whether oil, gas, and sulfur lessees, RUE grant holders, and pipeline ROW grant holders on the OCS are required to provide supplemental financial assurance above the general financial assurance amount required by regulation to ensure compliance with their OCSLA obligations. The 2024

Final Rule also streamlined the criteria for evaluating the financial health of lessees and grantees, codified the use of the BSEE probabilistic estimates of decommissioning costs in setting the level of demands for supplemental financial assurance, removed restrictive provisions for third-party guarantees and decommissioning accounts, added new criteria for cancelling supplemental financial assurance, and clarified financial assurance requirements for RUEs serving Federal OCS oil, gas, and sulfur leases. At the time of publication, BOEM estimated that the 2024 Final Rule would require a total of \$6.9 billion in new supplemental financial assurance from lessees and grant holders to cover potential costs of decommissioning activities. The Department is proposing this action to revise regulatory provisions that were finalized in the 2024 Final Rule, in response to E.O. 14154 *Unleashing American Energy*, and to reduce the economic burden on OCS lessees and grant holders.

2. Summary of Major Provisions

The following amendments are included in this proposed rule:

- consideration of the financial strength of jointly and severally liable predecessors when determining the need to provide supplemental financial assurance;
- revising the credit rating threshold used for evaluating the financial health of lessees and grantees from BBB – to BB – from S&P Global Ratings (S&P) or Baa3 to Ba3 from Moody's Investor Service Inc. (Moody's) or other equivalent credit rating from a Nationally Recognized Statistical Rating Organization (NRSRO) as defined in section 3(a)(62) of the Securities Exchange Act of 1934;
- revising the level of BSEE probabilistic estimates of decommissioning cost used for determining the amount of supplemental financial assurance required from P70 to P50, as described in section II.C of this preamble;
- revising the list of acceptable supplemental financial assurance instruments for leases to explicitly include dual-obligee financial assurance instruments;
- adding an alternative option to allow the Regional Director to consider the use of the 3-to-1 proved reserves to decommissioning liabilities ratio for ROW grant holders (when they also have lease rights to the proved reserves) when determining supplemental financial assurance requirements;
- adding an alternative option for addressing supplemental financial

assurance demands for short-term decommissioning activities; and

- removing the requirement that a lessee provide an appeal bond in the amount of the demand as a condition of staying the demand during the IBLA appeal process.

With this rulemaking, the Department is proposing to consider jointly and severally liable predecessors and revise the credit rating threshold used for evaluating the financial health of lessees and grantees when determining if supplemental financial assurance is required. The current regulations require the use of an investment grade credit rating (BBB – from S&P, or Baa3 from Moody's, or other equivalent credit rating from an NRSRO.) threshold (or proxy credit rating equivalent) or a minimum 3-to-1 ratio of the value of proved reserves to decommissioning liability associated with those reserves to determine if a current lessee is required to provide supplemental financial assurance. The current regulations do not consider predecessors in this determination. With this rule, the Department is proposing to revise this credit rating threshold to BB – (S&P), or Ba3 from Moody's, or other equivalent credit rating from an NRSRO, and to consider the credit rating of predecessors when determining if a current lessee is required to provide supplemental financial assurance. If a current lessee or a predecessor meets the credit rating threshold of BB – (S&P), or Ba3 from Moody's, or other equivalent rating from an NRSRO, or the ratio of the current lessee's value of proved reserves to decommissioning liability associated with those reserves is at least 3-to-1 (as under current regulations), the current lessee will not be required to provide supplemental financial assurance. These proposed amendments will significantly reduce the regulatory financial burden on companies, allowing them additional capital for current and future oil and gas operations, and acknowledge the protection provided by joint and several liability. The impacts of the financial burden and capital constraints on offshore companies is illustrated by previously received public comments on the 2023 NPRM, with Talos Energy Inc., stating that the financial burden “would significantly reduce the capital available to the affected small businesses that they would otherwise be able to deploy in their lease operations and decommissioning operations,” and Beacon Offshore Energy stating that the financial burden would “decrease oil and gas production in the [GOA].”

The Department is also proposing to revise the probabilistic value that would

be used (*i.e.*, P-value) from among the available BSEE probabilistic estimates of decommissioning cost for determining the amount of supplemental financial assurance required. Probabilistic estimation involves determining the likelihood of certain outcomes or parameters based on observed data. BSEE decommissioning cost estimates are based on industry-reported decommissioning costs required by regulations at 30 CFR 250.1704 and clarified by guidance.¹ Based on the reported data, BSEE has developed three publicly available probabilistic estimates (*i.e.*, P-values) of decommissioning costs for each OCS facility on any given lease.² These probabilistic estimates represent the likelihood of covering the full cost of decommissioning a facility as a percentage. For example, P70 represents a 70 percent likelihood that the amount will cover the full cost of decommissioning a facility. The current regulations require the use of the P70 estimate when determining the amount of supplemental financial assurance that must be provided to cover future decommissioning activities. The Department is proposing to revise the probabilistic value used for determining the amount of supplemental financial assurance required from P70 to P50. BOEM also notes that the regulation only stipulates that the BSEE P-value be used to determine the amount of supplemental financial assurance that may be required to meet decommissioning obligations and does not limit the total cost of corrective action that may be required to bring a lease or grant into compliance.

In instances where decommissioning activities will be performed within 1 year of receiving a new supplemental financial assurance demand from BOEM, the Department is proposing to allow the Regional Director the discretion to accept third-party decommissioning contracts and decommissioning schedules from those entities in lieu of providing new supplemental financial assurance for that activity. This reduces the burden on the regulated community that may have difficulty acquiring new supplemental financial assurance for platforms scheduled for decommissioning. BOEM's review and approval of the decommissioning contracts and schedules for use in lieu of supplemental financial assurance is not

¹ <https://www.bsee.gov/notices-to-lessees-ntl/ntl-2017-n02-reporting-requirements-for-decommissioning-expenditures-on-the>.

² BSEE, <https://www.bsee.gov/research-record/tap-738-decommissioning-methodology-and-cost-evaluation>.

an approval for decommissioning activities, which remains in BSEE’s purview; BOEM’s approval is only an acceptance of those documents in lieu of supplemental financial assurance.

As amended in 2024, the current appeals process requires that a lessee provide an appeal bond equivalent to the amount of the supplemental financial assurance demand if they seek to stay the supplemental financial assurance demand pending a decision from the IBLA. If the appeal is successful, the appeal bond would be returned to the appropriate party, and any required supplemental financial assurance would need to be posted in the form of bonds or other financial instruments. If the appeal is unsuccessful, the appeal bond could be replaced with, or converted into, bonds or other forms of financial assurance to cover the supplemental financial assurance demand. The Department is proposing to remove this requirement because of the undue burden it places

on industry, as raised by commenters during the public comment period for that rulemaking.

The Department’s goal for BOEM’s financial assurance program continues to be the protection of the American taxpayers from exposure to loss associated with OCS development, while ensuring that the financial assurance program does not detrimentally affect offshore investment or position American offshore exploration and production at a competitive disadvantage. The Department acknowledges that, even though these proposed revisions will reduce the total amount of supplemental financial assurance required of offshore lessees and operators, there may still be some financial impact on affected companies because BOEM has not yet required them to provide supplemental financial assurance as directed by the 2024 Final Rule. For this reason, the Department is proposing to revise the current 3-year phase-in provision for

existing leaseholders to start a new phase-in period with the effective date of the new supplemental financial assurance requirements.

3. Costs and Benefits

The regulatory amendments in this proposed rule, if finalized, are expected to decrease the total amount of supplemental financial assurance required from OCS lessees and grant holders. BOEM has developed a Regulatory Impact Analysis (RIA) detailing the estimated impacts of the respective provisions of this proposed rule and has included it in the docket. The table below summarizes BOEM’s monetized estimate of the savings incurred by lessees over a 20-year period. Additional information on the estimated transfers, costs, and benefits can be found in the RIA available in the docket for this proposed rulemaking (Docket No. BOEM–2025–0042).

ESTIMATED REGULATORY SAVINGS OF THE PROPOSED RULE
[2026–2045, 2025\$ millions]

	Discounted at 3%	Discounted at 7%
Total Regulatory Savings	\$7,207.60	\$5,161.55
Annualized Regulatory Savings	484.46	487.21

This proposed rule is designed to minimize the amount of supplemental financial assurance required for financially strong companies while protecting the taxpayer from assuming responsibility for decommissioning liabilities. The regulatory amendments

proposed with this action, if finalized, would help to reduce financial compliance burdens on the oil and gas industry that may hinder the continued development or use of domestically produced energy resources.

B. Does this action apply to me?

Entities potentially affected by this action are holders of oil, gas, and sulfur leases, ROW grants, and RUE grants on the OCS, as shown in the following table by North American Industry Classification System (NAICS) code.

ENTITIES POTENTIALLY AFFECTED BY THIS PROPOSED ACTION

NAICS code *	Category description
211120	Crude Petroleum Extraction.
211130	Natural Gas Extraction.
486110	Pipeline Transportation of Crude Oil and Natural Gas.

* Some holders of OCS properties may be categorized under other NAICS codes. For example, a venture capital fund with only an economic interest in an OCS property may be categorized under another NAICS code, but BOEM believes the three presented here capture the large majority of OCS entities.

C. Where can I get a copy of this document and other related information?

In addition to being available in the docket, BOEM will post an electronic copy of the documents related to this action at: <https://www.boem.gov/regulations-and-guidance>.

II. Background

A. BOEM Statutory and Regulatory Authority and Responsibilities

Section 5 of OCSLA (43 U.S.C. 1334) authorizes the Secretary of the Interior (Secretary) to issue regulations to administer OCS leasing for mineral development. Section 5(a) of OCSLA (43 U.S.C. 1334(a)) authorizes the Secretary to “prescribe such rules and regulations as may be necessary to carry out [provisions of OCSLA]” related to

leasing on the OCS. Section 5(b) of OCSLA (43 U.S.C. 1334(b)) provides that “compliance with regulations issued under” OCSLA must be a condition of “[t]he issuance and continuance in effect of any lease, or of any assignment or other transfer of any lease, under the provisions of” OCSLA.

The Secretary, in Secretary’s Order 3299 (as amended), established BOEM and delegated to it the authority to carry out conventional energy- (*i.e.*, oil and gas) functions on the OCS, including,

but not limited to, activities involving resource evaluation, planning, and leasing under the provisions of OCSLA. As such, BOEM is responsible for managing the development of the Nation's offshore energy, mineral, and geologic resources in an environmentally and economically responsible way. Secretary's Order 3299 also established BSEE and delegated to it the authority to, among other things, enforce an oil and gas lessee's obligation to perform decommissioning. BSEE provides estimates to BOEM to inform the financial assurance needed to cover the cost to perform decommissioning, thereby protecting the American taxpayer from incurring financial loss. When a current lessee is unable to perform its obligations, the Department's regulations at 30 CFR 556.604(d) and 556.605(e) hold current co-lessees responsible for all decommissioning obligations and predecessor lessees responsible for those decommissioning obligations that had accrued before they assigned their interests to others.

While BOEM also has program oversight for the financial assurance requirements set forth in 30 CFR parts 551, 581, 582, and 585, this proposed rule pertains only to the financial assurance requirements for oil and gas or sulfur leases and grants under parts 550 and 556 and appeals of supplemental financial assurance demands under part 590.

B. History of Bonding Regulations and Guidance

The Minerals Management Service (MMS), BOEM's predecessor, published the financial assurance requirements for oil, gas, and sulfur leases and pipeline ROW grants on May 22, 1997 (62 FR 27948). These regulations required lease-specific or area-wide base bonds in prescribed amounts, depending on the level of activity on a lease, and provided the authority to require additional supplemental financial assurance for leases above the base bonds depending on the financial health of the lessee. Additionally, MMS published the initial financial assurance requirements for RUE grants on December 28, 1999 (64 FR 72756). These regulations did not dictate a specific bond amount for a RUE but did provide the authority to require bonding if necessary. To implement these regulations, BOEM employed the same criteria for RUE and ROW grants as it does for leases to determine whether supplemental financial assurance is required, because specific criteria pertaining to supplemental financial

assurance for grants were not stated in those regulations.

The bonding regulations at 30 CFR 556.901(d) established in 1997 provided five criteria that the Regional Director considered when determining whether a lessee's potential inability to carry out present and future decommissioning obligations warrants a demand for supplemental financial assurance; however, the bonding regulations did not specifically describe how the criteria are weighted. To provide guidance, MMS issued a Notice to Lessees (NTL) effective December 28, 1998, which provided details on how it would apply the five criteria (NTL No. 98-18N). This NTL was superseded by NTL No. 2003-N06, effective June 17, 2003, and that NTL was later superseded by NTL No. 2008-N07, which was effective August 28, 2008. NTL No. 2008-N07 was superseded on September 12, 2016, with NTL No. 2016-N01, which was later rescinded in February of 2020.

On August 19, 2014, DOI issued an advance notice of proposed rulemaking (79 FR 49027) seeking comments and information on its effort to update the risk management regulations and program oversight. BOEM was specifically interested in comments regarding financial risks and liabilities associated with aging offshore infrastructure, deepwater decommissioning, subsea decommissioning, pipeline abandonment, Arctic operations, and new technologies designed to address deepwater development or exploration and/or development of energy or mineral resources in locations with unusually adverse conditions. BOEM also requested information on business risk associated with the changing characteristics of entities operating on the OCS, underperformance, non-performance or default on financial or legal obligations, and underpayment or non-payment of rentals and royalties. Additionally, BOEM requested comments on the necessary elements of a comprehensive operational risk management, financial assurance, and loss prevention program, and how to monitor business risks. BOEM received 25 comments from affected entities on the advance notice.

In December 2015, the Government Accountability Office (GAO) reviewed BOEM's supplemental financial assurance procedures and issued a report titled "Offshore Oil and Gas Resources: Actions Needed to Better Protect Against Billions of Dollars in Federal Exposure to Decommissioning Liabilities." ("2015 GAO Report"). The GAO identified three main

shortcomings in the Department's prior approach to financial assurance: (1) the Department faced challenges in determining actual decommissioning liabilities due to data system limitations and inaccurate data; (2) the Department did not require sufficient financial assurance to cover liabilities, primarily due to the practice of waiving supplemental bonding requirements, resulting in financial assurance coverage (such as bonds) for less than 8% of an estimated \$38.2 billion in decommissioning liabilities; and (3) the Department's criteria for assessing lessees' financial strength did not provide accurate and timely information about their ability to cover future decommissioning costs. As the 2015 GAO Report indicated, the then existing regulatory structure was inadequate, introduced needless financial risk, and was unsustainable. While acknowledging BOEM's ongoing efforts to update its policies, the 2015 GAO Report recommended, *inter alia*, that "BOEM complete its plan to revise its supplemental financial assurance procedures, including the use of alternative measures of financial strength." See <https://www.gao.gov/products/gao-16-40>.

On October 16, 2020, DOI issued a notice of proposed rulemaking (85 FR 65904) to revise certain BSEE policies concerning decommissioning orders and the Department's financial assurance regulations that are administered by BOEM. In the joint proposed rule, the Department proposed the following based on comments received on the 2014 advanced notice for proposed rulemaking:

- adjustment of the supplemental financial assurance evaluation criteria to streamline implementation;
- consideration of the financial stability of predecessor lessees by waiving supplemental financial assurance requirements for a current lessee when there is a financially strong predecessor lessee;
- amendment of the methodology for measuring financial strength to focus on credit rating and the value of proved oil and gas reserves; and
- application of the credit rating methodology to RUE grants and ROW grants as well.

On April 18, 2023, DOI finalized the BSEE-administered provisions of the 2020 proposal (88 FR 23569) without the BOEM-administered provisions. The Department's 2023 final rule implements provisions of the 2020 proposed rule to clarify decommissioning responsibilities of RUE grant holders and formalizes BSEE's policies regarding performance

by predecessors ordered to decommission OCS facilities.

On June 29, 2023, the Department proposed a new rule in lieu of finalizing the BOEM provisions of the 2020 joint proposal. The new proposed rule provided recommended revisions to the regulations concerning risk management and financial assurance for OCS lease and grant obligations. The DOI published the proposed rule in the **Federal Register** at 88 FR 42136, which proposed amendments to 30 CFR parts 550, 556, and 590. This rule proposed to streamline the criteria used for evaluating the financial health of lessees, codify the use of the BSEE probabilistic estimates of decommissioning cost for determining the amount of supplemental financial assurance required, remove restrictive provisions for third-party guarantees and decommissioning accounts, add criteria for which a bond or third-party guarantee that was provided as supplemental financial assurance may be canceled, and clarify bonding requirements for RUEs serving Federal OCS leases. Specifically, the Department proposed to revise the criteria used to evaluate the need for supplemental financial assurance from lessees from the existing five criteria—financial capacity, projected financial strength, business stability, reliability in meeting obligations based on credit rating or trade references, and record of compliance with laws, regulations, and lease terms—to one of two criteria: (1) credit rating and (2) the ratio of the value of proved reserves to decommissioning liability associated with those reserves. The Department proposed the use of an investment grade credit rating threshold (or proxy credit rating equivalent) and a minimum 3-to-1 ratio of the value of proved reserves to decommissioning liability associated with those reserves to determine if a lessee is required to provide supplemental financial assurance. The Department also proposed the use of the P70 value for determining the amount of supplemental financial assurance required.

On February 20, 2024, the GAO issued a new report titled, *Offshore Oil and Gas: Interior Needs to Improve Decommissioning Enforcement and Mitigate Related Risks* (GAO–24–106229) that provided four recommendations to DOI to strengthen BSEE's and BOEM's decommissioning oversight and enforcement. Recommendation 3 specifically stated the "Secretary of the Interior should ensure the BOEM Director completes planned actions to further develop, finalize, and fully implement changes to

financial assurance regulations and procedures that reduce financial risks, including by (1) requiring higher levels of supplemental bonding, and (2) addressing other known weaknesses."

After review of the public comments received, the Department published the *Risk Management and Financial Assurance for OCS Lease and Grant Obligations* final rule (89 FR 31544, "2024 Final Rule") on April 24, 2024. This final regulatory action finalized criteria for determining whether oil, gas, and sulfur lessees, RUE grant holders, and pipeline ROW grant holders are required to provide financial assurance above the general financial assurance amount to ensure compliance with their OCSLA obligations. The 2024 Final Rule streamlined the criteria for evaluating the financial health of lessees and grantees, codified the use of the BSEE probabilistic estimates of decommissioning costs in setting the level of demands for supplemental financial assurance, removed restrictive provisions for third-party guarantees and decommissioning accounts, added new criteria for cancelling supplemental financial assurance, and clarified bonding requirements for RUEs serving Federal OCS leases. The Department finalized the use of an investment grade credit rating threshold (or proxy credit rating equivalent) and a minimum 3-to-1 ratio of the value of proved reserves to decommissioning liability associated with those reserves to determine if a lessee is required to provide supplemental financial assurance. The Department also finalized the use of the P70 value for determining the amount of supplemental financial assurance required. BOEM estimated that the final regulatory action, with an effective date of June 29, 2024, would require a total of \$6.9 billion in new supplemental financial assurance from lessees and grant holders to cover potential costs of decommissioning activities.

After publication of the 2024 Final Rule but prior to its effective date on June 17, 2024, several oil and gas industry associations and states sued DOI in the U.S. District Court for the Western District of Louisiana to stay or enjoin the 2024 financial assurance rule. *Louisiana v. Burgum*, No. 2:24-cv-00820 (W.D. La. 2024). On April 7, 2025, DOI and plaintiffs filed a joint motion to stay the case to allow time for DOI to review and consider suspending, revising, or rescinding the 2024 Final Rule in line with Secretary's Order No. 3418, and for the parties to file periodic status reports on the progress. On the same date, the court granted the joint motion staying the case.

C. Overview of BOEM's Financial Assurance Program

BOEM's existing financial assurance regulatory framework has two main components: (1) base financial assurance, generally required in amounts prescribed by regulation, and (2) supplemental financial assurance above the prescribed amounts that may be required by order of the Regional Director upon determination that an increased amount is necessary to ensure compliance with OCS obligations. BOEM's goal for its financial assurance program continues to be the protection of the American taxpayers from exposure to financial loss associated with OCS development, while ensuring that the financial assurance program does not detrimentally affect offshore investment or position American offshore exploration and production companies at a competitive disadvantage.

A significant component of BOEM's financial assurance program has traditionally been the joint and several liability shared between co-lessees and co-grant holders with joint ownership and the predecessor liability retained by lessees and grant holders after asset divestiture. The 2024 Final Rule failed to recognize the risk reduction afforded by predecessors in the decommissioning liability chain of title. As a result of failing to recognize the risk reduction of predecessors, if implemented, the 2024 Final Rule would have resulted in significant capital burdens on the current lessees and grant holders who have financially strong predecessors in the chain of title for the lease or grant, as evidenced by public comments received on the proposal in 2023. This proposed rule recognizes the financial strength of the jointly and severally liable predecessor lessees and grant holders when determining the financial contribution required from current lessees and grant holders based on the risk reduction afforded by the presence of creditworthy predecessors in interest, thereby reducing the imposed capital burden.

D. Risk Management

Since 2009, more than 30 corporate bankruptcies have occurred involving offshore oil and gas lessees. The volume of bankruptcies has decreased since 2019, however the financial losses from bankruptcy have increased recently as a result of orphaned liability (*i.e.*, those properties without a predecessor in the chain of title). Decommissioning liabilities on the OCS are large and increasing as more deepwater facilities are being constructed. Additionally,

decommissioning costs generally increase over time with inflation. The current estimate for routine decommissioning-related liabilities offshore ranges from approximately \$35 to \$41 billion, using the P50 and P70 BSEE decommissioning estimates, respectively.

Additionally, the characteristics of the types of companies operating on the OCS have changed. Larger companies often transfer sunset properties to typically smaller, less experienced companies, including non-strategic players (*i.e.*, those who participate in oil and gas activities but do not necessarily aim to control significant market share or influence global prices and supply trends) and private equity firms. BOEM has gained experience with these various corporate structures and arrangements governing transactions on the OCS.

It is also noted that BOEM and BSEE continue to pursue decommissioning of older infrastructure, however older infrastructure is not necessarily an indicator of current or future financial risk. BSEE continues to monitor for “idle iron” in accordance with criteria in Bureau of Safety and Environmental Enforcement (BSEE) NTL no. 2018–G03 and can order remedial measures or decommissioning to address safety and environmental concerns.

In its mission to manage the development of OCS energy, mineral, and geological resources in an environmentally and economically responsible way, BOEM must balance OCS energy development with protection for both the taxpayer and the environment considering these factors.

E. Purpose of This Rulemaking

As directed by E.O. 14154 and Secretary’s Order 3418, BOEM reviewed the *Risk Management and Financial Assurance for OCS Lease and Grant Obligations* final rule (89 FR 31544; April 24, 2024) to consider whether it should be suspended, revised, or rescinded. With this rulemaking, DOI proposes to revise the regulations associated with the 2024 Final Rule as it unnecessarily burdens the development of domestic energy resources under current market conditions of high volatility and depressed prices. Additionally, BOEM is seeking public comment on the proposed amendments discussed in this preamble, as summarized in section VI.

III. Summary of the Proposed Rule

For each topic, this section provides a description of what the Department is proposing with this action.

A. Revisions to BOEM Supplemental Financial Assurance Requirements

The Department is proposing revisions to the supplemental financial assurance requirements for OCS oil, gas, and sulfur leases, RUE grants, and pipeline ROW grants, as discussed in the subsections below.

1. OCS Leases

The 2024 Final Rule finalized amendments to the financial assurance requirements to modify the evaluation process for requiring supplemental financial assurance by clarifying and streamlining the evaluation criteria. The 2024 Final Rule allows the BOEM Regional Director to require supplemental financial assurance when a lessee poses a substantial risk of becoming financially unable to carry out its obligations under its lease, or when the property may not have sufficient value to be sold to another company that could assume those obligations. In the former case, the risk that the taxpayer might have to take on the financial obligations of a lessee is mitigated when there is a co-lessee holder that has sufficient financial capacity to carry out the obligations. This proposed rule reevaluates the 2024 Final Rule amendments and proposes new amendments to reduce the regulatory burden on the regulated community associated with the 2024 Final Rule.

a. Evaluation Criteria

As discussed in the preamble to the 2020 joint proposed rule, the Department proposed to use credit rating instead of relying primarily on net worth to determine whether a lessee must provide additional security (85 FR 65907). Credit rating agencies take many factors into account when evaluating a company, particularly those that emphasize cash flow, such as debt-to-earnings ratios and debt-to-funds from operations. A credit rating considers forward-looking factors, including the income statement and cash flow statement, which provide a broader picture of how well a company can meet its future liabilities. At the time of the 2020 joint proposed rule, the regulations relied on a backward-looking net worth analysis based on a company’s balance sheet, which shows the current amount of its assets and liabilities. A lessee’s or grant holder’s financial deterioration can occur quickly, and relying on the proposed more forward-looking credit rating analysis would allow BOEM to foresee a lessee’s or grant holder’s possible financial distress sufficiently ahead of time to take appropriate action.

The Department continued to support the stance of the 2020 joint proposed rule with the 2023 proposed rule, which again proposed to replace the five criteria (*i.e.*, financial capacity, projected financial strength, business stability, reliability, and record of compliance) with the credit rating criteria and proved reserves alternate criteria. As discussed in the preamble (88 FR 42142), DOI proposed to streamline the evaluation process by reducing the number of criteria from five to two and by better aligning BOEM’s evaluation process with accepted financial risk evaluation methods used by the banking and finance industry. Corporate credit ratings are broadly intended to evaluate the potential for a company to default on its financial obligations and are designed so that the higher the credit rating, the lower the risk of default. Credit ratings and proved oil reserves are good indicators of the likelihood that a company will be able to meet its financial obligations. Eliminating subjective or less precise criteria—such as the length of time in operation to determine business stability, or trade references to determine reliability in meeting obligations³—would simplify the process and remove criteria that may not accurately or consistently predict financial distress. As a specific example, corporate parents may spin-off subsidiaries, resulting in a relatively well-financed new entity and no indications of immediate financial risk. While the spin-off has zero years of operation offshore as a new corporate entity, the personnel may have decades of experience working offshore and in the oil and gas markets.

The 2024 Final Rule amended the criteria in 30 CFR 556.901(d) that were used to evaluate the need for supplemental financial assurance from lessees from the previously used five criteria—financial capacity, projected financial strength, business stability, reliability in meeting obligations based on credit rating or trade references, and record of compliance with laws, regulations, and lease terms—to a simpler analysis of one of two criteria: (1) credit rating or (2) the ratio of the value of proved reserves to decommissioning liability associated with those reserves. Specifically, the Department finalized amendments in 30 CFR 556.901(d) to determine whether supplemental financial assurance on a lease may be required using: (1) a credit rating, either from an NRSRO, as

³ Review of many years of data on length of operation and references showed no correlation to financial stability or business stability.

defined in section 3(a)(62) of the Securities Exchange Act of 1934, or a proxy credit rating determined by BOEM based on a company's audited financial statements; or (2) a minimum ratio for the value of proved oil and gas reserves on a lease to the decommissioning liability associated with those reserves.

With this proposed rulemaking, DOI has reviewed the 2024 Final Rule evaluation criteria and is proposing to continue the use of the credit rating criterion, including a proxy credit rating, and the ratio of the value of proved oil and gas reserves on a lease to the decommissioning liability associated with those reserves criterion as the evaluation criteria for lessees.⁴ The Department is not proposing any amendments to the use of the evaluation criteria with this proposed rule, however amendments to the evaluation criteria thresholds are discussed in section III.D of this preamble.

b. Evaluation of Predecessors

Lessees are jointly and severally liable for the lease decommissioning obligations that accrue during their ownership, as well as those that accrued prior to their ownership, which means that each current co-lessee is liable for the full obligation and BSEE may pursue full performance from any individual current lessee. See, *e.g.*, 30 CFR 556.604(d). In addition, a lessee that transfers its interest to another party continues to be liable for any unperformed decommissioning obligations that accrued prior to, or during, the time that the lessee owned an interest in the lease. See, *e.g.*, 30 CFR 556.710. This transferor liability applies, however, only to those obligations existing at the time of transfer. New facilities, or additions to existing facilities, that were not in existence at the time of any lease transfer are not obligations of a predecessor company but are considered obligations of the party that built such new facilities and its co- and successor lessees.

The existing supplemental financial assurance evaluation process, as amended by the 2024 Final Rule and contained in 30 CFR 556.901(d), does not allow for consideration of predecessor financial capacity when determining if supplemental financial assurance is required by the current lessee. The 2024 Final Rule failed to recognize the risk reduction afforded by the presence of financially strong

predecessors in the chain of title; this proposed rule recognizes the reduced risk to the taxpayer by having multiple parties in the chain of title. The Department is proposing to add new paragraph 30 CFR 556.901(d)(4) to include an evaluation of the ability of a predecessor to carry out present and future obligations. This approach is rooted in the joint and several liability of all current lessees, co-lessees, and predecessor lessees for all non-monetary obligations on a lease. Except in cases of sole liability, when a default by a current lessee occurs, a predecessor lessee can be called to perform decommissioning, up to the amount of the decommissioning obligations that accrued during the predecessor lessee's interest in the lease. BOEM defines sole liability properties as those where only one owner is liable for the lease or grant obligations. BOEM defines non-sole liability properties as those that have more than one owner. This proposed amendment relies on the combined responsibility of all current and predecessor lessees to perform required decommissioning. Under current regulations, even in cases where a predecessor divested its full interest in a lease to another company by assignment after accruing an obligation to decommission certain infrastructure (*i.e.*, well, platform, pipeline), the predecessor remains jointly and severally liable for decommissioning that infrastructure. This proposed rule acknowledges the larger universe of companies to whom BSEE can look for performance under the law and so would reduce the circumstances under which BOEM would need to require additional security and, by extension, prevent tying up a current lessee's financial resources that are better used to foster ongoing operations and production. While the goal of BOEM's financial assurance program is to protect the taxpayer, financial assurance required by the Department, where there are viable predecessors, serves to protect the predecessors. There is evidence that sellers on the secondary OCS oil and gas market are now accounting for their contingent and retained decommissioning liabilities through different mechanisms in the structure of their sales, such as by requiring their own surety bonds or requiring funding of a trust account at the time of sale. This proposed deregulatory effort would allow market participants to arrange and price these OCS liabilities without unnecessary government interference, while still affording adequate protection to the taxpayer.

The Department is proposing that, if neither the lessee nor any co-lessee meets the issuer credit rating or proxy credit rating threshold and there are not sufficient oil and gas reserves on the lease, BOEM would look to the credit ratings of prior lessees. Under the proposed rule, the Regional Director may require a lessee to provide supplemental financial assurance if no predecessor lessee on that lease liable for decommissioning meets the issuer credit rating or proxy credit rating criteria. Moreover, even if a predecessor meets the issuer credit rating or proxy credit rating criteria, the Regional Director may require the lessee to provide supplemental financial assurance for decommissioning obligations for which such a predecessor is not liable.

2. Right-of-Use and Easement (RUE) Grants

The 2024 Final Rule amended the RUE financial assurance requirements to clarify the financial assurance requirement for RUEs serving Federal leases. The Department replaced the general statement in 30 CFR 550.160(c) that RUE grant holders "must meet bonding requirements" with the specific criteria governing financial assurance requirements found in 30 CFR 556.900 through 556.902, and the applicable financial assurance requirements in 30 CFR 550.166 and 30 CFR part 556, subpart I. Similar to the amendments to the evaluation criteria for lease holders, DOI finalized in 30 CFR 550.166(b) a provision to consider the issuer credit rating or proxy credit rating of RUE co-grant holders to determine if a grantee must provide supplemental financial assurance. The value of proved oil and gas reserves was not included in this evaluation because a RUE grant does not entitle the holder to any interest in oil and gas reserves.

BOEM has evaluated the 2024 Final Rule evaluation criteria and is proposing to continue the use of the credit rating criterion, including a proxy credit rating, as the evaluation criteria for determining if a RUE grant holder must provide supplemental financial assurance. The Department proposes to use the same credit rating or proxy credit rating for RUE grant holders as lessees, as modified by this proposed rule to the new proposed credit rating threshold of BB – (S&P), or Ba3 from Moody's, or other equivalent rating from an NRSRO, instead of the finalized credit rating threshold of the 2024 Final Rule of BBB –, as further discussed in section III.D of this preamble. Similar to leases, the Department is proposing to clarify that BOEM can consider the

⁴ These criteria align closely with standard financial practice, evaluating financials, and/or value of assets to liabilities.

issuer credit rating or proxy credit rating of a predecessor RUE grant holder and a predecessor lessee (*i.e.*, a lessee that held interests in the lease on which the RUE is now located and is liable for accrued obligations for the facilities thereon), when determining if supplemental financial assurance is required.

3. Pipeline Right-of-Way (ROW) Grants

Similar to the final amendments to the evaluation criteria for lease holders, DOI finalized in the 2024 Final Rule at 30 CFR 550.1011(c) a provision to consider the credit rating or proxy credit rating of ROW co-grant holders to determine if the grantee must provide supplemental financial assurance. The preamble to the 2024 Final Rule stated that the value of proved oil and gas reserves was not included in this evaluation because a ROW grant does not entitle the holder to any interest in the associated oil and gas reserves.

BOEM has evaluated the 2024 Final Rule evaluation criteria and is proposing the continued use of the credit rating criterion, including a proxy credit rating, as an evaluation criterion for determining if a ROW grant holder must provide supplemental financial assurance. As for OCS leases, with this proposed rule, the ROW grant holder and predecessors would be evaluated based on the new proposed credit rating threshold of BB – (S&P) instead of the finalized credit rating threshold of the 2024 Final Rule of BBB –, as further discussed in section III.D of this preamble. Similar to its proposal for leases, the Department is proposing to clarify that BOEM can consider the credit rating or proxy credit rating of a predecessor ROW grant holder when determining if supplemental financial assurance is required because they remain liable for accrued decommissioning obligations for facilities and pipelines on their right-of-way until each obligation is met.

Additionally, BOEM has evaluated if the ratio of proved oil and gas reserves to the decommissioning liability associated with those reserves should be considered in its evaluation for ROWs and determined that it may be appropriate to consider when a ROW grant-holder can demonstrate that the grant holder also holds a lease or leases with associated reserves that meet the minimum ratio for decommissioning liabilities. The Department is proposing in 30 CFR 550.1011 to allow the Regional Director's discretion to consider the combined decommissioning liability of the ROW and the lease or leases that the ROW grant holder holds to determine if the

total decommissioning liability meets the minimum ratio to waive supplemental financial assurance.

B. Revisions to Third-Party Guarantees

In the 2024 Final Rule, the Department amended 30 CFR 556.905(a) to evaluate a potential guarantor using the same issuer credit rating or proxy credit rating criterion as was finalized for lessees. The value of proved oil and gas reserves of an associated lease would not be considered because that value is a characteristic of the lease belonging to the guaranteed lessee and not an asset belonging to the guarantor, and because liquid assets are needed to finance compliance or decommissioning. Additionally, to allow more flexibility in the use of third-party guarantees, the final rule allowed a third-party guarantee to be used as supplemental financial assurance for a RUE or ROW grant as well as a lease. Most significantly, the amendment finalized in section 556.902(a)(3) removed the requirement for a third-party guarantee to ensure compliance with the obligations of all lessees, operating rights owners, and operators on the lease, and, as agreed to by BOEM, would allow a guarantee limited to a specific amount or limited to one or more specific lease obligations.

BOEM has evaluated the 2024 Final Rule revisions to third-party guarantees and is proposing that the amendments are still appropriate. The flexibilities provided by the 2024 amendments do not reduce the taxpayers' protection against paying for decommissioning of offshore facilities and they provide industry additional options for securing supplemental financial assurance. It is noted, however, that with this proposed rule, the guarantor would be evaluated based on the new proposed credit rating threshold of BB – (S&P) instead of the finalized credit rating threshold of the 2024 Final Rule of BBB –, as further discussed in section III.D of this preamble.

C. Use of BSEE's Probabilistic Estimates for Determining the Amount of Supplemental Financial Assurance Required

If BOEM determines that supplemental financial assurance is required, BOEM bases the amount required on a BSEE decommissioning cost estimate. Prior to 2020, BSEE provided a single algorithm-based deterministic estimate for OCS facilities in the GOA to BOEM for use in determining the amount of supplemental financial assurance required. In 2020, BSEE updated decommissioning costs in the Technical

Information Management System (<https://www.data.bsee.gov/Leasing/DecomCostEst/Default.aspx>) to reflect new estimates based on industry-reported decommissioning costs pursuant to the regulations at 30 CFR 250.1704 and clarified by NTL 2016–N03—*Reporting Requirements for Decommissioning Expenditures on the OCS*, later superseded by NTL 2017–N02.

Instead of the methodology used prior to 2020 for OCS facilities, where a deterministic estimate specifying that the cost to decommission an OCS facility was a specific dollar amount, BSEE's current methodology provides multiple decommissioning expenditure levels associated with a cumulative likelihood of not being exceeded. They do not represent a percentage of the cost to decommission any given facility; they represent the statistical likelihood that the specified value will be equal to or greater than the amount ultimately required (*i.e.*, there is an X percent chance that the cost will be equal to or less than Y).

Based on the industry-reported data, BSEE has developed three publicly available probabilistic estimates (*i.e.*, P-values) of decommissioning costs for each OCS facility on any given lease (available here: <https://www.bsee.gov/research-record/tap-738-decommissioning-methodology-and-cost-evaluation>). The range of facility decommissioning estimates provided in the Technical Information Management System are at the P50, P70, and P90 levels. These values represent the likelihood of covering the full cost of decommissioning a facility as a percentage. The lowest cost estimate would have a 50 percent likelihood of covering the full cost of decommissioning a facility and is thus referred to as “P50.” The second lowest cost estimate, P70, would have a 70 percent likelihood of covering the full cost of decommissioning a facility. The third and highest cost estimate, P90, would have a 90 percent likelihood of covering the full decommissioning cost of a facility. These BSEE-generated estimates are based on actual decommissioning expenditures reported by offshore companies.

In the 2024 Final Rule, at 30 CFR 556.901, the Department finalized an amendment to replace BSEE's former single, algorithm-based deterministic estimates for OCS facility decommissioning costs with the new BSEE methodology that provides probabilistic estimates (*i.e.*, P-values) based on decommissioning costs reported by industry pursuant to NTL 2016–N03, later superseded by NTL

2017–N02. In the 2024 Final Rule, the Department amended 30 CFR 556.901(f) to use the P70 value to determine the amount of any required supplemental financial assurance and stated that if probabilistic estimates are not available, BOEM will use the deterministic value, if available.

BOEM has reevaluated the 2024 Final Rule use of the P70 value and is proposing that the P50 value is more appropriate for determining the amount of supplemental financial assurance an entity must provide. BOEM received numerous comments on the 2023 proposed rule, the majority from small independent operators, that asserted that P50 was the closest to their own internal asset retirement obligation estimates. BOEM's goal for its financial assurance program continues to be the protection of the American taxpayers from exposure to financial loss associated with OCS development, while ensuring that the financial assurance program does not detrimentally affect offshore investment or position American offshore exploration and production companies at a competitive disadvantage. The Department's proposal to use P50 would reduce financial burden on available capital for offshore investment by oil and gas operators as compared to the existing requirement to use P70. Reducing the financial burden on offshore investment would increase available capital for exploration and production of oil and gas resources on the OCS, and in return, generate more capital for the companies, reducing their likelihood of bankruptcy.

BOEM also notes that the regulation only stipulates that the BSEE P-value will be used to determine the amount of supplemental financial assurance that may be required to meet decommissioning obligations and does not limit the total cost of corrective action that may be required to bring a lease or grant into compliance with decommissioning regulations found in 30 CFR 250 subpart Q.

D. Evaluation Methodology

The 2024 Final Rule amended the financial assurance regulations to require supplemental financial assurance when a lessee or grant holder poses a substantial risk of becoming financially unable to carry out its obligations under its lease or grant, or when a leased property may not have sufficient value to be sold to another company that could assume those obligations. Specifically, the amendments required the use of an issuer credit rating with a threshold of investment grade, and, for leases, a ratio

of 3-to-1 for the value of proved reserves to the value of decommissioning liabilities associated with those reserves. This proposed rule reevaluates the 2024 Final Rule amendments and proposes new amendments to address the regulatory burden on the regulated community associated with the 2024 Final Rule.

1. Credit Ratings

a. Use of an "Issuer Credit Rating"

The Department finalized an amendment in the 2024 Final Rule to use an "issuer credit rating" to evaluate the financial health of OCS lessees, grant holders, and guarantors, and included the new term and corresponding definition in 30 CFR 556.105. An issuer credit rating provides the rating agencies' opinions of the entity's ability to honor senior unsecured debt and debt-like obligations. The Department will currently only use issuer credit ratings from an NRSRO, such as S&P Global Ratings and Moody's Investors Service Incorporated.

As discussed in the preamble to the 2020 joint rule (85 FR 65913), an evaluation of S&P's and Moody's rating methodologies revealed that the analyses they perform to determine an issuer credit rating are wide-ranging and include factors beyond corporate financials (such as history, senior management, and commodity price outlook). An issuer credit rating provides the rating agencies' opinions of the entity's ability to honor senior unsecured debt and debt-like obligations. It is common for lessees to have both an issuer credit rating and a bond issuance rating. However, bond issuance ratings are opinions of the credit quality of a specific debt obligation only, which can vary based on the priority of a creditor's claim in bankruptcy or the extent to which assets are pledged as collateral. Due to the priority of claims associated with debt and the limited purpose of bond issuance ratings, BOEM proposed in the 2020 joint rule and finalized in the 2024 Final Rule to accept only issuer credit ratings from a NRSRO. As such, BOEM has evaluated the 2024 Final Rule amendment to require the use of an issuer credit rating and is proposing that this requirement is still appropriate. As noted below, however, the Department is reevaluating the threshold credit rating above which supplemental financial assurance may not be required of a lessee or grant holder.

b. Credit Rating Threshold

The Department finalized amendments with the 2024 Final Rule to use an investment grade credit rating threshold for determining if supplemental financial assurance may be required of a lessee or grant holder. The Department added the term and associated definition of "Investment grade credit rating" in 30 CFR 556.105. BOEM has evaluated the 2024 Final Rule amendments requiring an investment grade credit rating and has determined that this requirement should be revised.

As discussed in the 2023 proposed rule, BOEM reviewed historical default rates across the entire credit rating spectrum, as well as the credit profile of oil and gas sector bankruptcies arising from the commodity price downturn in 2014, to determine an appropriate level of risk. For this analysis, BOEM evaluated the S&P data, but it acknowledges that performance may vary across NRSROs. As expected, the average S&P historical 1-year default rates increase significantly with lower ratings. The 1-year default rate represents the percentage of companies having any given credit rating that have failed to meet their financial obligations during any given 12-month period. For example, for companies having had BBB – rating in 2020, 0.24 percent defaulted on their financial obligations in the subsequent 12-month period. The average S&P 1-year default rate for BBB – rated companies from 1981 to 2020 was 0.24 percent. Comparatively, the average 1-year default rate for BB – rated companies was 1.21 percent, for B – rated companies was 8.73 percent, and for C rated companies was 24.92 percent. BOEM believes that 1-year default rates are an appropriate measure of risk, given BOEM's policy of reviewing the financial status of lessees, ROW holders, and RUE holders at least on an annual basis (the review typically corresponding with the release of audited annual financial statements). In addition, throughout the year, BOEM monitors company credit rating changes, market reports, trade press, articles in major news media and quarterly financial reports to review the financial status of lessees, ROW holders, and RUE holders. The regulations do not preclude a demand for supplemental financial assurance through the Regional Director's regulatory authority at any time (e.g., if an article about a company in a major news media indicates they may be having financial troubles, the Regional Director can issue a demand for supplemental financial assurance

without having to wait for an NRSRO to lower the company's credit rating).

BOEM has reviewed the use of the BBB – threshold and is proposing to establish the issuer credit rating threshold of BB – (S&P) or Ba3 (Moody's), an equivalent credit rating provided by another NRSRO, or a proxy credit rating determined by the Regional Director. BOEM seeks to balance the financial risk to the government and the taxpayer with minimizing unnecessary regulatory burdens that could stifle offshore energy development and reducing the threshold from BBB – to BB – would achieve this goal, and determined that the increase in the current (*i.e.*, the revised 1981 to 2024 average) 1-year default rate from 0.21 percent at BBB(–) to 0.87 percent at BB(–) presented an acceptable increase in risk. Previous analysis of oil and gas bankruptcies (as evidenced in the 2020 initial RIA and the 2024 RIA) indicated only two instances of BB rated companies declaring bankruptcy within a 1-year window of losing their BB rating. However, both companies successfully reorganized in Chapter 11 without relinquishing decommissioning liability. BOEM anticipates that, due to the stronger financial position of companies in the BB rating category, the odds of a successful Chapter 11 reorganization with no financial impact on decommissioning liability is high enough to outweigh the relatively small increase in credit default risk.

In the case of a split-rating circumstance (*e.g.*, if S&P and Moody's credit ratings are different), BOEM will continue to consider the higher credit rating in making any financial assurance determination, as provided by 30 CFR 556.901(d)(1). This provision only impacts companies with split ratings at the credit risk threshold (*i.e.*, S&P BB – / B+ and Moody's Baa3/Ba1), thereby posing minimal additional risk and minimizing the possibility of requiring/releasing financial assurance unnecessarily due to split rating upgrades or downgrades along the credit risk threshold.

2. Proxy Credit Ratings

In the 2024 Final Rule, at 30 CFR 556.901(d), the Department allowed entities that do not have a NRSRO-issued credit rating to request that the Regional Director determine a proxy credit rating based on audited financial information for the most recent fiscal year, including an income statement, a balance sheet, a statement of cash flows, and the auditor's certificate. The Department intended the “most recent fiscal year” to mean a continuous 12-month period within the 24 months

prior to the Regional Director's determination that supplemental financial assurance is required. BOEM has evaluated the 2024 Final Rule amendment to allow the use of a proxy credit rating in instances where an issuer credit rating is unavailable and is proposing that this requirement is still appropriate as it allows small entities that may not have an issuer credit rating to demonstrate that they are financially stable. The Department is therefore not proposing any amendments to the use of proxy credit ratings under these circumstances.

3. Proved Oil and Gas Reserves

a. Use of a Minimum Ratio

The 2024 Final Rule included 30 CFR 556.901(d) to allow BOEM to consider the proved reserves on a particular lease when determining whether supplemental financial assurance is required. To be exempted, BOEM requires the lessee to submit a reserve report for the proved oil and gas reserves (as defined by the SEC regulations at 17 CFR 210.4–10(a)(22)) located on a given lease. The 2024 Final Rule provides that companies should report the value of their reserves using the methodology pursuant to the SEC's regulations on reserve reporting, and the presentation should be by the lease, or leases, for which the exemption is being requested. These regulations are commonly used and understood by offshore oil and gas companies and such reserve reports are already produced by publicly traded companies. This also allows BOEM to rely on the established SEC regulations on the definitions, qualifications, and requirements for proved reserves, rather than attempting to recreate these regulations. BOEM has evaluated the 2024 Final Rule amendment to allow the use of the minimum ratio for companies without a credit rating meeting the threshold and is proposing that this alternative is still appropriate. BOEM continues to believe that a property with a high enough ratio would likely be purchased by another lessee if a current lessee defaults on its obligations, thereby reducing the risk that decommissioning costs would be borne by the government, consequently reducing the need for supplemental financial assurance. The Department is therefore not proposing any amendments to this provision.

b. Minimum Ratio Value

Additionally, the Department finalized the use of a ratio of the value of proved reserves to decommissioning liability associated with those reserves that meets or exceeds a value of 3-to-1

in the 2024 Final Rule. Establishing an appropriate reserves-to-decommissioning cost ratio is one approach toward protecting the taxpayer during periods of commodity price volatility. While generally stable, oil and gas commodity markets can enter into periods of high price volatility. From an oil and gas financial risk perspective, this is only of concern when the volatility results in dramatic price decreases. Should commodity prices decline in a manner similar to late 2014 through early 2016, BOEM believes a 3-to-1 ratio means the property would most likely retain its economic viability, protect the taxpayer, and financial attractiveness to potential buyers. BOEM is soliciting comments on whether the 3-to-1 ratio remains the appropriate threshold.

E. Phased Compliance With Supplemental Financial Assurance Orders

In the preamble to the 2024 Final Rule, BOEM acknowledged that the new regulations could have a significant financial impact (over \$6 billion of additional financial assurance would be required) on affected companies, reducing their financial capacity to produce oil and gas (89 FR 31560). For that reason, BOEM finalized a provision to phase in the new supplemental financial assurance requirements over a 3-year period for existing leaseholders in 30 CFR 556.901(h). As finalized, BOEM would allow any company receiving a supplemental financial assurance demand (within 3 years of the rule becoming effective) to request the phase-in option and post one-third of the total amount by the deadline listed on the demand letter. A second one-third would be required within 24 months of receipt of the demand letter. The final one-third payment would be due within 36 months of receipt of the demand letter.

While this proposed rulemaking reduces the amount of supplemental financial assurance required by lessees, the Department continues to acknowledge that providing the supplemental financial assurance could have a significant financial impact on affected companies because BOEM has not yet required them to provide the supplemental financial assurance as dictated by the 2024 Final Rule. As such, the Department is proposing to retain the available 3-year phase-in period for implementation of new requirements in 30 CFR 556.901(h), but starting on the date this rulemaking is finalized. BOEM specifically solicits comments regarding this approach from potentially affected parties, and requests

comments on how the new supplemental financial assurance demands could be most effectively implemented to minimize any unnecessarily adverse effects.

Additionally, the Department is proposing to allow entities to provide the Regional Director with a proposed payment schedule for their potential supplemental financial assurance demands prior to receipt of an official demand letter. If the proposed payment schedule is accepted by the Regional Director, BOEM will forgo an official demand letter. Companies may be interested in resolving financial assurance before receiving an official demand letter, as the letter may trigger, unknown to BOEM, debt/surety/other financial covenants that may have financial implications on the companies.

F. Short-Term Decommissioning Obligations

In instances where decommissioning will be completed within a short period of time (*i.e.*, within 1 year) from the date of a new supplemental financial assurance demand, lessees and grant holders may have difficulty obtaining financial instruments to cover their decommissioning obligations. The Department is proposing a new section in 30 CFR 556.908 to allow the Regional Director's discretion to accept a third-party decommissioning contract or a decommissioning schedule in lieu of supplemental financial assurance.

The third-party decommissioning contract provided to BOEM for review and approval to be used in lieu of supplemental financial assurance should clearly define the responsibilities, expectations, and protections for all parties involved in the plugging, abandonment, and site restoration of oil and gas infrastructure. The decommissioning schedule provided to BOEM for review and approval to be used in lieu of supplemental financial assurance must include a detailed timeline that outlines the sequence, duration, and key milestones for decommissioning oil and gas infrastructure such as wells, facilities, and pipelines. Additionally, the decommissioning schedule must be signed by an officer of the company as designated in the BOEM qualification card.

To ensure that the decommissioning can and will be undertaken and completed, evidence of sufficient funding set aside for the decommissioning contract or schedule must also be provided to BOEM. If decommissioning is not complete within one year from the date of the

original supplemental financial assurance demand, the entity must meet the original supplemental financial assurance demand within 10-calendar days of receipt of notification by the Regional Director.

BOEM's review and approval of the decommissioning contracts and schedules for use in lieu of supplemental financial assurance is not an approval for decommissioning activities, which remains in BSEE's purview; BOEM's approval is only an acceptance of those documents in lieu of an entity providing supplemental financial assurance.

G. Appeal Bonds

In the 2024 Final Rule, the Department added a new requirement at 30 CFR 556.902(h) and 590.4(c) whereby any company seeking to stay a supplemental financial assurance demand pending appeal at the IBLA must, as a condition of obtaining a stay of the order, post an appeal bond in the amount of supplemental financial assurance required. If the appeal is successful, the appeal bond would be returned to the appropriate party, and any remaining required supplemental financial assurance would need to be posted in the form of bonds or other financial instruments. If the appeal is unsuccessful, the appeal bond could be replaced with, or converted into, bonds or other forms of financial assurance to cover the supplemental financial assurance demand.

During the public comment period for the 2024 rulemaking, multiple commenters expressed opposition to this proposal, asserting that it raises due process concerns, specifically because the requirement would inhibit the recipient's first opportunity to have an adjudication of BOEM's determination. The commenters asserted that the requirement of posting an appeal bond is disproportionate to the perceived risk because a lessee could be forced into posting a bond that could be held for years, depriving them of the operating capital diverted to the bonds, even if the appeal succeeds. Commenters highlighted that the process without the appeals bond requirement provides an opportunity for the parties to negotiate. Other commenters equated the requirement to "an automatic denial of stays" which, they asserted, could render most supplemental financial assurance demands subject to immediate judicial review, citing 5 U.S.C. 704 and 43 CFR 4.21(c). See 89 FR 31560; see also section 9 of the *Response to Public Comments Received on the June 29, 2023, Notice of Proposed Rulemaking* memorandum for detailed

comment summaries at Docket ID: BOEM-2023-0027-2187. Even though the Department disagreed with the commenters that the appeal bond provision raised due process concerns and finalized the provision in the 2024 Final Rule, the Department has reviewed the provision in light of E.O. 14154 and is proposing in this action to remove the requirement in 30 CFR 556.902(h) and 590.4(c) that a company must provide an appeal bond in order to seek a stay of a supplemental financial assurance decision while an appeal of that decision is pending at the IBLA.

Removing this requirement allows offshore entities to retain the capital that they would have otherwise posted during an appeal to continue exploration and production on the OCS while posing minimal risk to the taxpayer and meeting the goals of E.O. 14154.

Similarly, the Department is retaining the provision in 30 CFR 556.902(g) that allows offshore lessees and grant holders to request an informal resolution if they believe that BOEM's supplemental financial assurance demand is unjustified, without losing the ability to provide supplemental financial assurance in a phased-in manner. The informal resolution provides an opportunity for all parties to achieve a successful financial assurance outcome before resorting to the longer IBLA process.

H. Other Amendments

1. Revisions to Definitions

a. Delete Term: "Investment Grade Credit Rating"

The Department is proposing to delete the term and associated definition for "Investment grade credit rating" in 30 CFR 556.105(b). The associated definition is currently the following: "*Investment grade credit rating* means an issuer credit rating of BBB – or higher (S&P Global Ratings and Fitch Ratings, Inc.), Baa3 or higher (Moody's Investors Service Inc.), or its equivalent, assigned to an issuer of corporate debt by a nationally recognized statistical rating organization as that term is defined in section 3(a)(62) of the Securities Exchange Act of 1934." This definition is currently the threshold above which BOEM would typically not require supplemental financial assurance per the financial assurance regulations. This proposed rule deletes the term and associated definition because it is no longer referenced in part 556, and the proposed threshold is specified in part 556, subpart I.

b. Add Term: “Issuer Credit Rating”

The Department is proposing to add the term and associated definition for “Issuer credit rating” in 30 CFR 550.105 because it is proposed to be used in 550.166. The associated definition is proposed as the following: “*Issuer credit rating* means a credit rating assigned to an issuer of corporate debt by a nationally recognized statistical rating organization as that term is defined in section 3(a)(62) of the Securities Exchange Act of 1934.” This definition is consistent with the same term and definition in 30 CFR 556.105(b).

c. Add Term: “Predecessor”

The Department is proposing to add the term and associated definition for “Predecessor” in 30 CFR 550.105. The associated definition is proposed as the following: “*Predecessor* means a prior lessee or owner of operating rights, or a prior holder of a right-of-use and easement grant or pipeline right-of-way grant, that is liable for accrued obligations on that lease or grant.” This definition is consistent with the existing term and definition in 30 CFR 556.105(b).

d. Add Term: “Dual-Obligee Financial Assurance Instrument”

The Department is proposing to add the term and associated definition for “*Dual-obligee financial assurance instrument*” in 30 CFR 556.105. The associated definition is proposed as the following: “*Dual-obligee financial assurance instrument* means a type of financial instrument that names a second obligee in addition to the original obligee.”

2. Clarification on the Use of Dual-Obligee Financial Assurance Instrument

While always available for use as an “other approved form of supplemental financial assurance,” the Department is proposing to explicitly include dual-obligee financial assurance instruments as an acceptable financial instrument for financial assurance in 30 CFR 556.902(e).

IV. Summary of Cost, Economic Impacts, and Additional Analyses Conducted

A. What are the affected entities?

This proposed rule will affect current and future lessees, sublessees, RUE grant holders, and pipeline ROW grant holders. BOEM’s analysis shows that this includes approximately 185 companies with record title ownership or operating rights in leases, and with interests in RUE grants and pipeline ROW grants. These lessees and grant

holders are responsible for complying with the regulations and therefore would bear the compliance costs and realize the cost savings associated with the provisions in this proposed rule, if finalized.

B. What are the economic impacts?

BOEM estimates the overall decommissioning costs for OCS facilities to be between \$35 billion and \$41 billion as of May 2025 using the P50 and P70 estimates, respectively. This decommissioning cost estimate represents the full cost of decommissioning all facilities on the OCS, including those facilities that are currently operating. It is noted that these costs would occur over many decades as the facilities reach the end of their useful life.

In the absence of this proposed rulemaking, BOEM assumes the 2024 Final Rule would be fully implemented as published. Pursuant to this baseline and given current decommissioning estimates, BOEM identified \$9.67 billion in total liabilities that do not meet the current credit rating threshold of BBB – and above. Additionally, the 2024 Final Rule included a provision at 30 CFR 556.901(d) to allow BOEM to consider the proved reserves on a particular lease when determining whether supplemental financial assurance is required. BOEM estimates that \$2.66 billion in additional liabilities would meet the 3-to-1 value of proved reserves to liabilities associated with those reserves. Therefore, BOEM estimates that, given the full implementation of the current regulations, it would expect to hold \$7.02 billion in its financial assurance portfolio, costing approximately \$566.65 million in estimated annual premiums associated with that financial assurance.

As discussed earlier in this preamble, the Department is proposing three major deregulatory changes that would have impacts on this regulatory baseline. These three major amendments are: (1) lowering the credit rating threshold; (2) consideration of predecessor strength; and (3) use of the P50 decommissioning estimate instead of P70. The proposed amendments are generally independent, allowing for individual or combined implementation, however the impacts of each provision are interrelated, with the effect of any single provision depending on the others that are present. The Department is not proposing any amendments to the provision allowing the use of the 3-to-1 minimum ratio of value of proved reserves to liabilities associated with those reserves provision, and thus does not by itself, have any impacts on the costs and

benefits of this proposed rule; however, it is highlighted that changing the P-value from P50 to P70 impacts the calculation of the ratio.

For the first major amendment, lowering the credit rating threshold from BBB – to BB –, BOEM estimates the financial liabilities that would be held by companies with BB+, BB, and BB – credit ratings for full implementation of the 2024 Final Rule at \$54.2, \$205.4, and \$67.4 million, respectively. The average one-year default rate for companies in these categories are 0.27 percent, 0.44 percent, and 0.87 percent respectively using the S&P default statistics. For this analysis, BOEM evaluated the S&P data, but notes that performance may vary across NRSROs. Using these values, BOEM estimates that the increased risk of default from this group of lessees is approximately \$1.6 million. This increased risk of default is offset by an annual decrease of \$13.7 million in supplemental financial assurance premiums, an unjustifiable burden on offshore energy development for a limited reduction in the risk of default.

For the second major amendment, consideration of predecessor strength when determining if the current lessee must provide supplemental financial assurance, BOEM evaluated the credit rating of predecessor lessees. If BOEM were to implement this proposed amendment independently of the other amendments, this provision would result in a reduction of \$5.8 billion in BOEM’s financial assurance portfolio and an annual premium savings for lessees of \$483.6 million. Though predecessor companies have always been held responsible for decommissioning liabilities if the current owner is incapable of meeting those obligations, the proposed rule explicitly incorporates predecessor companies’ financial strength when determining supplemental financial assurance requirements for current lessees. This proposed change reduces the need for additional bonding or other forms of supplemental financial assurance on properties while only minimally increasing risk to the taxpayers.

The final major amendment, use of P50 instead of P70 when determining decommissioning liability cost estimates, impacts both the amount of liability that needs to be covered through financial assurance and the calculation of the 3-to-1 reserves ratio. If BOEM were to implement this amendment independently of the other amendments, this provision would result in a reduction of BOEM’s financial assurance portfolio by \$2.1

billion and would provide an annual regulatory compliance savings of \$175.2 million. This proposed change reduces the amount of supplemental financial assurance required to cover decommissioning obligations by a lessee without a significant increase in risk to the taxpayers because many companies asserted that P50 was the closest to their own internal asset retirement obligation estimates during the 2024 rulemaking.

As discussed in the RIA, this proposed rule includes changes that cannot be quantitatively modeled in this analysis. BOEM makes clarifications regarding its acceptance of dual-obligee financial assurance instruments, removes the requirement for an appeals bond, and makes changes for short-term decommissioning obligations and pipeline ROW Grants. Given the uncertainty in the frequency and the scale of impacts resulting from these changes, compared to the remaining proposed changes, BOEM does not quantitatively analyze these changes, but does not anticipate the impacts to be of any significance.

When considering all three amendments jointly, BOEM estimates a reduction of \$6.2 billion of the \$7.0 billion in baseline financial assurance, leaving \$798 million in remaining financial assurance requirements. BOEM estimated that in the baseline, lessees would face annual premiums of \$567 million, but with the reduction in financial assurance requirements per the proposed rule, that estimate is reduced to \$59 million, for a savings of \$508 million annually. The 20-year discounted and annualized values at 3 percent are \$7.21 billion and \$484.46 million, respectively. The 20-year discounted and annualized values at 7 percent are \$5.16 billion and \$498.21 million, respectively.

C. What are the benefits?

Of the \$7 billion in baseline required supplemental financial assurance, 89 percent (\$6.2 billion) would no longer be required under the proposed rule, if finalized. Of the baseline financial assurance requirements, 81 percent would no longer be required given the predecessor consideration, 5 percent would no longer be required given the change in credit rating, and 3 percent would no longer be required given the change in P-value. The proposed rule, if finalized, achieves significant cost savings from the consideration of predecessors in determining supplemental financial assurance requirements. The risk that the government would be responsible for the costs associated with decommissioning is minimal because

financially viable co-lessees and predecessors remain jointly and severally liable for accrued decommissioning obligations. The proposed rule results in a 20-year annualized savings of more than \$480 million in financial assurance premiums. The majority of these savings originate from BOEM's consideration of predecessors when evaluating whether a company needs to provide supplemental financial assurance. In this way, predecessor lessees serve the same purpose as surety companies as new lessees are not required to post financial assurance.

BOEM is not quantifying benefits other than the cost savings for this rule. However, BOEM expects that less capital will be tied up in financial assurance and that could lead to more development on the OCS, which could lead to more job creation, and higher production of oil and gas from the OCS. BOEM will work to estimate the risk change in the final rule and welcomes public comments on methods to quantify benefits, costs, cost savings, and other methods of quantification beyond bond premium cost savings.

D. What Tribal outreach did BOEM conduct?

On September 4, 2025, BOEM sent letters to all federally recognized Tribal Nations and Alaska Native Claims Settlement Act (ANCSA) Corporations to ensure they are aware of the proposed rulemaking, to answer any immediate questions they may have had, and to invite formal consultation if desired.

V. Section-by-Section Analysis

The Department is proposing to amend the regulations as follows:

Part 550—Oil and Gas and Sulfur Operations In The Outer Continental Shelf

Subpart A—General

Section 550.105: Definitions

As discussed in section III.H of this preamble, the Department is proposing to add the terms “Issuer credit rating” and “Predecessor” to 30 CFR 550.105. The proposed definitions are consistent with the existing definition in 30 CFR 556.105(b).

Section 550.166: If BOEM grants me a RUE, what financial assurance must I provide?

While reviewing this section for potential revisions, a grammatical error was found in paragraph (a)(3). The Department is proposing to revise paragraph (a)(3) to clarify that it should reference sections 556.900(d) through

(g) and section 556.902. The paragraph is currently missing the “and” between the 556.900(g) and 556.902 references. This proposed amendment does not change the intent of paragraph (a)(3).

As discussed in section III.A.1.a of this preamble, the Department is proposing to consider predecessors when determining if supplemental financial assurance is required from a RUE grant holder. Specifically, the Department is revising paragraph (b) to include the consideration of predecessors' issuer credit rating or proxy credit rating when determining if the current RUE grant holder must provide supplemental financial assurance. The predecessor must meet the criteria in 30 CFR 556.901(d)(1) through (d)(3) (*i.e.*, the predecessor must have a minimum issuer credit rating or proxy credit rating of BB – (S&P) or its equivalent). The predecessor interest may have been that of a predecessor lessee, if the entity was responsible for decommissioning the facility now associated with an RUE. The Department is also including in paragraph (b) that the BOEM Regional Director can require supplemental financial assurance for decommissioning obligations for which there is not a liable predecessor.

Subpart J—Pipelines and Pipeline Rights-of-Way

Section 550.1011: Financial Assurance Requirements for Pipeline Right-of-Way (ROW) Grant Holders

As discussed in section III.A.1.a of this preamble, the Department is proposing to consider predecessors when determining if supplemental financial assurance is required from a ROW grant holder. Specifically, the Department is revising paragraph (d) to include the consideration of predecessors' issuer credit ratings or proxy credit ratings when determining if the current ROW grant holder must provide supplemental financial assurance. The predecessor must meet the criteria in 30 CFR 556.901(d)(1) through (d)(3) (*i.e.*, the predecessor must have a minimum issuer credit rating or proxy credit rating of BB – (S&P) or its equivalent). The Department is also including in paragraph (d) that the BOEM Regional Director can require supplemental financial assurance for decommissioning obligations for which there is not a liable predecessor.

Additionally, as discussed in section III.A.2 of this preamble, the Department is proposing to allow the Regional Director to consider a ROW grant holder's OCS leases that they may hold, if any, to evaluate whether the value of

proved reserves for such leases exceed 3 times the combined decommissioning liability for those leases and ROWs when determining if a ROW grant holder must provide supplemental financial assurance.

Part 556—Leasing of Sulfur or Oil and Gas and Financial Assurance Requirements in the Outer Continental Shelf

Subpart A—General Provisions

Section 556.105: Acronyms and Definitions

The Department is proposing, and as discussed in section III.G of this preamble, to remove the term “Investment Grade Credit Rating” and the associated definition as it is no longer the threshold used to determine if supplemental financial assurance is required. The Department is also proposing, as discussed in section III.G of this preamble, to add the new term and associated definition of “Dual-obligee financial assurance instrument.”

Subpart I—Financial Assurance

Section 556.901: Base and Supplemental Financial Assurance

The Department is proposing, as discussed in section III.A.1.b of this preamble, to consider predecessors when determining if supplemental financial assurance is required. The Department is proposing to renumber existing paragraph (d)(4) as (d)(5) and create a new paragraph (d)(4) that states if a predecessor has an issuer credit rating or proxy credit rating meeting the threshold, you may not have to provide supplemental financial assurance. Additionally, it acknowledges that the Regional Director may require additional security for those decommissioning obligations for which there is no predecessor meeting the criteria of paragraphs (d)(1) or (2).

The Department is proposing to revise the BSEE probabilistic estimate value used when determining the amount of supplemental financial assurance required, as discussed in section III.C of this preamble. Specifically, the Department is proposing to replace the references to the P70 value with reference to the P50. These references are found in newly designated paragraph (d)(5)(i) and paragraph (f).

As discussed in section III.E of this preamble, the Department continues to acknowledge that providing the supplemental financial assurance could have a significant financial impact on affected companies and, as such, is retaining the option in 30 CFR 556.901(h) to phase in the new requirements over a 3-year period, but

amended to start with the effective date of the new final rule. Specifically, the Department is proposing to replace “June 24, 2024” with the effective date of the new final rule which effectively starts a new timeline for impacted entities to provide supplemental financial assurance in phases.

Also as discussed in section III.E. of this preamble, the Department is proposing in new paragraph (i) to allow entities to provide the Regional Director with a proposed schedule for fulfilling their potential supplemental financial assurance demands. If the proposed installment schedule is accepted by the Regional Director, BOEM will forgo an official demand letter.

Section 556.902: General Requirements for Bonds or Other Financial Assurance

As discussed in section III.H.2 of this preamble, the Department is proposing to explicitly include dual-obligee financial assurance instruments as an acceptable financial instrument for financial assurance in paragraph 556.902(e).

As discussed in section III.G of this preamble, the Department is proposing to remove the portion of the provision in 556.902(h) that requires a company seeking a stay of a supplemental financial assurance demand to provide an appeal bond (*i.e.*, “However, if you request that the IBLA stay the demand pending a final ruling on your appeal, you must post an appeal surety bond equal to the amount of the demand that you seek to stay before any such stay is effective.”).

Section 556.908: Short-Term Decommissioning Obligations

As discussed in section III.F of this preamble, the Department is proposing this new section at 30 CFR 556.908 to allow the Regional Director discretion to accept a third-party decommissioning contract or a decommissioning schedule in lieu of supplemental financial assurance in cases where decommissioning will occur within 1-year of receiving the supplemental financial assurance demand. The third-party decommissioning contract provided to BOEM for review and approval for use in lieu of supplemental financial assurance should clearly define the responsibilities, expectations, and protections for all parties involved in the plugging, abandonment, and site restoration of oil and gas infrastructure. The decommissioning schedule provided to BOEM for review and approval for use in lieu of supplemental financial assurance must include a detailed timeline that outlines the sequence, duration, and key milestones

for decommissioning oil and gas infrastructure such as wells, facilities, and pipelines. Additionally, the decommissioning schedule must be signed by an officer of the company as designated in the BOEM qualification card. To ensure that the decommissioning can and will be undertaken and completed, evidence of sufficient funding set aside for the decommissioning contract or schedule must be also provided to BOEM per this section.

Part 590—Appeal Procedures

Subpart A—Bureau of Ocean Energy Management Appeal Procedures

Section 590.4: How do I file an appeal?

As discussed in section III.F of this preamble, the Department is proposing to completely remove the provision in subsection 590.4(c) that requires a company seeking a stay of a supplemental financial assurance demand to provide an appeal bond when appealing the demand to the IBLA.

Severability

BOEM proposes to include in the final rule that, should any court hold unlawful and/or set aside portions of this rulemaking, the remaining portions are severable and therefore should not be remanded to the agency. The proposed rule contains four major components: (1) return to the previous BOEM practice of considering the financial strength of jointly and severally liable predecessor lessees and grant holders; (2) revising the credit rating threshold when determining whether oil, gas, and sulfur lessees, RUE grant holders, and pipeline ROW grant holders on the OCS are required to provide supplemental financial assurance above the required general financial assurance amount to ensure compliance with their OCSLA obligations; (3) revising the decommissioning estimate used to determine the amount of supplemental financial assurance required; and (4) revising the appeals bond provision related to the IBLA appeal procedures.

These four major components operate largely independent of each other; the Department believes they are sufficiently distinct and that their severability does not depend on the specifics of this proposed rule. For example, BOEM is amending the regulations to consider the financial strength of predecessors when determining if financial assurance is required from a current OCS lessee if that lessee does not have a credit rating above BB – (S&P); BOEM is also

amending to the regulations to change the BSEE decommissioning estimate used to determine the amount of supplemental financial assurance a current OCS lessee must provide. Whether or not a lessee or grant holder must provide supplemental financial assurance is largely independent of the amount they are required to provide.

VI. Request for Comments

BOEM invites public comments on all aspects of this proposed rule using the procedures described earlier in this preamble. In summary, BOEM specifically requests comments on the following provisions:

- consideration of the financial strength of predecessors when determining if a current lessee or grant holder must provide supplemental financial assurance;
 - allowing the Regional Director's discretion to consider the combined decommissioning liability of the ROW and the lease or leases that the ROW grant holder holds to determine if the total decommissioning liability meets the minimum ratio to waive supplemental financial assurance;
 - revising the credit rating threshold from BBB – to BB – (S&P) when determining the financial strength of current lessees and grant holders, and predecessor lessees and grant holders;
 - appropriateness of utilizing the 3-to-1 minimum ratio of the value of proved reserves to the decommissioning liabilities associated with those reserves;
 - including a 3-year phased approach to providing new supplemental financial assurance in response to a demand;
 - allowing entities to provide a proposed payment schedule for their potential supplemental financial assurance demands prior to receipt of an official demand letter and BOEM forgoing the official demand letter;
 - allowing the Regional Director discretion to accept a third-party decommissioning contract or a decommissioning schedule in lieu of supplemental financial assurance for short-term decommissioning obligations;
 - removal of the appeal bond requirement;
 - alternatives in a regulatory design where BOEM could incorporate a risk-diversified total portfolio approach or other innovative de-regulatory approaches; and
 - explicitly allowing dual-obligee financial assurance instruments.
- Additionally, BOEM requests comments on the following topics associated with regulatory impacts:

- if the reliance of Tier 1 predecessors increases the moral hazard risk of current Tier 2 lessees and grant holders diverting capital to activities other than pending decommissioning obligations;
- methods to quantify benefits other than bon premium cost savings;
- how companies would deploy capital that would have previously been spent on financial assurance premiums that may become available as a result of the rule, if finalized;
- additional impacts and unintended consequences BOEM did not consider, including any impacts to existing predecessors who may be in strong financial positions;
- potential deregulatory cost savings not quantified under E.O. 14154 and E.O. 14192;
- analytical assumptions underlying the regulatory impact analysis, and we request that entities provide relevant data that BOEM could use to improve our analysis;
- potential impacts to the energy supply (both positive and negative) in light of E.O. 13211; and
- small business or small operator impacts.

VII. Statutory Order Review

A. Regulatory Flexibility Act (RFA)

The Regulatory Flexibility Act (RFA), 5 U.S.C. 601–612, requires agencies to analyze the economic impact of regulations when a significant economic impact on a substantial number of small entities is likely and to consider regulatory alternatives that will achieve the agency's goals while minimizing the burden on small entities. Pursuant to sections 603 and 609(b) of the RFA, BOEM has prepared an initial regulatory flexibility analysis (IRFA) for this proposed rule that examines the impacts of the rule on small entities, along with regulatory alternatives that could minimize that impact. The complete analysis is available for review in the docket, *Risk Management and Financial Assurance for OCS Lease and Grant Obligations Regulatory Impact Analysis*, Docket ID No. BOEM–2025–0042, and is summarized here.

This proposed rule would apply to all OCS lessees and right-of-use and easement and pipeline right-of-way grant holders and affect many predecessor lessees or grant holders with accrued decommissioning liabilities. Most entities would fall primarily under the following Small Business Administration's (SBA) North American Industry Classification System (NAICS) codes: 211120 (Crude Petroleum Extraction), 211130 (Natural Gas Extraction), and 486110 (Pipeline

Transportation of Crude Oil and Natural Gas). For NAICS classifications 211120 and 211130, SBA defines a small business as one with fewer than 1,251 employees. For NAICS code 486110, it is a business with fewer than 1,501 employees. Of the 185 companies with active facility, well, or pipeline ownership, BOEM estimates that approximately 92 (49.7 percent) of the businesses operating on the OCS are considered small.

BOEM reviewed its current financial assurance portfolio and considered the difference in required financial assurance amounts from small and large companies. The 2024 Rule baseline financial assurance portfolio is \$7.0 billion, and the breakdown by small and large entities is approximately \$6.7 billion and \$301 million, respectively. BOEM estimates that small companies are responsible for approximately 96 percent of the total financial assurance required by the 2024 Rule. As this proposed rule would apply to all OCS lessees and grant holders and given the correlation between small entities and those required to provide supplemental financial assurance under the existing regulations, BOEM finds that it will affect a substantial number of small entities.

As discussed in section IV of this preamble, the Department is proposing three major deregulatory changes that would impact the regulatory baseline. These three major amendments are: (1) lowering the credit rating threshold; (2) consideration of predecessor strength; and (3) use of the P50 decommissioning estimates instead of P70. The proposed amendments are generally independent, allowing for individual or combined implementation, however the impacts of each provision are interrelated, with the effect of any single provision depending on what others are present.

For the first major amendment, lowering the credit rating threshold from BBB – to BB –, results in 15 companies that would meet the credit rating threshold and would not be required to provide supplemental financial assurance as compared to the baseline. Of these 15 companies, 12 are small companies and 3 are large companies. This change in credit rating threshold impacts more than 23 percent of the baseline small companies that do not meet the existing threshold of BBB –. These 15 companies would not be required to provide supplemental financial assurance under the proposed rule and would realize savings by avoiding the associated premiums. Small entities would largely be beneficiaries of this proposed rule provision, if finalized.

For the second major amendment, consideration of predecessor strength when determining if the current lessee or grant holder must provide supplemental financial assurance, BOEM, where information was available, evaluated the credit rating of predecessor lessees and grant holders. BOEM estimated that 88 percent of the proposed Tier 2 liabilities held by small entities have a financially strong predecessor that would allow them to be exempt from the supplemental financial assurance requirements, for a total savings of \$5.6 billion. In comparison, there is only \$93.5 million in similar predecessor-backed liability held by large companies with credit ratings below the BBB – threshold, demonstrating that the bulk of the regulatory benefits of this provision would be realized by small entities.

While small entities will generally benefit from this proposed rulemaking, BOEM acknowledges that higher credit rated-small entities holding joint and several liabilities with other lower credit-rated small entities may realize increased compliance burdens. BOEM estimates that there is approximately \$259 million of OCS liability at the P50 level that is currently held by Tier 2 lessees that would be exempt from supplemental financial assurance based on the strength of Tier 1 small entities. These Tier 1 small entities could face increased risk of being called on to perform decommissioning obligations if the current lessee fails to perform.

The final major amendment, use of P50 instead of P70 when determining decommissioning liability cost estimates, impacts the amount of liability that needs to be covered through supplemental financial assurance. When financial assurance is required, or when entities are seeking forbearance based on their reserves value, the rulemaking proposes to use decommissioning cost estimates using BSEE's P50 values, rather than the higher P70 estimates. This would reduce the amount of supplemental financial assurance small entities are required to provide and would lead to reduced premiums.

When considering all three major proposed provisions collectively, the proposed rule reduces the amount of supplemental financial assurance by 90 percent for small businesses, from \$6.7 billion in the baseline to \$699 million in liabilities that require supplemental financial assurance. Additionally, BOEM estimated that under the liabilities requiring financial assurance in the baseline, small entities would face annual premiums of \$546.9 million. With the reduction in financial

assurance requirements, BOEM estimates that the proposed rule would result in annual premiums of \$48.9 million, yielding savings of \$498 million annually.

B. Small Business Regulatory Enforcement Fairness Act (SBREFA)

This proposed rule, if finalized, would revise the financial assurance requirements for OCS lessees and grant holders and would require supplemental financial assurance where the risk of default is the highest. For more information on the small business impacts, see the IRFA analysis in *Risk Management and Financial Assurance for OCS Lease and Grant Obligations Regulatory Impact Analysis*, Docket ID No. BOEM–2025–0042.

BOEM did not propose to categorically exempt or provide differing compliance requirements for small entities; however, given that approximately half of OCS operators are small entities, the proposed provisions provide disproportionate benefits to small businesses. Small entities are welcome to provide comments on the NPRM. Additionally, small entities 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 to the Regional Small Business Regulatory Fairness Board. 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 BSEE or BOEM, call 1–888–REG–FAIR (1–888–734–3247).

C. Unfunded Mandates Reform Act (UMRA)

The UMRA, 2 U.S.C. 1531–1538, requires BOEM, unless otherwise prohibited by law, to assess the effects of regulatory actions on State, local, and Tribal governments, and the private sector. Section 202 of UMRA generally requires BOEM to prepare a written statement, including a cost-benefit analysis, for each proposed and final rule with “federal mandates” that may result in expenditures by State, local, and Tribal governments, in the aggregate, or to the private sector, of \$100 million or more in any one year. This proposed action does not impose an unfunded Federal mandate or have a significant or unique effect on State, local, or Tribal governments. Therefore, the proposed rule does not have disproportionate budgetary effects on these governments. BOEM has determined that this rule would not

impose costs on the private sector of more than \$100 million in a single year. As such, the rule does not trigger the requirement to prepare a written statement under UMRA, and BOEM has chosen not to prepare such a written statement.

D. Paperwork Reduction Act (PRA)

The PRA of 1995 (44 U.S.C. 3501–3521) provides that 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. Collections of information include requests and requirements that an individual, partnership, or corporation obtain information and report it to a Federal agency (44 U.S.C. 3502(3); 5 CFR 1320.3(c) and (k)). This proposed rule references existing ICs previously approved by OMB and revises IC requirements for BOEM regulations that require OMB review and approval under the PRA. As such, an information collection request for BOEM is being submitted to OMB for review and approval. The ICs related to this rulemaking concern certain requirements under 30 CFR parts 550 and 556.

The updates associated with this proposed risk management and financial assurance for OCS lease and grant obligations rule are in the ICs under OMB control number 1010–0006, *Leasing of Sulfur or Oil and Gas in the Outer Continental Shelf (30 CFR parts 550, 556, and 560)* (expires 07/31/2027).

This proposed rule would modify collections of information under 30 CFR part 550, subparts A and J, and 30 CFR part 556, subpart I, concerning financial assurance requirements (such as bonding) for leases, pipeline ROW grants, and RUE grants. OMB has reviewed and approved the existing information collection requirements associated with financial assurance regulations for leases (30 CFR 556.900–556.907), pipeline ROW grants (30 CFR 550.1011), and RUE grants (30 CFR 550.166).

BOEM estimates that the number of information collection burden hours for the proposed rule overall is close to the same as that for the existing regulatory framework. The existing approved annual burden hours of OMB Control Number 1010–0006 are 22,012 hours and 22,090 annual responses. If this proposed rule becomes final and effective, the new and changed provisions will increase the overall annual burden hours for OMB Control Number 1010–0006 by 21 hours (totaling 22,033 annual burden hours)

and 22 responses (totaling 22,112 responses) as justified below.

When needed, BOEM would submit future burden changes (either increases or decreases) of the OMB control number with reasoning to OMB for review and approval. Every 3 years, BOEM will also review the burden numbers for changes, seek public comment, and submit any request for changes to OMB for approval.

Title of Collection: 30 CFR part 550, 556, and 560, “Leasing of Sulfur or Oil and Gas in the Outer Continental Shelf.”

OMB Control Numbers: 1010–0006.

Form Number: No new forms.

Type of Review: Revision of currently approved collection.

Respondents/Affected Public: Federal OCS oil, gas, and sulfur operators and lessees, and RUE grant and pipeline ROW grant holders.

Total Estimated Number of Annual Responses: 22,112 responses (+22 responses).

Total Estimated Number of Annual Burden Hours: 22,033 hours (+21 hours).

Respondent's Obligation: Responses to these collections of information are mandatory or are required to obtain or retain a benefit.

Frequency of Collection: The frequency of response varies but is primarily on the occasion or as per the requirement.

Total Estimated Annual Non-hour Burden Cost: No additional non-hour costs. Non-hour costs remain at \$766,053.

The following is a brief explanation of how the regulatory changes in this rulemaking affect the various subparts' hour and non-hour cost burdens for OMB Control Number 1010–0006:

Right-of-Use and Easement

BOEM's existing regulations concerning RUE grants supporting an OCS lease and a State lease are found at 30 CFR 550.160–550.166.

BOEM is proposing to revise the 30 CFR 550.166 to add the consideration of the issuer credit rating or proxy credit rating of a predecessor RUE grant holder and a predecessor lessee (*i.e.*, a lessee that held interests in the lease on which the RUE is now located and is liable for accrued obligations for the facilities thereon), when determining if supplemental financial assurance is required. This new provision will not increase annual burden hours since BOEM would utilize credit ratings from nationally recognized statistical rating organizations or would itself generate a proxy credit rating based on existing audited financial statements.

Pipelines and Pipeline Right-of-Way Grants

Section 550.1011(d) relates to BOEM's determination of whether supplemental financial assurance is necessary to ensure compliance with the obligations under a pipeline ROW grant. This determination will be based on whether pipeline ROW grant holders have the ability to carry out present and future obligations. Currently, the criterion for the determination is an issuer credit rating or a proxy credit rating. The Department is proposing to add the consideration of a predecessor lessee liable for decommissioning and the consideration of the total decommissioning liabilities of a ROW grant and a lease when determining if supplemental financial assurance is required. The issuer credit rating and the audited financial information on which BOEM determines a proxy credit rating for the current ROW grant holder and the predecessors already exist. The burden of determining a proxy credit rating, based on the submitted audited financial information, falls on BOEM.

This new provision will not increase annual burden hours since BOEM would utilize credit ratings from nationally recognized statistical rating organizations or would generate a proxy credit rating based on audited financial statements.

Base and Supplemental Financial Assurance

Section 556.901(d) relates to BOEM's determination of whether supplemental financial assurance is necessary to ensure compliance with the obligations under a lease. The lessee is required to provide supplemental financial assurance if it does not meet at least one of the criteria outlined in the proposed regulations in this section if finalized. The proposed requirement has the following proposed changes:

- Section 556.901(d)(1) proposes to base this determination on an issuer credit rating of greater than or equal to either BB – from S&P Global Ratings or Ba3 from Moody's Investor Service or equivalent.
- Section 556.901(d)(2) provides that, alternatively, BOEM will consider a proxy credit rating, which must be based on audited financial information for the most recent fiscal year. The Department is proposing that the proxy credit rating must reflect a creditworthiness equivalent to an issuer credit rating greater than or equal to either BB – from S&P Global Ratings or Ba3 from Moody's Investor Service or other equivalent rating from an NRSRO.
- The Department is proposing a new section 556.901(d)(4) to consider the

credit rating of predecessor lessees liable for decommissioning obligations on a lease when determining if supplemental financial assurance is required.

- The Department is proposing to redesignate existing section 556.901(d)(4) to 556.901(d)(5). This section provides that BOEM will also consider the net present value of proved oil and gas reserves on the lease. Lessees' submission of information on proved reserves is accounted for in the OMB approved annual burden hours. The Department is proposing to change the decommissioning estimate used to determine the net present value of the decommissioning obligations from P70 to P50. The lessee would not need to submit proved reserve information if supplemental financial assurance is not required based on its issuer credit rating or proxy credit rating, or those of its co-lessees or predecessors. This change will not impact the information collection burdens.

In this proposed rule, the revision of the criteria thresholds does not change for the time required for the respondents to prepare and submit the information.

The Department is proposing to update paragraph (h) in section 556.901 to establish the limited opportunity to provide the required supplemental financial assurance in installments during the first 3 years after the effective date of the final regulation. Currently, the provision establishes a timeline from June 24, 2024. The proposed update to the provision changes the start date for the 3-year installment period. Because this provision is not being changed other than the date on which the provision starts, BOEM is retaining the current burden estimate.

The Department is proposing to add a new paragraph (i) in section 556.901 to allow a lessee to provide a proposed installment schedule for supplemental financial assurance prior to the receipt of an official demand letter. BOEM is adding additional burden for the submission of this installment schedule. BOEM estimates an increase of 20 annual burden hours (20 responses × 1 hour burden).

General Requirements for Bonds and Other Financial Assurance

The Department is proposing in section 556.902(e) to explicitly allow the use of a dual-obligee financial assurance instruments as a type of financial assurance. Because dual-obligee financial assurance instruments have been allowed as “another form of security approved by the Regional Director,” BOEM proposes to keep the

burdens the same as the existing approved OMB burdens.

Short-Term Decommissioning Obligations

The Department is proposing a new section 556.908 to address instances where decommissioning will occur within 1 year of a new supplemental

financial assurance demand. This provision will allow the Regional Director the discretion to accept third-party decommissioning contracts and/or decommissioning schedules from those entities in lieu of supplemental financial assurance. This is a new provision that may slightly increase annual burden hours. BOEM estimates

an increase of 1 annual burden hours (2 responses $\times$ $\frac{1}{2}$ hour burden).

The following is the revised burden table and a brief explanation of how the regulatory changes affect the various subparts' hour and non-hour cost burdens for OMB Control Number 1010-0006:

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Burden Table**[Bold indicates new requirements;**

regular font shows current requirements. Where applicable, updated estimates from the current collection are being used.]

30 CFR part 550, Subpart J	Reporting Requirement*	Hour Burden	Average No. of Annual Responses	Annual Burden Hours
1011(a)	Provide area-wide financial assurance (form BOEM-2030) and if required, supplemental financial assurance, and required information.	GOA 0.25	52	13
		Pacific 3.5	3	11
		Alaska	1	1
1011(d)	Demonstrate financial worth/ability to carry out present and future financial obligations, request approval of another form of financial assurance, request reduction in amount of supplemental financial assurance required on BOEM-approved forms, or request phased financial assurance. Submit required information.	Burden included in 30 CFR 556.901(d).		
30 CFR 550, Subpart J, TOTAL			56 Responses	25 Hours
30 CFR part 556 and NTLs	Reporting Requirement*	Hour Burden	Average No. of Annual Responses	Annual Burden Hours
		Non-Hour Cost Burdens		
Subpart A				
104(b)	Submit confidentiality agreement.	0.25	500	125
106	Cost recovery/service fees; confirmation receipt.	Cost recovery/service fees and associated documentation are covered under individual reqts. throughout this part.		0
107	Submit required documentation electronically through BOEM-approved system; comply with filing specifications, as directed by notice in the <i>Federal Register</i> in accordance with section 560.500.	Burden covered in section 560.500.		0
107	File seals, documents, statements, signatures, etc., to establish legal status of all future submissions (paper and/or electronic).	0.17 (10 min.)	400	67
Subtotal			900	192
Subpart B				
201-204	Submit nominations, suggestions, comments, and information in response to Request for Information/Comments, draft and/or proposed 5-year leasing program, etc., including information from States/local governments, Federal agencies, industry, and others.	Not considered IC as defined in 5 CFR 1320.3(h)(4).		0
201-204	Submit nominations & specific information requested in draft proposed 5-year leasing program, from States/local governments.	4	69	276
Subtotal			69	276
Subpart C				
301; 302	Submit response & specific information requested in Requests for Industry Interest and Calls for Information and Nominations, etc., on areas proposed for leasing; including information from States/local governments.	Not considered IC as defined in 5 CFR 1320.3(h)(4)		0
302(d)	Request summary of interest (non-proprietary information) for Calls for Information/Requests for Interest, etc.	1	5	5
305; 306	States or local governments submit comments, recommendations, other responses on size, timing, or location of proposed lease sale. Request extension; enter agreement.	4	25	100
Subtotal			30	105
Subpart D				
400-402; 405	Establish file for qualification; submit evidence/certification for lessee/bidder qualifications. Provide updates; obtain BOEM approval & qualification number.	2	107	214

403(c)	Request hearing on disqualification.	Requirement not considered IC under 5 CFR 1320.3(h)(8).		0
403; 404	Notify BOEM if you or your principals are excluded, disqualified, or convicted of a crime—Federal non-procurement debarment and suspension requirements; request exception; enter transaction.	1.5	50	75
405	Notify BOEM of all mergers, name changes, or change of business.	Requirement not considered IC under 5 CFR 1320.3(h)(1).		0
Subtotal			157	289
Subpart E				
500; 501	Submit bids, deposits, and required information, including GDIS & maps; in manner specified. Make data available to BOEM.	5	2,000	10,000
500(c); 517	Request reconsideration of bid decision.	Requirement not considered IC under 5 CFR 1320.3(h)(9).		0
501(e)	Apply for reimbursement.	Burden covered in 1010-0048, 30 CFR part 551.		0
511(b); 517	Submit appeal due to restricted joint bidders list; request reconsideration of bid decision.	Requirement not considered IC under 5 CFR 1320.3(h)(9).		0
513; 514	File statement and detailed report of production. Make documents available to BOEM.	2	100	200
515	Request exemption from bidding restrictions; submit appropriate information.	Requirement not considered IC under 5 CFR 1320.3(h)(9).		0
516	Notify BOEM of tie bid agreement; file agreement on determination of lessee.	3.5	2	7
520; 521; 600(c)	Execute lease (includes submission of evidence of authorized agent/completion and request effective date of lease); submit required data and rental.	1	852	852
520(b)	Provide acceptable bond for payment of a deferred bonus.	0.25	1	1
Subtotal			2,955	11,060
Subparts F, G, H				
Subparts F, G, H	Requests of approval for various operations or submit plans or applications. Burden included with other approved collections for BOEM 30 CFR part 550 (subpart A 1010-0114; subpart B 1010-0151) and for BSEE 30 CFR part 250 (subpart A 1014-0022; subpart D 1014-0018).	0		
701(c); 716(b); 801(b); 810(b)	Submit new designation of operator (BOEM-1123).	Burden covered in 1010-0114.		0
700-716	File application and required information for assignment/transfer of record title/lease interest (form BOEM-0150; form is 30 min.) (includes sell, exchange, transfer); request effective date/confidentiality; provide notifications.	1	1,414	1,414
		\$198 fee x 1,414 forms = \$279,972		
800-810	File application and required information for assignment/transfer of operating interest (Form BOEM-0151) (includes sale, sublease, segregation exchange, severance, transfer); request effective date; provide notifications.	1	421	421
		\$198 fee x 421 forms = \$83,358		
715(a); 808(a)	File required instruments creating or transferring economic interests, etc., for record purposes.	1	2,369	2,369
		\$29 fee x 2,369 filings = \$68,701		
715(b); 808(b)	Submit “non-required” documents, for record purposes that respondents want BOEM to file with the lease document. (Accepted on behalf of lessees as a service; BOEM does not require or need them.)	.25	11,518	2,880
		\$29 fee x 11,518 filings = \$334,022		
Subtotal			15,722	7,084
			\$766,053	
Subpart I				
900(a)-(e); 901; 902; 903(a); 905	Submit OCS Mineral Lessee’s and Operator’s Bond (Form BOEM-2028) or other financial assurance and, if required, provide supplemental financial assurance; execute forms.	0.33	405	135
900(c), (d), (f), (g); 901(c), (h), 901(d),	Demonstrate financial ability to carry out present and future financial obligations, request approval of another form of financial assurance, request reduction in amount of supplemental financial assurance required on BOEM-approved forms, or request phased provision of financial assurance. Monitor and submit required information.	3.5	160	560

(f); 902; 904				
900(e); 901; 902; 903(a)	Submit OCS Mineral Lessee's and Operator's Supplemental Plugging & Abandonment Bond (Form BOEM-2028A); execute bond.	0.25	141	35
900(f), (g), (i)	Submit authority for Regional Director to sell Treasury or alternate type of financial assurance.	2	12	24
901	Submit EP, DPP, DOCDs.	IC burden covered in 1010-0151, 30 CFR part 550, subpart B.		0
901(g)	Submit oral/written comment on adjusted financial assurance amount and information.	Requirement not considered IC under 5 CFR 1320.3(h)(9).		0
901(i)	Submit proposed installment schedule to BOEM.	1	20	20
902 (g), (h)	Request informal resolution or file an appeal of supplemental financial assurance demand.	Requirement not considered IC under 5 CFR 1320.3(h)(9).		0
903 (a), (b); 905 (c)	Notify BOEM of any lapse in financial assurance coverage/action filed alleging lessee, surety, guarantor, or financial institution is insolvent or bankrupt or had its charter or license suspended or revoked.	3	4	12
904	Establish decommissioning account for estimated decommissioning obligation.	12	2	24
905	Provide third-party guarantee, agreement, financial and required information, related notices, reports, and annual update; notify BOEM if guarantor becomes unqualified.	19	46	874
905(d); 906	Provide notice of and request approval to terminate period of liability, cancel financial assurance; provide required information.	0.5	378	189
907(c)(2)	Provide information to demonstrate lease will be brought into compliance.	16	5	80
908 NEW	Submit decommissioning contract and/or decommissioning schedule to BOEM.	.5	2	1
Subtotal			1,175	1,954
Subpart K				
1101	Request relinquishment of lease (form BOEM-0152); submit required information.	1	247	247
1102	Request additional time to bring lease into compliance.	1	1	1
1102(c)	Comment on cancellation.	Requirement not considered IC under 5 CFR 1320.3(h)(9).		0
Subtotal			248	248
30 CFR part 556 TOTAL			21,256	21,208
			Responses	Hours
			\$766,053 Non-Hour Cost Burdens	
30 CFR part 560	Reporting Requirement*	Hour Burden	Average No. of Annual Responses	Annual Burden Hours
560.224(a)	Request BOEM to reconsider field assignment of a lease.	Requirement not considered IC under 5 CFR 1320.3(h)(9)		0
560.500	Submit required documentation electronically through BOEM-approved system; comply with filing specifications, as directed by notice in the <i>Federal Register</i> (e.g., financial assurance info.).	1	800	800
30 CFR part 560 TOTAL			800	800
			Responses	Hours
TOTAL REPORTING FOR COLLECTION			22,112	22,033
			Responses	Hours
			\$766,053 Non-Hour Cost Burdens	

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If this proposed rule becomes effective and OMB approves the information collection requests, BOEM would revise the existing OMB control

numbers to reflect the changes. The IC does not include questions of a sensitive nature. BOEM will protect proprietary information according to the Freedom of Information Act (5 U.S.C. 552) and DOI

implementing regulations (43 CFR part 2), 30 CFR 556.104, *Information collection and proprietary information*, and 30 CFR 550.197, *Data and*

information to be made available to the public or for limited inspection.

The PRA requires agencies to estimate the total annual reporting and recordkeeping non-hour cost burden resulting from the collection of information, and we solicit your comments on this item. For reporting and recordkeeping only, your response should split the cost estimate into two components: (1) total capital and startup cost component; and (2) annual operation, maintenance, and purchase of service component. Your estimates should consider the cost to generate, maintain, and disclose or provide the information. You should describe the methods you use to estimate major cost factors, including system and technology acquisition, expected useful life of capital equipment, discount rate(s), and the period over which you incur costs. Generally, your estimates should not include equipment or services purchased: (1) before October 1, 1995; (2) to comply with requirements not associated with the information collection; (3) for reasons other than to provide information or keep records for the Government; or (4) as part of customary and usual business or private practices.

As part of our continuing effort to reduce paperwork and respondent burdens, we invite the public and other Federal agencies to comment on any aspect of this information collection, including:

- (1) Is the proposed information collection necessary or useful for BOEM to properly perform its functions?
- (2) Are the estimated annual burden hour increases and decreases resulting from the proposed rule reasonable?
- (3) Is the estimated annual non-hour cost burden resulting from this information collection reasonable?
- (4) Do you have any suggestions that would enhance the quality, clarity, or usefulness of the information to be collected?
- (5) Is there a way to minimize the information collection burden on those who must respond, such as by using appropriate automated digital,

electronic, mechanical, or other forms of information technology?

Send your comments and suggestions on this information collection by the date indicated in the **DATES** section to the Desk Officer for the Department of the Interior at OMB—OIRA at (202) 395–5806 (fax) or via the online portal at <https://www.reginfo.gov>. You may view the information collection request(s) at <https://www.reginfo.gov/public/do/PRAMain>. Please provide a copy of your comments to the BOEM Information Collection Clearance Officer (see the **ADDRESSES** section). You may contact Anna Atkinson, BOEM Information Collection Clearance Officer at (703) 787–1025 with any questions. Please reference Risk Management and Financial Assurance for OCS Lease and Grant Obligations (OMB Control No. 1010–0006), in your comments.

E. National Environmental Policy Act (NEPA)

This rule does not constitute a major Federal action significantly affecting the quality of the human environment. A detailed environmental analysis under NEPA is not required because this proposed rule is covered by a categorical exclusion (see 43 CFR 46.205). This proposed rule meets the criteria set forth at 43 CFR 46.210(i) for a Departmental categorical exclusion in that this action is “of an administrative, financial, legal, technical, or procedural nature.” BOEM has also determined that the proposed rule does not involve any of the extraordinary circumstances listed in 43 CFR 46.215 that would require further analysis under NEPA.

VIII. Executive Order Review

A. Executive Order 12630: Governmental Actions and Interference With Constitutionally Protected Property Rights

E.O. 12630 ensures that government actions affecting the use of private property are undertaken on a well-reasoned basis with due regard for the potential financial impacts imposed by the government. This action does not

effect a taking of private property or otherwise have taking implications under E.O. 12630, and therefore, a takings implication assessment is not required.

B. Executive Order 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 OMB will review all significant rules. This rulemaking will result in an annual effect on the economy of \$100 million or more, therefore OIRA has determined that this rule is a significant action under E.O. 12866. As such, this action was submitted to OMB for interagency review.

E.O. 13563 reaffirms the principles of E.O. 12866, while calling for improvements in the Nation’s regulatory system to promote predictability and reduce uncertainty, and to 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. BOEM has developed this rule in a manner consistent with these requirements.

The amendments proposed in this action are expected to significantly decrease the private costs to lessees in the form of bonding or other financial assurance premiums. BOEM prepared an analysis of the potential costs and benefits associated with this action, which are described in the following OMB Circular A–4 Accounting Statement. For further discussion, this analysis, *Risk Management and Financial Assurance for OCS Lease and Grant Obligations Regulatory Impact Analysis*, is available in the docket (BOEM–2025–0042) and is summarized in sections IV.B and IV.C of this preamble.

OMB CIRCULAR A–4 ACCOUNTING STATEMENT; ESTIMATES, ANNUALIZED OVER 2026–2045 [\$2025]

Category	Primary estimate		Minimum estimate	Maximum estimate	Source citation
	Annualized at 3% discount rate	Annualized at 7% discount rate			
Net Regulatory Benefits (\$ millions)					
Annualized monetized benefits (discount rate in parentheses)	N/A	N/A	N/A	N/A	RIA.

OMB CIRCULAR A-4 ACCOUNTING STATEMENT; ESTIMATES, ANNUALIZED OVER 2026–2045—Continued
[\$2025]

Category	Primary estimate		Minimum estimate	Maximum estimate	Source citation
	Annualized at 3% discount rate	Annualized at 7% discount rate			
Qualitative benefits (non-quantified)	This proposed rule is a modification of the current financial regulations finalized in 2024. The proposed rule is designed to minimize the amount of supplemental financial assurance required for financially strong companies while protecting the taxpayer from assuming responsibility for defaulted decommissioning liabilities. The regulatory changes would help to reduce compliance burdens on the oil and gas industry that may hinder the continued development or use of domestically produced energy resources.			RIA.	
Regulatory Costs (\$ millions)					
20-year annualized monetized costs	– \$484.46	– \$487.21	N/A	N/A	RIA—Table 1 (20 year).
Annualized quantified, but unmonetized, costs	N/A	N/A	N/A	N/A	N/A.
Qualitative costs (non-quantified)	BOEM is proposing to allow Tier 2 lessees and grant holders to forgo providing supplemental financial assurance if there are Tier 1 predecessor companies in the chain of title. These Tier 1 companies, which would see an increased risk of being called upon to perform, would theoretically internalize this risk into their decision-making processes and may set aside or otherwise idle capital to prepare for their contingent liabilities.			Section VIII. Statement of Energy Effects.	
Net Monetized Benefits (\$ millions)					
20-year annualized monetized benefits	N/A	N/A	N/A	N/A	
Transfers (\$ millions)					
Annualized monetized transfers: “on budget”	0	0	0	0	RIA.
Annualized monetized transfers: “off budget”	0	0	0	0	RIA.
From whom to whom?	BOEM does not monetize or quantify potential transfers under the proposed rule. However, in the event of a lessee or grantee default, there is an increased likelihood that a predecessor lessee or the Federal Government would assume decommissioning liability.			RIA.	
Effects on State, local, and/or tribal governments	No material adverse effects.			RIA E.O. 12866.	
Effects on small businesses	Although small entities are responsible for most of the Tier 2 liability, BOEM estimates the proposed rule results in annual premiums of \$48.9 million, yielding a savings of \$498 million.			RFA (Section VII).	
Effects on wages	None.			None.	
Effects on growth	OCS investment may be deterred by discouraging Tier 1 companies from farm-in/out deals with Tier 2 companies or prompting earlier infrastructure decommissioning when project economics fall below their NPV thresholds. Tier 1 predecessors may be required to set aside additional capital for decommissioning obligations.			E.O. 13211 (Section VIII).	

C. Executive Order 12988: Civil Justice Reform

This 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.

D. Executive Order 13132: Federalism

Regulatory actions that 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 are subject to E.O. 13132. Under the criteria in section 1 of E.O. 13132, this proposed rule does not have sufficient federalism implications to warrant the preparation of a federalism summary impact statement. It will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.

E. Executive Order 13175: Consultation and Coordination With Indian Tribal Governments

BOEM strives to strengthen its government-to-government relationships with Tribal Nations through a commitment to consultation with Tribes, recognition of their right to self-governance and Tribal sovereignty, and honoring BOEM’s trust responsibilities for Tribal Nations. Executive Order 13175 defines policies that have Tribal implications as regulations, legislative comments or proposed legislation, and other policy statements or actions that will or may have a substantial direct effect on one or more Indian Tribes, or on the

relationship between the Federal Government and one or more Indian Tribes. Additionally, the DOI's consultation policy for Tribal Nations and ANCSA Corporations, as described in Departmental Manual part 512 chapter 4, expands on the above definition from E.O. 13175 and requires that BOEM invite Indian Tribes and ANCSA Corporations "early in the planning process to consult whenever a Departmental plan or action with Tribal Implications arises."

BOEM has evaluated the proposed rule under DOI's consultation policy and under the criteria in E.O. 13175 and determined that, while the proposed rule would likely not cause any substantial direct effects on environmental or cultural resources, there may be resource or economic impacts to one or more federally recognized Indian Tribes or ANCSA Corporations as a result of the proposed rule. BOEM is notifying tribes and ANCSA Corporations with current and/or historical connections to the Gulf of America and offshore Alaska to ensure they were aware of the proposed rulemaking, to answer any immediate questions they may have, and to invite formal consultation if they would like to consult. See section IV.D of this preamble for details on consultations held for this proposed rule. BOEM can consult at any time with federally recognized Tribes as sovereign nations.

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

Under E.O. 13211, BOEM is required to prepare and submit to OMB a "Statement of Energy Effects" for "significant energy actions." This should include a detailed statement of any adverse effects on energy supply, distribution, or use (including a shortfall in supply, price increases, and increased use of foreign supplies) expected to result from the action and a discussion of reasonable alternatives and their effects. The OMB provides guidance for implementing this E.O., outlining outcomes that may constitute "a significant adverse effect" when compared with the regulatory action under consideration:

- Reductions in crude oil supply in excess of 10,000 barrels per day (bbls);
- Reductions in fuel production in excess of 4,000 bbls;
- Reductions in coal production in excess of five million tons per year;
- Reductions in natural gas production in excess of 25 million Mcf per year;

- Reductions in electricity production in excess of one billion kilowatt-hours per year or in excess of 500 megawatts of installed capacity;

- Increases in energy use required by the regulatory action that exceed the thresholds above;

- Increases in the cost of energy production in excess of one percent;
- Increases in the cost of energy distribution in excess of one percent; or
- Other similarly adverse outcomes.

In addition, a regulation may have "significant adverse effects" if it:

- Adversely affects, in a material way, the productivity, competition, or prices in the energy sector;
- Adversely affects, in a material way, productivity, competition or prices within a region;

- Creates a serious inconsistency or otherwise interferes with an action taken or planned by another agency regarding energy; or

- Raises novel legal or policy issues adversely affecting the supply, distribution or use of energy arising out of legal mandates, the President's priorities, or the principles set forth in E.O.s 12866 and 13211.

The proposed rule is a deregulatory action and does not directly add new regulatory compliance requirements that would lead to significant adverse effects on the nation's energy supply, distribution, or use. Rather, the regulatory changes would help to reduce compliance burdens on the oil and gas industry that may hinder the continued development or use of domestically produced energy resources.

The proposed financial assurance changes could yield unintended consequences to OCS asset investments, particularly in their later years of viability. The proposed rule may deter OCS investment by discouraging Tier 1 companies from pursuing farm-in or farm-out deals with Tier 2 companies or prompting companies to decommission infrastructure when project economics fall below their IRR or NPV thresholds. Smaller Tier 2 companies, with lower operating costs and return thresholds, may recover additional late-life OCS hydrocarbon resources. While contractual financial security agreements could mitigate these risks, net adverse effects on OCS energy production remain possible. These Tier 1 predecessors may also decide they need to set aside additional contingency funds should they be required to cover potential decommissioning obligations from successor lessees exempted from providing supplemental financial assurance. These are funds that could otherwise be invested in new energy

projects. BOEM does not anticipate these effects will exceed the OMB E.O. 13211 guidance but welcomes comments on additional potential impacts.

G. Executive Order 14154: Unleashing American Energy

Section 3 of E.O. 14154 requires immediate review of all agency actions that potentially burden the development of domestic energy resources. Secretary's Order 3418 directed BOEM to determine if the *Risk Management and Financial Assurance for OCS Lease and Grant Obligations* (89 FR 31544; April 24, 2024) should be suspended, revised, or rescinded. With this rulemaking, DOI is proposing to revise the regulations associated with the 2024 Final Rule as it potentially burdens the development of domestic energy resources.

H. Executive Order 14156: Declaring a National Energy Emergency

Section 1 of E.O. 14156 declares a national energy emergency because "[o]ur Nation's current inadequate development of domestic energy resources leaves us vulnerable to hostile foreign actors and poses an imminent and growing threat to the United States' prosperity and national security." Section 2 instructs the heads of executive departments and agencies to identify and exercise any lawful emergency authorities available to them to facilitate the identification, leasing, siting, production, transportation, refining, and generation of domestic energy resources. This proposed rule does not address any emergency actions related to facilitating the identification, leasing, siting, production, transportation, refining, and generation of domestic energy resources.

I. Executive Order 14192: Unleashing Prosperity Through Deregulation

Executive Order 14192 requires that for each new regulation issued, at least 10 prior regulations be identified for elimination. Section 3(c) requires that any incremental costs associated with new regulations shall be offset by the elimination of existing costs associated with at least 10 prior regulations. This action proposes to reduce existing regulatory burden to offshore oil and gas companies by \$6.2 billion. Therefore, there are no incremental costs to be offset. Moreover, the proposal is not a "new regulation" but itself is the elimination of burdensome features of existing regulations.

List of Subjects**30 CFR Part 550**

Administrative practice and procedure, Oil and gas exploration, Outer continental shelf, Pipelines, Reporting and recordkeeping requirements, Rights-of-way, Sulfur.

30 CFR Part 556

Administrative practice and procedure, Oil and gas exploration, Outer continental shelf, Reporting and recordkeeping requirements, Rights-of-way.

30 CFR Part 590

Administrative practice and procedure.

This action by the Assistant Secretary for Land and Minerals Management is taken herein pursuant to an existing delegation of authority.

Lanny E. Erdos,

Director, Office of Surface Mining, Reclamation, and Enforcement, Exercising Authority of the Assistant Secretary—Land and Mineral Management.

For the reasons stated in the preamble, BOEM proposes to amend 30 CFR chapter V as follows:

PART 550—OIL AND GAS AND SULFUR OPERATIONS IN THE OUTER CONTINENTAL SHELF

- 1. The authority citation for part 550 continues to read as follows:

Authority: 30 U.S.C. 1751; 31 U.S.C. 9701; 43 U.S.C. 1334.

Subpart A—General

- 2. Amend § 550.105 by adding the terms and corresponding definitions for “Issuer credit rating” and “Predecessor” in alphabetical order as follows:

§ 550.105 Definitions.

* * * * *

Issuer credit rating means a credit rating assigned to an issuer of corporate debt by a nationally recognized statistical rating organization as that term is defined in section 3(a)(62) of the Securities Exchange Act of 1934.

* * * * *

Predecessor means a prior lessee or owner of operating rights, or a prior holder of a right-of-use and easement grant or pipeline right-of-way grant, that is liable for accrued obligations on that lease or grant.

* * * * *

- 3. Amend § 550.166 by revising subparagraph (a)(3) and paragraph (b) to read as follows:

§ 550.166 If BOEM grants me a RUE, what financial assurance must I provide?

(a) * * *

(3) The requirements for financial assurance in §§ 556.900(d) through (g) and 556.902 of this subchapter apply to the financial assurance required under paragraph (a) of this section.

(b) If BOEM grants you a RUE that serves either an OCS lease or a State lease, the Regional Director may require supplemental financial assurance above the amount required by paragraph (a) of this section, to ensure compliance with the obligations under your RUE grant, based on an evaluation of your ability to carry out present and future obligations on the RUE using the criteria set forth in § 556.901(d)(1) through (4) of this subchapter. If supplemental financial assurance is required by the Regional Director, it must meet the requirements of §§ 556.900(d) through (g) and 556.902 of this subchapter and cover costs and liabilities for compliance with obligations of your RUE grants and applicable BOEM and BSEE orders.

* * * * *

Subpart J—Pipelines and Pipeline Rights-of-Way

- 4. Amend § 550.1011 by removing existing paragraph (e), redesignating existing paragraph (f) to new paragraph (e), and revising paragraph (d) to read as follows:

§ 550.1011 Financial assurance requirements for pipeline right-of-way (ROW) grant holders.

* * * * *

(d) The Regional Director, using the criteria set forth in § 556.901(d)(1) through (3) of this subchapter, will evaluate your financial ability to carry out present and future obligations and, as a result, may require supplemental financial assurance (*i.e.*, above the amount required by paragraph (a) of this section) to ensure compliance with the obligations under your pipeline right-of-way grant. The Regional Director may require you to provide additional supplemental financial assurance if you do not meet at least one of the criteria in subparagraphs (d)(1) and (2) of this section. If supplemental financial assurance is required by the Regional Director, it must meet the requirements of §§ 556.900(d) through (g) and 556.902 of this subchapter and cover costs and liabilities for compliance with obligations of your ROW grants and applicable BOEM and BSEE orders.

(1) A predecessor lessee liable for decommissioning any facilities on the ROW meets the issuer credit rating or proxy credit rating criteria in § 556.901(d)(1) or (d)(2), respectively; or

(2) The value of proved reserves of OCS lease(s) held by the ROW grant holder servicing the ROW compared to the combined decommissioning liability of those leases and ROWs meets the requirements of § 556.901(d)(5).

* * * * *

PART 556—LEASING OF SULFUR OR OIL AND GAS AND FINANCIAL ASSURANCE REQUIREMENTS IN THE OUTER CONTINENTAL SHELF

- 5. The authority citation for part 556 continues to read as follows:

Authority: 31 U.S.C. 9701; 42 U.S.C. 6213; 43 U.S.C. 1334.

Subpart A—General Provisions

- 6. Amend § 556.105 by revising paragraph (b) to remove the term and associated definition of “Investment grade credit rating” and to add the term “Dual-obligee financial assurance instrument” and associated definition to read as follows:

§ 556.105 Acronyms and definitions.

* * * * *

(b) * * *

Dual-obligee financial assurance instrument means a type of financial instrument that names a second obligee in addition to the original obligee.

* * * * *

Subpart I—Financial Assurance

- 7. Revise the table of contents for subpart I to part 556 to read as follows:

Subpart I—Financial Assurance

Sec.

556.900 Bond requirements for an oil and gas or sulfur lease.

556.901 Additional bonds.

556.902 General requirements for bonds.

556.903 Lapse of bond.

556.904 Lease-specific abandonment accounts.

556.905 Using a third-party guarantee instead of a bond.

556.906 Termination of the period of liability and cancellation of a bond.

556.907 Forfeiture of bonds and/or other securities.

556.908 Short-term decommissioning obligations.

- 8. Amend § 556.901 by:

■ a. Revising existing paragraphs (d)(1) and (d)(2);

■ b. Redesignating existing paragraph (d)(4) as new paragraph (d)(5);

■ c. Adding new paragraph (d)(4);

■ d. Revising new paragraph (d)(5);

■ e. Revising paragraphs (f) and (h); and

■ f. Adding new paragraph (i).

The revisions and additions read as follows:

§ 556.901 Base and supplemental financial assurance.

* * * * *

(d) * * *

(1) You have an issuer credit rating from a nationally recognized statistical rating organization, as that term is defined in section 3(a)(62) of the Securities Exchange Act of 1934, greater than or equal to either BB– from S&P Global Ratings, Ba3 from Moody's Investor Service, or the equivalent rating from another nationally recognized statistical rating organization. If any nationally rated statistical rating organization provides a credit rating for you that differs from that of any other nationally recognized statistical rating organization, BOEM will apply the highest rating for purposes of determining your financial assurance requirements.

(2) You have a proxy credit rating determined by the Regional Director that they determine reflects creditworthiness equivalent to an issuer credit rating greater than or equal to either BB– from S&P Global Ratings, Ba3 from Moody's Investor Service, or the equivalent rating from another nationally recognized statistical rating organization, which must be based on audited financial information for the most recent fiscal year (which must include an income statement, balance sheet, statement of cash flows, and the auditor's certificate).

(i) * * *

* * * * *

(4) A predecessor lessee liable for decommissioning any facility on your lease has an issuer credit rating or proxy credit rating that meets the criteria set forth in paragraph (d)(1) or (d)(2) of this section. The Regional Director may require you to provide supplemental financial assurance for decommissioning obligations for which such a predecessor is not liable.

(5) There are proved oil and gas reserves on the lease, unit, or field, as defined by the SEC Regulation S–X at 17 CFR 210.4–10 and SEC Regulation S–K at 17 CFR 229.1200, the discounted value of which exceeds three times the estimated undiscounted cost of the decommissioning associated with the production of those reserves, and that value must be based on proved reserve reports submitted to the Regional Director and reported on a per-lease, unit, or field basis. BOEM will determine the decommissioning costs associated with the production of your reserves, and will use the following undiscounted decommissioning cost estimates:

(i) Where BSEE-generated probabilistic estimates are available,

BOEM will use the estimate at the level at which there is a 50 percent probability that the actual cost of decommissioning will be less than the estimate (P50).

(ii) If there is no BSEE probabilistic estimate available, BOEM will use the BSEE-generated deterministic estimate.

* * * * *

(f) The Regional Director will use the BSEE P50 decommissioning probabilistic estimate to determine the amount of supplemental financial assurance required to guarantee compliance when there is no lessee or co-lessee that meets the criterion in § 556.901(d)(1) or (2). Note that BOEM will use these P-values only in the context of determining how much financial assurance is required, and not in the context of bond forfeiture. Regardless of whether you are required to provide supplemental financial assurance at the P50 level, you remain liable for the full costs of decommissioning, and your surety remains liable for the full cost of decommissioning up to the limit of assurance provided. In determining the total amount of the supplemental financial assurance demand, the Regional Director will also consider your potential underpayment of royalty and cumulative decommissioning obligations.

* * * * *

(h) During the first 3 years from May 8, 2026, you may, upon receipt of a demand letter for supplemental financial assurance under this section, request that the Regional Director allow you to provide, in three equal installments payable according to the schedule provided under this paragraph (h), the full amount of supplemental financial assurance required.

(1) * * *

* * * * *

(i) Prior to receiving a demand for supplemental financial assurance, you may provide the Regional Director with a proposed schedule for providing potential supplemental financial assurance. If accepted, BOEM will forgo an official demand letter. Failure to provide the required supplemental financial assurance on the approved schedule will result in an official demand letter for the remaining decommissioning liability due within 10-calendar days after receipt.

■ 9. Amend § 556.902 by revising paragraphs (e) and (h) to read as follows:

§ 556.902 General requirements for bonds or other financial assurance.

* * * * *

(e) Lease financial assurance must be:

- (1) A surety bond;
- (2) A pledge of Treasury securities, as provided in § 556.900(f);
- (3) A dual-obligee financial assurance instrument;
- (4) Another form of security approved by the Regional Director; or
- (5) A combination of these security methods.

* * * * *

(h) You may file an appeal of a supplemental financial assurance demand with the Interior Board of Land Appeals (IBLA) pursuant to the regulations in part 590 of this chapter. ■ 10. Add new section 556.908 to read as follows:

§ 556.908 Short-term decommissioning obligations.

(a) In instances where decommissioning is scheduled to occur within one year of a new supplemental financial assurance demand, the Regional Director has the discretion to accept a third-party decommissioning contract and/or a decommissioning schedule from those entities in lieu of supplemental financial assurance.

(b) The third-party decommissioning contract provided to BOEM for review and approval for use as an alternative to providing supplemental financial assurance should clearly define the responsibilities, expectations, and protections for all parties involved in the plugging, abandonment, and site restoration of oil and gas infrastructure.

(c) The decommissioning schedule provided to BOEM for review and approval for use as an alternative to providing supplemental financial assurance must include a detailed timeline that outlines the sequence, duration, and key milestones for decommissioning oil and gas infrastructure such as wells, facilities, and pipelines. The decommissioning schedule must be signed by an officer of the company as designated in the BOEM qualification card.

(d) When submitting the third-party decommissioning contract or decommissioning schedule for BOEM approval for use in lieu of providing supplemental financial assurance, you must provide evidence of sufficient funding resources to complete the decommissioning within the time specified in the contract or schedule.

(e) If you fail to comply with the third-party decommissioning contract which was accepted by BOEM in lieu of supplemental financial assurance, you must:

- (1) Notify the Regional Director within 7-calendar days of discovering the failure to comply with the contract or of the contract being canceled; and

(2) Provide proof that you are taking corrective action to obtain a new third-party decommissioning contract or revise the existing third-party decommissioning contract within 15 days after notification to the Regional Director.

(f) If you fail to comply with the decommissioning schedule, which was accepted by BOEM in lieu of supplemental financial assurance, you must:

(1) Notify the Regional Director within 7-calendar days of discovering that any of the milestones in the schedule have been missed or have become an impossibility; and

(2) Take corrective action to revise the schedule and provide a revised schedule for review and approval for use in lieu of providing supplemental financial assurance to the Regional Director within 15 days after notification to the Regional Director.

(g) If you fail to comply with paragraphs (e) and/or (f) of this section, whichever was approved for use by BOEM as an alternative to providing supplemental financial assurance, you must provide the original supplemental financial assurance demand in full within 10-calendar days of receiving notification from the Regional Director that you have failed to meet your obligations and that you will be no longer be eligible to meet your supplemental financial assurance requirement in the manner prescribed in this section.

(h) If your decommissioning activities are not complete within one-year from the date of the original supplemental financial assurance demand, you must pay the original supplemental financial assurance demand amount within 10-calendar days of receiving notification from the Regional Director that you have failed to meet your obligations and that you will be no longer be eligible to meet your supplemental financial assurance requirement in the manner prescribed in this section.

Subchapter C—Appeals

PART 590—APPEAL PROCEDURES

■ 11. The authority citation for part 590 continues to read as follows:

Authority: 5 U.S.C. 301 *et seq.*; 31 U.S.C. 9701; 43 U.S.C. 1334.

Subpart A—Bureau of Ocean Energy Management Appeal Procedures

§ 590.4 [Amended]

■ 12. Amend § 590.4 by removing and reserving paragraph (c).

[FR Doc. 2026-04517 Filed 3-6-26; 8:45 am]

BILLING CODE 4340-98-P

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

50 CFR Part 18

[Docket No. FWS-R7-ES-2026-0694;
FXES111607MRG01-267-FF07CMM00]

RIN 1018-BI93

Marine Mammals; Incidental Take of Polar Bears and Pacific Walruses in the Beaufort Sea and North Slope of Alaska

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Proposed rule; notice of availability of draft environmental assessment; and request for comments.

SUMMARY: We, the U.S. Fish and Wildlife Service, received a request under the Marine Mammal Protection Act of 1972 from the Alaska Oil and Gas Association to issue regulations facilitating the authorization of incidental, unintentional take of small numbers of polar bears (*Ursus maritimus*) and Pacific walruses (*Odobenus rosmarus divergens*) during year-round oil and gas industry activities in the Beaufort Sea (Alaska and the Outer Continental Shelf) and adjacent northern coast of Alaska. Take may result from oil and gas exploration, development, production, and transportation activities occurring for a period of 5 years. Oil and gas industry operations include similar types of activities covered by the previous 5-year Beaufort Sea incidental take regulations effective from August 5, 2021, through August 5, 2026. If this rule is finalized, we may issue letters of authorization, upon request, for specific proposed activities in accordance with this proposed regulation. We are proposing that this rule, if finalized, will be for 5 years. We intend that any final action resulting from this proposed rule will be as accurate and effective as possible. Therefore, we request comments or suggestions on these proposed regulations and the accompanying draft environmental assessment from the public, Tribes, and local, State, and Federal agencies.

DATES: Comments will be accepted on or before April 8, 2026. Comments submitted electronically using the Federal eRulemaking Portal (see **ADDRESSES**, below) must be received by 11:59 p.m. eastern time on the closing date.

To ensure your comment is received and considered, you must submit it using one of the methods identified in the **ADDRESSES** section of this document.

Comments submitted through any method not authorized in this document, or sent to an address not listed here, will not be considered.

ADDRESSES:

Document availability: You may view this proposed rule, the associated draft environmental assessment, comments received, and other supporting material (including Supporting & Related Materials) at <https://www.regulations.gov> under Docket No. FWS-R7-ES-2026-0694, or these documents may be requested as described under **FOR FURTHER INFORMATION CONTACT**.

Comment submission: All submissions must include the docket number FWS-R7-ES-2026-0694 this document. You must submit comments using one of the following methods:

- **Electronic submission:** Federal eRulemaking Portal at: <https://www.regulations.gov>. In the Search box, enter FWS-R7-ES-2026-0694, which is the docket number for this action. Then click the Search button. On the resulting page, you may submit a comment by clicking on “Comment.” Please ensure that you have found the correct document before submitting your comments.

- **U.S. mail:** Public Comments Processing, Attn: Docket No. FWS-R7-ES-2026-0694, Policy and Regulations Branch, U.S. Fish and Wildlife Service, MS: PRB (JAO/3W), 5275 Leesburg Pike, Falls Church, VA 22041-3803.

Comments submitted through any method not authorized in this document, or sent to an address not listed here, will not be considered. We will not accept comments via email, fax, or hand delivery. We are not required to consider comments that are submitted after the comment period ends or that are submitted via a method outside of these instructions.

Comments containing profanity, vulgarity, threats, or other inappropriate content will not be considered.

We will post all comments at <https://www.regulations.gov>. You may request that we withhold personal identifying information from public review; however, we cannot guarantee that we will be able to do so. See Request for Public Comments, below, for more information.

FOR FURTHER INFORMATION CONTACT:

Stephanie Burgess, by email at r7mmmregulatory@fws.gov, by telephone at 907-786-3800, or by U.S. mail at U.S. Fish and Wildlife Service, MS 341, 1011 East Tudor Road, Anchorage, AK 99503. 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:

Executive Summary

In accordance with the Marine Mammal Protection Act of 1972 (MMPA; 16 U.S.C. 1371(a)(5)(A)) and its implementing regulations, we, the U.S. Fish and Wildlife Service (hereafter “FWS” or we), propose incidental take regulations (ITRs) that, if finalized, would facilitate the authorization of the incidental, unintentional take of small numbers of polar bears (*Ursus maritimus*) and Pacific walruses (*Odobenus rosmarus divergens*) during oil and gas exploration, development, production, and transportation activities in the Beaufort Sea (Alaska and the Outer Continental Shelf) and adjacent northern coast of Alaska, not including lands within the Arctic National Wildlife Refuge (ANWR). If finalized, this proposed rule would be effective for a 5-year period.

This proposed rule is based on our preliminary findings that the total takings of polar bears and Pacific walruses during specified activities will impact small numbers of animals, will have a negligible impact on the species or stocks, and will not have an unmitigable adverse impact on the availability of these species or stocks for subsistence use by Alaska Natives. We base our draft findings on data from monitoring the encounters and interactions between these species and the oil and gas industry; research on these species; oil spill risk assessments; potential and documented effects on these species from similar activities; information regarding the natural history and conservation status of polar bears and Pacific walruses; and data reported from Alaska Native subsistence hunters. In conjunction with this proposed rulemaking, the FWS has prepared a draft environmental assessment, which is also available for public review and comment.

These proposed regulations set forth permissible methods of taking; mitigation measures to ensure that Alaska Oil and Gas Association’s (AOGA) activities will have the least practicable adverse impact on these species or stocks, their habitat, and the availability of these species for subsistence uses; and requirements for monitoring and reporting.

Background

Section 101(a)(5)(A) of the MMPA gives the Secretary of the Interior (Secretary) the authority to allow the incidental, but not intentional, taking of small numbers of marine mammals, in response to requests by U.S. citizens (as defined in title 50 of the Code of Federal Regulations (CFR) in part 18 (at 50 CFR 18.27(c)) engaged in a specified activity, other than commercial fishing, within a specified geographic region. The Secretary has delegated authority for implementation of the MMPA to the FWS. According to the MMPA, the FWS shall allow this incidental taking for a period of up to 5 consecutive years if we find that the total of such taking:

- (1) will affect only small numbers of individuals of the species or stock;
- (2) will have no more than a negligible impact on the species or stock;
- (3) will not have an unmitigable adverse impact on the availability of the species or stock for taking for subsistence use by Alaska Natives; and
- (4) we issue regulations that set forth:
 - (a) permissible methods of taking,
 - (b) means of effecting the least practicable adverse impact on the species or stock and its habitat and the availability of the species or stock for subsistence uses, and
 - (c) requirements for monitoring and reporting of such taking.

If final regulations allowing such incidental take are issued, we may then subsequently issue letters of authorization (LOAs), upon request, to authorize incidental take during the specified activities.

The term “take” means to harass, hunt, capture, or kill, or attempt to harass, hunt, capture, or kill any marine mammal. Harassment for activities other than military readiness activities or scientific research conducted by or on behalf of the Federal Government means “any act of pursuit, torment, or annoyance which (i) has the potential to injure a marine mammal or marine mammal stock in the wild” (the MMPA defines this as “Level A harassment”), or “(ii) has the potential to disturb a marine mammal or marine mammal stock in the wild by causing disruption of behavioral patterns, including, but not limited to, migration, breathing, nursing, breeding, feeding, or sheltering” (the MMPA defines this as “Level B harassment”).

The terms “negligible impact” and “unmitigable adverse impact” are defined in 50 CFR 18.27 (*i.e.*, regulations governing small takes of marine mammals incidental to specified activities) as follows: “Negligible

impact” is an impact resulting from the specified activity that cannot be reasonably expected to, and is not reasonably likely to, adversely affect the species or stock through effects on annual rates of recruitment or survival. “Unmitigable adverse impact” means an impact resulting from the specified activity: (1) that is likely to reduce the availability of the species to a level insufficient for a harvest to meet subsistence needs by (i) causing the marine mammals to abandon or avoid hunting areas, (ii) directly displacing subsistence users, or (iii) placing physical barriers between the marine mammals and the subsistence hunters; and (2) that cannot be sufficiently mitigated by other measures to increase the availability of marine mammals to allow subsistence needs to be met.

The term “small numbers” is also defined in 50 CFR 18.27. However, we do not rely on that definition here as it conflates “small numbers” with “negligible impact.” We recognize “small numbers” and “negligible impact” as two separate and distinct requirements for promulgating ITRs under the MMPA (see *Natural Res. Def. Council, Inc. v. Evans*, 232 F. Supp. 2d 1003, 1025 (N.D. Cal. 2002)). Instead, for our small numbers determination, we evaluate if the number of marine mammals estimated to be incidentally taken is small relative to the size of the species or stock.

The term “least practicable adverse impact” is not defined in the MMPA or its implementing regulations. In promulgating ITRs, we ensure the least practicable adverse impact by requiring mitigation measures that are effective in reducing the impact of specified activities, but not so restrictive as to make specified activities unduly burdensome or impossible to undertake and complete.

In this proposed rule, the term “Industry” includes individuals, companies, and organizations involved in exploration, development, production, and transportation activities of the petroleum industry. Industry activities may result in the incidental taking of Southern Beaufort Sea (SBS) polar bears and Pacific walruses (hereafter “walruses”). The MMPA does not require any party to obtain an incidental take authorization; however, any incidental taking that occurs without authorization is a violation of the MMPA. Since 1993, the oil and gas industry operating in the Beaufort Sea and the adjacent northern coast of Alaska has requested and we have issued ITRs for the incidental take of polar bears and walruses within a specified geographic region during

specified activities. For a detailed history of our current and past Beaufort Sea ITRs, refer to the **Federal Register** at 90 FR 27398, June 26, 2025; 86 FR 42982, August 5, 2021; 81 FR 52276, August 5, 2016; 76 FR 47010, August 3, 2011; 71 FR 43926, August 2, 2006; and 68 FR 66744, November 28, 2003. The current ITRs are codified at 50 CFR part 18, subpart J (§§ 18.121 to 18.129).

Summary of Request

On September 30, 2025, the FWS received a request from AOGA on behalf of its members and other participating companies to promulgate regulations for incidental take of small numbers of polar bears and walruses during oil and gas exploration, development, production, and transportation activities in the Beaufort Sea and adjacent northern coast of Alaska for a period of 5 years (2026–2031) (hereafter referred to as the “Request”). The FWS deemed AOGA’s Request as adequate and complete on January 12, 2026.

The AOGA requests regulations that will be applicable to the oil and gas exploration, development, production, and transportation activities of multiple companies specified in the Request. This includes AOGA member and non-member companies that have applied for these regulations. The companies of AOGA represented in the Request (as modified via subsequent communication from AOGA concerning membership changes) include: Alyeska Pipeline Service Company; BlueCrest Energy, Inc.; Chevron Corporation; ConocoPhillips Alaska, Inc. (CPAI); ExxonMobil Alaska Production, Inc. (ExxonMobil); Finnex; Furie Operating Alaska, LLC; Glacier Oil and Gas Corporation (Glacier); Hilcorp Alaska, LLC and Hilcorp North Slope, LLC (Hilcorp); Marathon Petroleum Corporation; Petro Star, Inc.; Repsol; Santos; Shell Exploration and Production Company (Shell); APA Corporation; and 8 Star Alaska, LLC (a non-member company). If the proposed rule is finalized in its current form, these regulations would apply only to the member companies and the non-member company represented in the Request, their corporate affiliates, respective contractors, subcontractors, partners, owners, co-lessees, designees, or successors-in-interest that plan to conduct oil and gas operations in the specified geographic region.

AOGA also informed FWS that further membership changes may occur during the ITR period and requested that eligibility for incidental take authorization pursuant to the final ITR, if issued, be conditioned upon active AOGA membership. The FWS requests

public comments on the degree of flexibility to be afforded by a final rule and, relatedly, the eligibility criteria to be applied during the LOA request and review process.

The activities within the scope of the Request are consistent with the nature of oil and gas activities that have occurred on the Alaska North Slope for decades. Those activities have occurred in parallel with monitoring and reporting that has provided a record of polar bear interactions in connection with such activities. AOGA has indicated that not all activities described in the Request will actually occur during the ITR period, noting the broad scope of activities in the Request was included to support a comprehensive analysis and account for variability.

Description of the Proposed Regulations

These proposed regulations, if finalized, would facilitate the authorization of the incidental, unintentional take of small numbers of polar bears and walruses that may result from the specified activities. They would not authorize or “permit” the specified activities themselves. The proposed regulations include:

- (1) permissible methods of taking;
- (2) measures designed to ensure the least practicable adverse impact on polar bears and walruses, their habitat, and on the availability of these species or stocks for subsistence uses; and
- (3) requirements for monitoring and reporting.

These proposed regulations, if finalized in their current form, would differ from prior iterations of the Beaufort Sea ITR in terms of the types of incidental take that would be allowed. Past iterations of the Beaufort ITR have been consistent in expressly prohibiting incidental lethal take but inconsistent in terms of allowable types of incidental harassment. See 76 FR 47010, August 3, 2011 (allowing all nonlethal incidental take); 81 FR 52276, August 5, 2016 (allowing incidental Level B harassment but not incidental Level A harassment); 86 FR 42982, August 5, 2021 (allowing incidental Level B harassment but not incidental Level A harassment); and 90 FR 27398, June 6, 2025 (allowing incidental Level B harassment and incidental Level A harassment). Some of these inconsistencies reflect differences in the types of incidental harassment that FWS anticipated to result from each set of specified activities. For instance, the FWS did not anticipate or authorize incidental Level A harassment in the original 2021–2026 regulations (86 FR 42982, August 5, 2021) but did

anticipate and thus allowed Level A harassment in the revised 2021–2026 regulations (90 FR 27398, June 6, 2025). However, Level A harassment was not anticipated but was nevertheless allowed (at least implicitly) in the 2006–2011 regulations (71 FR 43926, August 2, 2006).

The FWS is now considering whether the best reading of the MMPA’s provisions concerning ITRs requires the FWS to allow (1) all types of incidental take that result from the specified activities; (2) only the types of incidental take that FWS anticipated during the rulemaking process; or (3) only the types of incidental take that were requested to be allowed. While this proposed rule reflects the first of these interpretations, FWS requests public comment on this issue and notes that a final rule may adopt a different approach responsive to public comment.

Description of Letters of Authorization (LOAs)

An LOA is required to conduct activities pursuant to ITRs. Under this proposed ITR, if finalized, eligible parties may request LOAs that would authorize incidental take of polar bears and walruses resulting from the specified activities described in the ITR. Eligible parties are the member and non-member companies specified in AOGA’s Request, and their corporate affiliates, respective contractors, subcontractors, partners, owners, co-lessees, designees, or successors-in-interest. Requests for LOAs must be consistent with the activity descriptions and mitigation and monitoring requirements of the ITR and be received in writing at least 90 days before the activity is to begin. Requests must include (1) an operational plan for the activity, including the timing of work and the nature of work to be conducted; (2) an interaction plan for polar bears and walruses; (3) a site-specific marine mammal monitoring and mitigation plan that specifies the procedures to monitor and mitigate the effects of the activities on polar bears and walruses, including frequency and dates of aerial infrared (AIR) surveys when such surveys are required; and (4) plans of cooperation (if required as described in Mitigation Measures, below). Once this information has been received, we will evaluate whether the level of activity identified in the request exceeds that analyzed by us in considering the findings made for the total taking allowable under the ITRs. If the level of activity exceeds that analyzed, the Service may request additional information. For more

information on requesting and receiving an LOA, refer to 50 CFR 18.27(f).

Description of Specified Geographic Region and Specified Activities

The specified geographic region covered by the requested ITR (Beaufort Sea ITR region, see figure 1, below) encompasses all Beaufort Sea waters (including State waters and Outer Continental Shelf waters as defined by the Bureau of Ocean Energy Management) east of a north-south line extending from Point Barrow (latitude 71.39139° N, longitude 156.475° W; Board on Geographic Names

(BGN)1944) to the Canadian border, except for marine waters located within the ANWR. The offshore boundary extends 80.5 kilometers (km) (50 miles (mi)) offshore. The onshore boundary includes land on the North Slope of Alaska from Point Barrow to the western boundary of ANWR. The onshore boundary is 40 km (25 mi) inland. No lands or waters within the exterior boundaries of ANWR are included in the Beaufort Sea ITR region. The geographical extent of the proposed Beaufort Sea ITR region (approximately 7.9 million hectares (ha) (approximately 19.8 million acres (ac))) is the same

region covered in previous regulations set forth in the final rule that published at 86 FR 42982, August 5, 2021; revised 90 FR 27398, June 26, 2025. The specified geographic region includes but is not limited to the following oil and gas development areas on the North Slope of Alaska: Nikaitchuq, Oooguruk, Badami, Northstar, Endicott (Duck Island), Liberty, Milne Point, Point Thomson, Prudhoe Bay, Pikka, Quokka, Southern Miluveach, Kuparuk River, Greater Mooses Tooth, Colville River, Horseshoe, and Bear Tooth.

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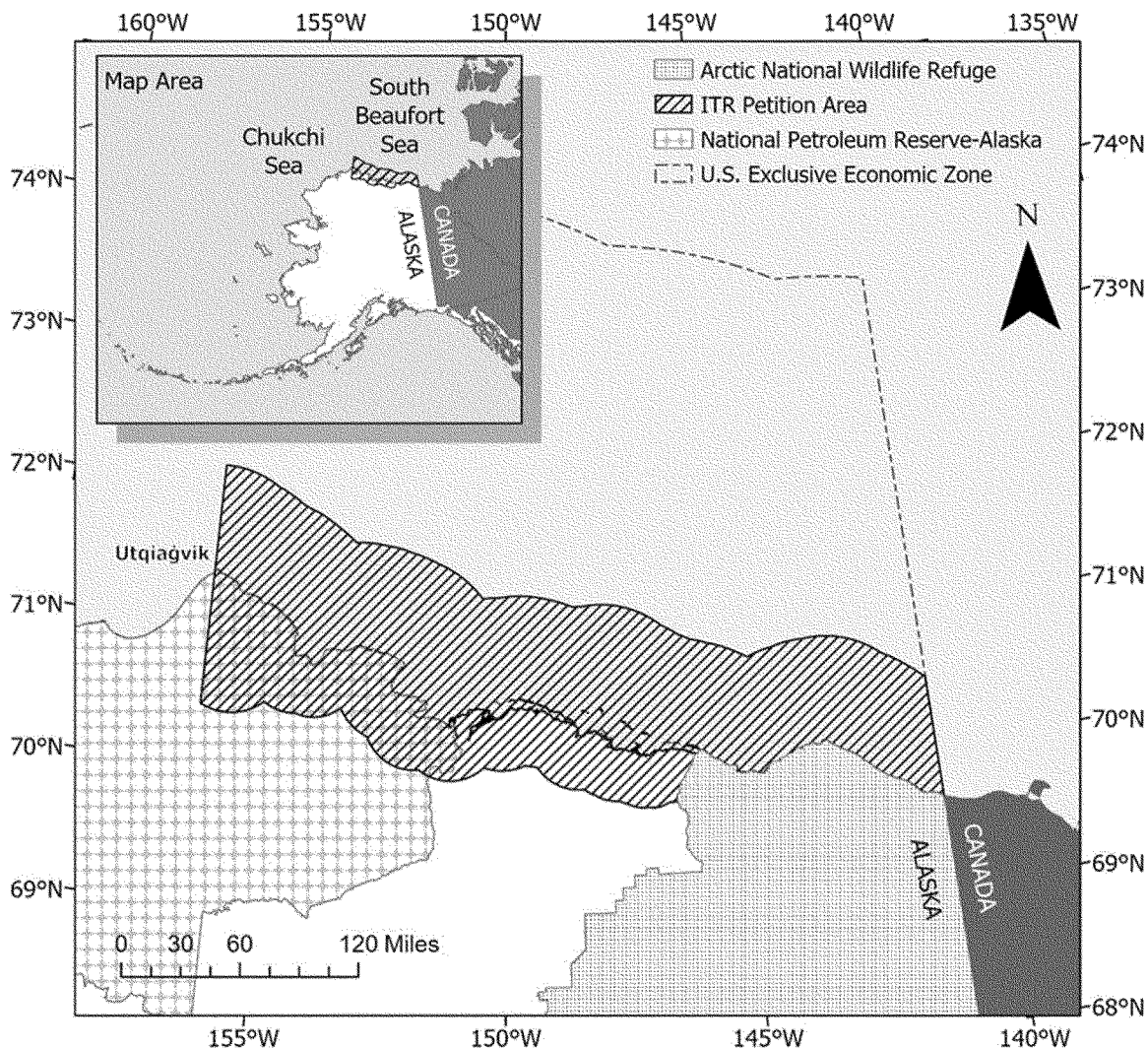


Figure 1—Specific geographic region of the requested incidental take regulations.

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The specified activities include oil and gas exploration, development, production, and transportation activities within the specified geographic region. This section summarizes the type and

scale of industry activities anticipated to occur in the Beaufort Sea ITR region from 2026 to 2031. Year-round onshore and offshore industry activities are anticipated. During the 5-year ITR period, industry activities are expected to be generally similar in type, timing, and effect to activities evaluated under the prior ITRs. Additional information

is available in the AOGA Request for an ITR at <https://www.regulations.gov> in Docket No. FWS-R7-ES-2026-0694.

Transportation and Staging

Transportation activities will include aircraft operations; vehicle and equipment operations on gravel roads, gravel pads, ice roads, and ice pads;

vehicle operations on tundra; and vessel transit and barging operations.

Aircraft operations will consist of personnel and cargo transport flights to support operations, aerial pipeline inspections, and environmental monitoring surveys. Personnel and cargo flights will be conducted routinely throughout the Beaufort Sea ITR region to support operations, and the frequency of these flights may vary depending on the location and type of operation. Fixed-wing aircraft will generally be used to transport personnel and cargo across development areas. Helicopters will be used to transport personnel and cargo to coastal or offshore facilities and to access remote areas. Flight altitude for personnel and cargo transport flights will generally be above 305 meters (m) (1,000 feet (ft)) above ground level unless inclement weather requires a lower flight altitude for personnel safety. Aerial pipeline inspections will be conducted frequently year-round using helicopters or unmanned aerial vehicles (UAVs). Environmental monitoring surveys will be conducted using helicopters, UAVs, or fixed-wing aircraft depending on the type of survey and the frequency of these environmental monitoring surveys will vary across location and time of year during the ITR period.

Vehicle and equipment operations will occur on the existing gravel road system and gravel pads within the ITR region to support operations. Expansion of existing gravel roads and gravel pads as well as construction of new gravel roads and gravel pads will be conducted to support operations as needed throughout the ITR period. Gravel roads and pads typically will be constructed or expanded during the winter, although new gravel placement on the tundra may occur during any season. Equipment that will be used to construct or expand gravel roads and pads includes all-terrain vehicles (ATVs), graders, loaders, excavators, rollers, dump trucks, tractors, bulldozers, vehicles, and other heavy equipment. Gravel road and pad maintenance will occur as needed to support transportation and operations throughout the ITR period. Gravel will be obtained from existing gravel mine sites and new gravel mine sites that may be developed within the ITR region.

During the winter, ice roads and ice pads will be constructed both onshore and offshore to support vehicle and equipment transportation and operations. The number, size, and personnel occupancy of ice roads and pads will vary each winter depending on the operations. Some ice roads will be constructed annually in the same

location and other ice roads will be constructed in different locations based on operation requirements that vary during the ITR period. Offshore ice roads, trails, and pads will be constructed on floating sea ice or grounded ice in shallow water (less than 2 m (7 ft)). Offshore ice roads, trails, and pads may be constructed as early as December and be used until May during each winter. Equipment that will be used to construct ice roads, trails, and pads includes tracked vehicles, tractors, snowplows, pump trucks, ATVs, graders, and loaders.

Vehicle operations will occur on the tundra to support surveys, scout transportation routes, conduct environmental monitoring studies, and support infrastructure inspections and maintenance activities. Tundra travel will occur year-round throughout the ITR period. Equipment that will be used for tundra travel includes tracked vehicles, ATVs, snowmachines, Tucker Sno-Cat vehicles, and Rolligons.

Vessel transit and barging operations will support transportation of personnel, equipment, and supplies for operations. There are several marine dock facilities that will be used to support vessel transit and barging operations in the ITR region including West Dock, Oliktok Dock, and other private dock facilities in development areas. West Dock is located on the northwestern shore of Prudhoe Bay east of Point McIntyre. Oliktok Dock is located on the eastern side of West Harrison Bay at Oliktok Point. Maintenance dredging or screeding will be conducted as needed at the marine dock facilities. Majority of the vessel transit and barging operations will occur during the open water season (July through October). Vessels of various sizes will be used to support transportation activities and may include crew boats, hovercrafts, zodiac vessels, and catamarans. Hovercrafts will also be used to transport personnel and cargo during both the ice-covered season and open water season. Barges, sealifts, and tugboats will be used to transport facility modules, construction materials, cargo, fuel, and other heavy equipment during the open water season. Sealifts are anticipated to occur over multiple years of the ITR period to transport facility modules to Oliktok Dock or West Dock, and offloading of sealifts may occur in and around offshore, subtidal, or intertidal areas of the Beaufort Sea. Barge lightering may be used to transfer cargo between vessels to allow vessels to enter shallow water. Barges may be transferred to shallow draft tugs for nearshore transportation. During offloading, barges

may be staged offshore if dock space is limited.

Surveys and Studies

A variety of surveys and studies will be conducted such as geophysical surveys, airborne gravity/magnetic surveys, geotechnical surveys, seismic exploration surveys, vibroseis seismic surveys, vertical seismic profiles (VSPs), seafloor imaging, offshore bathymetry surveys, shallow hazard surveys, open water marine vibroseis surveys, environmental monitoring studies, and aerial infrared (AIR) surveys to detect polar bear dens. These surveys and studies may occur with routine frequency or be conducted as needed for specific projects. The specific locations and numbers of surveys and studies will vary depending on location-specific and operation-specific needs throughout the ITR period.

Geophysical surveys will be conducted to collect information about subsurface geology. Geophysical survey personnel will survey the surface of the land or seafloor to collect information on near-surface hazards that can be avoided during drilling operations or map deep strata beneath the surface of the ground to search for gas and oil-bearing rock formations. Geophysical surveys will occur routinely at existing development areas.

Airborne gravity and airborne magnetic surveys will record passive measurements of the Earth's gravitational and magnetic fields to collect information on potential geologic structures that may contain oil and gas. Surveys conducted onshore will use rotary-wing aircraft and surveys conducted offshore will use fixed-wing aircraft. Survey flight altitudes for rotary-wing aircraft will range from 91.5 m (300 ft) to 152.4 m (500 ft) above ground level. Survey flight altitude for fixed-wing aircraft will be a minimum of 152.4 m (500 ft) above sea level.

Geotechnical surveys will consist of collecting shallow core samples to provide information about soil conditions where onshore and offshore roads, pipelines, structures, or other facilities are planned to be constructed or to locate gravel sources. Geotechnical surveys will often occur simultaneously with other operations such as ice or gravel road construction or seismic exploration surveys. Geotechnical survey personnel will generally use winter tundra travel routes to access their survey areas and use a geotechnical drill unit to collect the core samples. A small mobile camp to support the survey personnel and other machinery will often be used during these geotechnical surveys.

Geotechnical surveys will occur routinely at existing development areas.

Seismic exploration surveys will collect information on the subsurface structure of rock formations. Sound energy waves will be sent into the ground using an energy source such as an airgun or vibroseis, where different layers within the Earth's crust reflect this energy. These reflected energy waves will be recorded by geophones in the ground to identify hydrocarbon-containing structures. Vibroseis seismic operations will use truck-mounted vibrators that emit frequency energy into the ground, and these operations may occur both onshore and on sea ice. Vibroseis seismic operations may consist of 40 to 200 personnel, small and heavy equipment, and a mobile sled-mounted camp to support personnel. Vibroseis seismic operations may occur during the winter from January through May.

VSP surveys will consist of lowering geophones into a well bore on land and repeatedly activating the energy source to gather seismic data from the well. These surveys will be conducted both on and off a drill pad, extending up to 5 km (3 mi) from the drilling rig, and up to eight personnel will conduct these surveys.

Seafloor imagery surveys will collect information about the seafloor by emitting sound energy towards the seafloor and interpreting the reflected sound energy to create a two-dimensional image of the seafloor and any features or objects on it. Equipment that will be used during these seafloor imagery surveys includes side-scan sonar that is towed behind a vessel. Side-scan sonar will generally emit high-frequency sound greater than 200 kilohertz (kHz).

Offshore bathymetry studies will collect information about the water depth, seafloor contours, hazards, and other environmental conditions. Equipment that will be used during these bathymetry surveys includes echosounders, such as a single-beam or multi-beam sonar device, that is mounted on the vessel's hull or on a side-mounted pole. Single-beam sonar devices emit a high-frequency single pulse of sound to record water depth, and these devices may operate at a frequency of either 100 kHz or 200 kHz. Multi-beam sonar devices will be composed of a transducer array that emits a swath of sound, motion sensor on the vessel, gyrocompass on the vessel, and a sound velocity probe in order to create a three-dimensional view of the seafloor. Multi-beam sonar devices may generally operate at a frequency of 240 kHz.

Shallow hazard surveys will collect information about the seafloor and immediate subsurface. Equipment that will be used during these shallow hazard surveys includes a high-frequency sub-bottom profiler, intermediate-frequency profiler, and a multi-channel system, which is an array of hydrophones towed by a vessel to receive reflected sound energy emitted by the sparker. Different types of sub-bottom profilers may be used depending on the type of seafloor imagery required for the shallow hazard surveys and the general frequency of this equipment may range from 0.3 to 20 kHz.

Open water marine vibroseis may be conducted as a potential alternative to using traditional airguns for offshore oil and gas surveys. Equipment that will be used during these marine vibroseis surveys includes a vibrating plate or shell to displace water to produce acoustic signals.

Environmental monitoring studies to support oil and gas activities will include but are not limited to those that examine geomorphology (soils, ice content, permafrost); archaeology and cultural resources; vegetation mapping; analysis of fish, bird, and mammal species and their habitat; acoustic monitoring; hydrology; and other freshwater, marine, and terrestrial studies of the Arctic coastal and offshore regions. Environmental monitoring studies may be conducted by individual operators or in cooperation with other entities such as government agencies, academic institutions, or local communities. These environmental monitoring studies will often be conducted in response to regulatory requirements and may occur across multiple years. Equipment that will be used during environmental monitoring studies may include vehicles, vessels, snow machines or tuckers, helicopters, or fixed-wing aircraft depending on the type of study. Flight altitudes for fixed-wing aircraft may range from 30 m (98 ft) to 450 m (1,476 ft) depending on the type of study. Environmental monitoring surveys will be conducted to fulfill regulatory and permit requirements and support natural resource exploration and development in the ITR region throughout the ITR period.

AIR surveys will be conducted to detect maternal polar bear dens near Industry each winter. Infrared cameras mounted on a fixed-wing aircraft will be used to detect body heat from denning female polar bears that permeates through the snow.

Well Drilling and Production

Drilling, production, and maintenance of operating wells for oil and gas exploration, development, and production at existing facilities will occur throughout the ITR period. Industry also plans to drill new exploration, appraisal, and production wells within the ITR region depending on resources and other factors. The number and location of these well drilling and maintenance activities will vary throughout the ITR period, but the level of these activities is anticipated to be similar to previous years. New wells may require construction of new gravel pads or new gravel roads or ice roads to access well locations. New wells may also require installation of stream crossings, vertical support members (VSMs), pipelines, power cables, and fiber optic cables to support well drilling and production activities. Temporary camps may be established to accommodate personnel during well drilling and production activities as needed. Equipment that will be used to support well drilling, production, and maintenance activities includes drill rigs, pumps, processing facilities, and support infrastructure. Industry plans to conduct plugging and abandonment of wells that are currently suspended or will be suspended during the ITR period. The number of wells that may be plugged and abandoned will vary each year throughout the ITR period but the level of these activities is anticipated to be similar to previous years. These activities may be supported by aircraft or vehicles using the existing road network depending on the location of the well that will be plugged and abandoned.

Artificial and natural islands along the Beaufort Sea coastline may serve as well drilling platforms for offshore production. Artificial islands may be constructed at various times of the year using a combination of gravel, boulders, artificial structures, or ice. Vibratory and impact pile driving will be conducted to install conductor pipes, foundation pipes, and sheet piles to support development of the islands for production. Monitoring and maintenance of the islands used for production will be conducted as needed throughout the ITR period. Monitoring inspections may use sonar and divers, and these inspections may occur multiple times throughout each year of the ITR period depending on weather and wave conditions.

Pipelines

Maintenance of existing terrestrial pipelines (buried and above ground)

and subsea pipelines to transport oil and gas products will occur throughout the ITR period. Pipeline inspections and maintenance activities will be conducted by tundra travel vehicles throughout the year. Industry will replace and extend existing pipelines and associated infrastructure as needed to maintain the integrity of the pipeline system throughout the ITR region. New pipelines may be installed within the ITR region to transport oil and gas products from existing wells or new wells. Pipeline installation will generally occur during winter and ice roads will be constructed to support pipeline installation. VSMs will be installed using vibratory and impact pile driving or drilling to support pipelines above ground.

Support Facilities, Infrastructure and Functions

Support facilities and infrastructure include the Deadhorse Airport, Dalton Highway, and Spine Road to transport personnel, equipment, and supplies across the North Slope of Alaska. Permanent camps will be used to house personnel at operation centers, processing facilities, drill sites, and other similar facilities. Temporary camps may be installed for specific projects or travel with personnel to complete projects as needed. Other support functions will include waste management, emergency response training for personnel, in-water dredging and screeding to remove or deposit sediment materials and smooth the seafloor for in-water operations, and pile driving to construct docks and land structures.

Waste management protocols will be implemented in an effort to prevent interactions with wildlife. Solid waste from camps will be disposed of at the Oxbow Landfill in the Prudhoe Bay Development or other permitted facilities. Food and burnable wastes will often be incinerated. Food waste will be carefully managed to avoid attracting wildlife such as placing food waste in wildlife-proof receptacles. Drilling and production wastes will be injected into underground injection control disposal wells where it will be inaccessible to wildlife and will not have the potential to contact any sources of groundwater or surface soils. Hazardous waste will be kept inside closed containers and disposed of in accordance with applicable regulations.

Emergency and oil spill response training activities for personnel will occur at various times throughout the year during the ITR period. Oil spill equipment deployment exercises conducted during the ice-covered

period will use snowmachines, ATVs, portable generators, skid steer loaders, snow blowers, and various types of equipment to cut ice slots or drill holes through floating sea ice. Other equipment and supplies that will be used during emergency response training activities include vessels, trucks, booms, and sorbents. The location and frequency of emergency and oil spill response training activities will vary depending on the sea ice or winter tundra conditions and training requirements.

In-water dredging and screeding will be conducted to remove and deposit seafloor sediment and smooth the seafloor to support in-water operations. These activities will be conducted during the open water season of each year at various dock locations including but not limited to Oliktok Dock and West Dock. Dredging may also be conducted during the winter depending on conditions. Equipment that will be used for dredging includes a barge-mounted suction dredge, excavator, or a crane with a dredging bucket on a barge platform. Equipment that will be used for screeding includes a device such as a plow or rake-like structure that is attached to a barge or backhoe.

Pile driving or drilling activities will be conducted to support construction or repair of docks, bridges, and offshore or riverine structures as needed throughout the ITR period. Pile driving activities may include vibratory pile driving, impact pile driving, drilling, and down-the-hole drilling, and the pile driving methods, depending on the project requirements.

Anticipated Future Projects

Industry anticipates that the oil and gas exploration and development activities described above will continue at levels similar to previous years during the ITR period throughout the ITR region. There are also several new projects anticipated for the ITR period in addition to the routine oil and gas operations described above. Those projects are described in AOGA's Request and are not a comprehensive or exhaustive list of future projects that will occur during the ITR period. The scope of future projects and their associated schedules may change, and some listed projects may not occur at all. All projects that do occur, and for which LOAs are requested under the proposed ITR, will fall within the class of oil and gas exploration, production, development, and transportation activities described in AOGA's Request (and appendices) and summarized above.

Mitigation Measures

The applicant has proposed a decision framework and a number of mitigation measures in section 9 of their Request in order to minimize the effects of proposed activities on polar bears and walruses and effect the least practicable adverse impacts on those stocks. AOGA's proposed measures include mitigation for general avoidance and minimization that apply to a variety of their planned activities as well as measures specific to aircraft and vessels; they have also included in their Request plans for conducting maternal polar bear den surveys and methods for minimizing the impacts of their activities on the subsistence harvest of polar bears and walruses.

The general avoidance and minimization measures proposed in AOGA's Request include maintaining a current polar bear and walrus interaction plan in coordination with the FWS that details their protocols for food and waste management, training, snow removal, polar bear and walrus avoidance and encounters, and polar bear and walrus reporting procedures. The applicant also intends to design facilities and plan projects in such a way that polar bears' access to attractants is reduced. Further, they will designate personnel for specific activities to observe and record sightings of polar bears and walruses. Finally, they highlight how they will avoid operating equipment in potential den locations.

Proposed mitigation measures for aircraft use include not flying below an altitude of 457 m (1,500 ft) or within 805 m (0.5 mi) of polar bears or walruses observed on ice or land except in emergency situations. Helicopters will not be allowed to hover or circle over polar bears or walruses. Additionally, the applicant has proposed that if weather conditions prevent flying at an altitude of 457 m (1,500 ft) or higher, that the pilot will avoid areas of known polar bear and walrus concentration.

The proposed measures for vessel use include having observers to monitor for polar bears and walruses during marine operations and maintaining the maximum distance possible from concentrations of polar bears or walruses, as well as not approaching within an 805-m (0.5-mi) radius of any polar bears or walruses observed on land or sea ice except in the case of an emergency. Furthermore, vessels will not separate groups of two or more walruses and will reduce speed and maintain a minimum 805-m (0.5-mi) exclusion zone around groups of 12 or

more walruses in the water or polar bears on ice. Vessels that are over 15 m (50 ft) long will maintain a distance of 805 m (0.5 mi) from any walrus haulout. When visibility is reduced, vessels will adjust speed accordingly to avoid the likelihood of injury to walruses.

AOGA plans to survey for maternal polar bear dens via AIR during the early polar bear denning season, in November through January. AOGA LOA holders will conduct one AIR survey of all denning habitat within 1.6 km (1 mi) of winter activity. This survey would occur in November or December. LOA holders will also conduct a second survey of denning habitat within 1.6 km (1 mi) of winter activities in the high and moderate denning density zones established by FWS (for more information about the creation of denning density zones and a map, a summary of this information is available in Supplemental Information on <https://www.regulations.gov> in Docket No. FWS-R7-ES-2026-0694. The second survey would occur in December or January. Additionally, surveyed locations that yield heat signatures that indicate the possible presence of a maternal polar bear den will be re-surveyed. Protocols for conducting the maternal polar bear den surveys are documented in section 9.2 of the Request. If AIR surveys yield any putative polar bear dens within 1.6 km (1 mi) of planned activities, AOGA will consult with the FWS and if necessary, will treat the site as an active den and create an exclusion zone or buffer around the suspected den site such that it will not be disturbed by any project activities for the remainder of the denning season (November to April). The applicant has also proposed follow-up surveys via AIR, handheld or vehicle-mounted infrared cameras or binoculars, or the use of unmanned aerial system (UAS) to confirm den presence or identify when the den is no longer in use. Known active den sites will be monitored by personnel in trucks or off-road vehicles, or by remote cameras that can record or stream data. This monitoring of bears' activity can assist with avoiding disturbance, especially during the den emergence period when polar bear sows and cubs make repeated short trips outside before returning to the den. Monitoring will be conducted from an appropriate distance established in consultation with the FWS to avoid disturbance from the monitoring activities. Finally, personnel working during the den emergence period will be trained to look for signs of polar bear dens in their work areas and dedicated personnel may be

assigned to monitor work areas for polar bears to protect workers and allow polar bears to pass through undisturbed.

Trained and qualified personnel will monitor for, record, and report polar bear and walrus sightings, and initiate mitigation measures (Request, sections 9 and 10). LOA holders will report the efficacy of mitigation measures and any observed effects of industry activities on these species. Monitoring personnel will complete a training program approved by FWS. Details of the monitoring procedures will be provided in a FWS-approved, site- and project-specific marine mammal monitoring and mitigation plan.

To help ensure that incidental taking of polar bears and walruses does not have an unmitigable adverse impact on the availability of the species for Alaska Native subsistence hunting opportunities, the Request states all LOA applicants will provide the FWS documentation of communication and coordination with Alaska Native communities potentially affected by the specified activity and, as appropriate, with representative subsistence hunting and co-management organizations. If Alaska Native communities or representative subsistence hunting organizations express concerns about the potential impacts of specified activities on subsistence activities, and such concerns are not resolved during this initial communication and coordination process, then a plan of cooperation (POC) must be developed and submitted with the applicant's request for an LOA. In developing the POC, the LOA applicant will further engage with Alaska Native communities and/or representative subsistence hunting organizations to provide information and respond to questions and concerns. The POC must provide adequate measures to ensure that specified activities will not have an unmitigable adverse impact on the availability of polar bears and walruses for Alaska Native subsistence uses.

Should community outreach result in concerns about adverse impacts to subsistence harvest from the planned activities, the Request states that LOA holders will develop a POC to address those concerns and prevent interference with the subsistence harvest. Regardless of the need for a POC, the applicant will limit the timing of activities (including aircraft- and vessel-based activities) and avoid known locations of importance for the subsistence harvest of polar bears and walruses.

Description of Marine Mammals in the Specified Geographic Region

Polar bears and walruses are the marine mammal species managed by the FWS likely found within the specified geographic region. Information on the range, stocks, biology, and climate change impacts on polar bears and walruses was considered in the development of these proposed ITRs. A summary of this information is available in supplemental information on <https://www.regulations.gov> in Docket No. FWS-R7-ES-2026-0694.

Potential Impacts of the Specified Activities on Marine Mammals

Impacts of Surface Activities on Polar Bears

Disturbance impacts on polar bears will be influenced by the type, duration, intensity, timing, and location of the source of disturbance. The noises, sights, and smells produced by these activities could elicit variable responses from polar bears, ranging from avoidance to attraction. When disturbed by noise, animals may respond behaviorally by walking, running, or swimming away from a noise source, or physiologically via increased heart rates or hormonal stress responses (Harms et al. 1997; Tempel and Gutierrez 2003). However, individual response to noise disturbance can be based on previous interactions, sex, age, and maternal status (Anderson and Aars 2008; Dyck and Baydack 2004). Noise and odors could also potentially attract polar bears to work areas. Attracting polar bears to these locations could result in human-polar bear interactions, incidental harassment, and/or intentional take (which is not authorized via ITRs) by hazing or defense of human life. The Request includes mitigation measures to manage attractants in work areas and reduce the risk of human-polar bear interactions.

Human-Polar Bear Interactions

From mid-July to mid-November, SBS polar bears can be found in large numbers and high densities on barrier islands, along the coastline, and in the nearshore waters of the Beaufort Sea, particularly on and around Barter and Cross Islands (Wilson et al. 2017). This distribution leads to a significantly higher number of human-polar bear interactions on land and at offshore structures during the open-water season than other times of the year. Polar bears that remain on the multi-year pack ice are not typically present in the ice-free areas where vessel traffic occurs, as barges and vessels associated with

Industry activities travel in open water and avoid large ice floes.

On land, most polar bear observations occur within 2 km (1.2 mi) of the coastline based on polar bear monitoring reports. Facilities within the offshore and coastal areas are more likely to be approached by polar bears, and they may act as physical barriers to polar bear movements. As polar bears encounter these facilities, the chances for human-polar bear interactions increase. However, polar bears have frequently been observed crossing existing roads and causeways, and they appear to traverse the human-developed areas as easily as the undeveloped areas based on monitoring reports.

A larger percentage of SBS polar bears are spending more time on land during the open-water season, which may increase the risk for human-polar bear interactions (Atwood et al. 2016; Kelner et al. 2022; Rode et al. 2022). It is likely that human-polar bear interactions will occur at some point during the specified activities. Per the Request, operators would maintain human-polar bear interaction plans and attractant management plans, design facilities and plan projects to reduce the possibility of polar bears reaching attractants and humans, and monitor for polar bears. These plans and requirements are designed to reduce human-polar bear interactions and minimize the risks to polar bears and humans when interactions occur. Interaction plans detail how to respond to the presence of polar bears, the chain of command and communication, and required training for personnel. Attractant (e.g., human food, garbage) management plans can prevent polar bears from associating humans with food, which mitigates the risk of human-polar bear interactions (Atwood and Wilder 2021). Information gained from monitoring polar bears near industrial infrastructure can be useful for better understanding polar bear distribution, behavior, and interactions with humans. Tools that may be used to facilitate detection and monitoring of polar bears include bear monitors, thermal cameras, and remotely operated cameras.

Effects of Aircraft Activities on Polar Bears

The Federal Aviation Administration tests aircraft-produced sound at all frequencies measured (50 Hz to 10 kHz) (Healy 1974). At frequencies centered at 5 kHz, jets flying at 300 m (984 ft) produced $\frac{1}{3}$ octave band noise levels of 84 to 124 decibels (dB), propeller-driven aircraft produced 75 to 90 dB, and helicopters produced 60 to 70 dB (Richardson et al. 1995). Thus, the

frequency and level of airborne sounds typically produced by aircraft are unlikely to cause either temporary or permanent impairment to polar bear hearing unless polar bears are very close to the sound source (Southall et al. 2019).

Although neither temporary nor permanent hearing impairment is anticipated during the specified activities, impacts from aircraft overflights have the potential to elicit biologically significant behavioral responses from polar bears. Exposure to aircraft overflights is expected to result in short-term behavior changes, such as walking, running, or ceasing to rest and, therefore, has the potential to be energetically costly. Quigley et al. (2022 and 2024) conducted intentional aircraft overflights above polar bears to determine their responses to overflights. Researchers approached polar bears repeatedly at decreasing altitudes with an average flight altitude of 143 m (469 ft). Polar bears exhibited biologically meaningful behavioral responses during 66.6 percent of experimental overflights. These behavioral responses were significantly correlated with the aircraft's altitude, the bear's location (e.g., coastline, barrier island), and the bear's activity at the time of the encounter. In a separate study, polar bears associated with dens were exposed to aircraft flying at altitudes of 150 m (492 ft) or less and exhibited various responses that ranged from increased head movement and observation of the disturbance to the initiation of rapid movement and/or den abandonment (Larson et al. 2020). Aircraft activities can impact polar bears across all seasons; however, aircraft have a greater potential to disturb both individuals and groups of polar bears on land during the summer and fall. These onshore polar bears are primarily fasting or seeking alternative terrestrial foods (Cherry et al. 2009; Griffen et al. 2022), and polar bear responses to aircraft overflights may result in metabolic costs to limited energy reserves. To reduce potential disturbance of polar bears during aircraft activities, the Request incorporates mitigation measures, such as minimum flight altitudes over polar bears and their frequently used areas and flight restrictions around known polar bear aggregations, to be conducted when safe to perform these operations during aircraft activities.

Effects of In-Water Activities on Polar Bears

While polar bears swim in and hunt from open water, they spend less time in the water than most marine mammals. Stirling (1974) reported that

polar bears observed near Devon Island during late July and early August spent 4.1 percent of their time swimming and an additional 0.7 percent engaged in aquatic stalking of prey. More recently, Lone et al. (2018) found 75 percent of polar bears swam daily during open-water months, with animals spending 9.4 percent of their time in July in the water. While polar bears typically swim with their ears above water, there are occasions when a polar bear may dive and therefore have its ears below the surface.

Polar bear behavior is expected to be impacted by the presence of humans and equipment in the water. In 2012, during the open-water season, Shell USA, Inc (Shell) vessels encountered a few polar bears swimming in ice-free water more than 112.6 km (70 mi) offshore in the Chukchi Sea. In those instances, the bears were observed to either swim away from or approach the Shell vessels, sometimes swimming around a stationary vessel before leaving. In at least one encounter, a polar bear approached, touched, and investigated a stationary vessel from the water before swimming away. We anticipate that polar bears that encounter vessels during the specified activities may have an evasive or curious response, similar to these reports.

Some of the specified activities may introduce noise into the marine environment at sound levels capable of causing a behavioral change or temporary or permanent damage to polar bear hearing. However, the majority of the sound-producing instruments that will be used do not produce in-water sound above the threshold designated for Level B harassment or they do not produce sound within the hearing range of polar bears (for a discussion of this threshold and polar bear hearing see supplemental information on <https://www.regulations.gov> in Docket No. FWS-R7-ES-2026-0694. Echosounders and side-scan sonar are typically operated at a frequency at or above 200 kilohertz (kHz), which is outside the hearing range for polar bears (Southall et al. 2019). Other equipment types, such as sub-bottom profilers and sparkers may produce sounds within the hearing range of polar bears (2 kHz to 16 kHz and 300 hertz (Hz) to 1.5 kHz, respectively), and at an estimated sound source level above the Level B harassment threshold (202 decibels referenced to a pressure of 1 microPascal (dB re 1μPa)); however, their sound production is typically highly directional and focused within a narrow beam. While exposure to other

underwater sounds such as those created by such as screeding, dredging, pile driving, or anchor handling and thrusting may cause changes in behavior, temporary or permanent changes in hearing sensitivity, or discomfort, polar bears are not expected to be frequently exposed because they do not typically swim with their heads under water unless diving (Lone et al. 2018).

Effects to Denning Polar Bears

Known or suspected polar bear dens around the oilfield, discovered opportunistically and/or during planned surveys for tracking marked polar bears and detecting polar bear dens, are monitored by the FWS. However, these sites are only a small percentage of the total active polar bear dens for the SBS stock in any given year. Each year LOA and incidental harassment authorization (IHA) holders coordinate with the FWS to conduct surveys to attempt to determine the location of known or suspected polar bear dens and denning habitat within 1 mile of human activity. Per typical LOA requirements, if a known or suspected den site is located, LOA holders immediately consult with the FWS to determine if additional surveys or mitigation measures are required. The exact prescription of mitigation measures may vary based on the specifics of an individual den site but in the past, after locating a known or suspected den site, FWS has worked with operators to implement various mitigation measures such as activity exclusion zones and 24-hour monitoring of the den site. In their Request, AOGA has committed to “maintain a minimum avoidance distance of 805 m from all polar bears at a den site when operating vehicles, vessels, and aircraft, except in the event of an emergency or a den-specific plan when safe and practicable to do so.” The responses of denning polar bears to disturbance and the consequences of these responses can vary throughout the denning process, which entails four stages: den establishment, early denning, late denning, and post-emergence; definitions and descriptions are provided by Woodruff et al. (2022a) and are also located in the 2021–2026 Beaufort Sea ITR (86 FR 42982, August 5, 2021; revised 90 FR 27398, June 26, 2025). The probability that denning polar bears will be disturbed by nearby industry activities and the polar bears’ resulting responses to disturbance (den abandonment, early emergence from the den, or early departure from the den site) varies by denning stage (A summary of this information is available in supplemental information on [https://](https://www.regulations.gov)

www.regulations.gov in Docket No. FWS–R7–ES–2026–0694.

Impacts of Surface Activities on Walruses

Walruses do not inhabit the Beaufort Sea frequently. The likelihood of encountering walruses during Industry operations is low and limited to the open-water season. During the time period of this ITR, Industry operations may occasionally encounter small groups of walruses swimming in open water or hauled out onto ice floes or along the coast. Industry monitoring data have reported 49 walruses between 1995 and 2023, with only a few instances of disturbance to those walruses (AES Alaska 2015; FWS unpublished data). If walruses are encountered during the specified activities, the interaction could potentially result in disturbance.

Anecdotal observations by walrus hunters and researchers suggest that males tend to be more tolerant of disturbances than females, and individuals tend to be more tolerant than groups. Females with dependent calves are considered least tolerant of disturbances. In the Chukchi Sea, disturbance events are known to cause walrus groups to abandon land or ice haulouts and occasionally result in trampling injuries or cow-calf separations, both of which are potentially fatal. Calves and young animals at terrestrial haulouts are particularly vulnerable to trampling injuries. However, due to the lack of previous walrus haulouts in the ITR area, the most likely potential impacts of the specified activities include displacement from preferred foraging areas, increased stress, energy expenditure, interference with feeding, and masking of communications. Any impact of human presence on walruses is likely to be limited to a few individuals due to their geographic range and seasonal distribution.

The reaction of walruses to vessel traffic is dependent upon vessel type, distance, speed, and previous exposure to disturbances. Walruses in the water appear to be less readily disturbed by vessels than walruses hauled out on land or ice. Furthermore, barges and vessels associated with Industry activities travel in open water and avoid large ice floes or land where walruses are likely to be found. In addition, walruses can use a vessel as a haulout platform. In 2009, during Industry activities in the Chukchi Sea, an adult walrus was observed hauled out on the stern of a vessel.

Effects of Aircraft Activities on Walruses

Aircraft overflights may disturb walruses. Reactions to aircraft vary with range, aircraft type, and flight pattern, as well as walrus age, sex, and group size. Adult females, calves, and immature walruses tend to be more sensitive to aircraft disturbance. Walruses are particularly sensitive to changes in engine noise and are more likely to stampede when planes turn or fly low overhead. Researchers conducting aerial surveys for walruses in sea ice habitats have observed little reaction to fixed-winged aircraft above 457 m (1,500 ft) (FWS unpublished data). Although the intensity of the reaction to noise is variable, walruses are probably most susceptible to disturbance by fast-moving and low-flying aircraft (100 m (328 ft) above ground level) or aircraft that change or alter speed or direction. In the Chukchi Sea, there are recent examples of walruses being disturbed by aircraft flying in the vicinity of haulouts. It appears that walruses are more sensitive to disturbance when hauled out on land versus sea ice.

Effects of In-Water Activities on Walruses

Walruses hear sounds both in air and in water. They have been shown to hear from 60 Hz to 23 kHz in air (Reichmuth et al. 2020). Tests of underwater hearing have shown their range to be between 1 kHz and 12 kHz with greatest sensitivity at 12 kHz (Kastelein et al. 2002). The underwater hearing abilities of the walrus have not been studied sufficiently to develop species-specific criteria for preventing harmful exposure. However, sound level thresholds have been developed for members of the “other marine carnivore” group of marine mammals. For a discussion of these thresholds information is available in Supplemental Information on <https://www.regulations.gov> in Docket No. FWS–R7–ES–2026–0694.). As we discussed in *Effects of In-Water Activities on Polar Bears*, the majority of the sound-producing instruments that will be used during the specified activities will not produce in-water sound above the threshold designated for Level B harassment or they do not produce sound within the hearing range of walruses.

If walruses are present within an ensonified area that reaches Level B harassment thresholds, noise may prevent ordinary communication between individuals and prevent them from locating one another. The noise may also prevent walruses from using potential habitats in the Beaufort Sea

and may have the potential to alter the frequency or duration of biologically significant behaviors such as feeding, foraging, or nursing. The most likely response of walrus to acoustic disturbances in open water would be for animals to move away from the source of the disturbance. Displacement from a preferred feeding area may reduce foraging success, increase stress levels, and increase energy expenditures.

Impacts of the Specified Activities on Polar Bear and Walrus Prey Species

Information on the potential impacts of the specified activities on polar bear and walrus prey species can be found in the Supplemental Information. Based on this information, the FWS does not anticipate any substantial impacts of prey availability to polar bears or walrus as a result of AOGA's specified activities.

Potential Impacts of Oil Spills on Polar Bears and Walrus

The FWS reviewed the potential impacts of oil spills on the SBS stock of polar bears and walrus, as well as records of oil spills in the specified geographic region and evaluated oil spill response methods in the specified geographic region. Information from this review can be found in Supplemental Information at <https://www.regulations.gov> in Docket No. FWS-R7-ES-2026-0694. Based on this review, the likelihood of a large oil spill in the next 5 years is low. In the unlikely event of a large spill, the likelihood that spills would contaminate areas occupied by large numbers of bears or walrus is low. While individual polar bears could be negatively affected by a spill, the potential for a stock-level effect is low unless the spill contacted an area where large numbers of polar bears were gathered. Known polar bear aggregations tend to be seasonal during the fall, further minimizing the potential of a spill to impact the stock. Onshore oil spills would not impact walrus unless they occurred on or near beaches or oil moved into the offshore environment. In the event of a spill that occurs during the open-water season, oil could be released into the water column, or it could drift from onshore water sources to offshore areas, possibly encountering a small number of walrus. However, as was stated earlier, the Beaufort Sea is not within the primary range for walrus. Therefore, the probability of walrus encountering oil or waste products as a result of a spill from Industry activities is low. Therefore, we conclude that the likelihood of a large spill occurring is low, but if a large spill

does occur, the likelihood that it would contaminate areas occupied by large numbers of polar bears or walrus is also low. If a large spill does occur, we conclude that only small numbers of polar bears or walrus are likely to be affected, though some animals may be killed, and there would be only a negligible impact to the SBS stock or walrus population.

Take Estimates

Incidental Take Under the Marine Mammal Protection Act

Below we discuss three types of MMPA take and how such takes could occur in the polar bear and walrus contexts. This discussion is provided for context and background and does not necessarily reflect what is anticipated to result from the specified activities.

Lethal Take

Human activity may result in biologically significant impacts to polar bears and walrus. In the most serious interactions with polar bears (e.g., vehicle collision, running over an unknown den causing its collapse), human actions can result in the mortality of polar bears. We also note that, while not considered incidental, in situations where there is an imminent threat to human life, polar bears may be killed. Additionally, though not considered incidental, polar bears have been accidentally killed during efforts to deter polar bears from a work area for safety and from direct chemical exposure (81 FR 52276, August 5, 2016). If unintentional disturbance of a female polar bear by human activity during the denning season caused the female to abandon her cubs in the den before the cubs can survive on their own, incidental lethal take of polar bear cubs would occur. Incidental lethal take of walrus could occur if the animal were directly struck by a vessel or trampled by other walrus in a human-caused stampede at a walrus haulout site.

Level A Harassment

Human activity may result in the injury of polar bears or walrus. Level A harassment, for nonmilitary readiness activities, is defined as "any act of pursuit, torment, or annoyance which . . . has the potential to injure a marine mammal or marine mammal stock in the wild." 16 U.S.C. 1362(18).

Numerous actions can cause take by Level A harassment of polar bear cubs during the denning period, such as creating a disturbance that separates mothers from dependent cubs (Amstrup 2003), inducing early den emergence during the late denning period

(Amstrup and Gardner 1994; Rode et al. 2018), instigating early departure from the den site during the post-emergence period (Andersen et al. 2024), or repeatedly interrupting the nursing or resting of cubs to the extent that it impacts the cubs' body condition. As with lethal take, walrus are most vulnerable to Level A harassment when congregated in haulouts. The risk of stampede-related injuries increases with the number of walrus hauled out and with the duration spent on coastal haulouts. Calves and young are the most vulnerable to suffer injuries and/or mortality (88 FR 53510, August 8, 2023).

Level B Harassment

Level B harassment, for nonmilitary readiness activities, is defined as "any act of pursuit, torment, or annoyance which . . . has the potential to disturb a marine mammal or marine mammal stock in the wild by causing disruption of behavioral patterns, including, but not limited to, migration, breathing, nursing, feeding, or sheltering." 16 U.S.C. 1362(18). Changes in behavior that disrupt biologically significant behaviors or activities for the affected animal are indicative of take by Level B harassment under the MMPA. Such reactions include, but are not limited to, the following:

- Fleeing (running or swimming away from a human or a human activity);
- Displaying a stress-related behavior such as jaw or lip-popping, front leg stomping, vocalizations, circling, intense staring, or salivating for polar bears;
- Abandoning or avoiding preferred movement corridors such as ice floes, leads, polynyas, a segment of coastline, barrier islands, or other resting sites;
- Abandoning prey or feeding areas;
- Using a longer or more difficult route of travel instead of the intended path;
- Interrupting breeding, sheltering, or feeding;
- Moving away at a fast pace (adult and polar bear cubs or walrus calves struggling to keep up);
- Temporary, short-term cessation of nursing or resting (cubs or calves);
- Ceasing to rest repeatedly or for a prolonged period (adults); or
- Loss of hunting opportunity due to disturbance of prey.

This list is not meant to encompass all possible behaviors; other behavioral responses may be indicative of take by Level B harassment. Relatively minor changes in behavior such as the animal raising its head or temporarily changing its direction of travel are not likely to disrupt biologically important behavioral patterns, and the FWS does

not view such minor changes in behavior as indicative of a take by Level B harassment. It is also important to note that eliciting behavioral responses that equate to take by Level B harassment repeatedly may result in Level A harassment.

Estimating Take

To evaluate incidental take of polar bears from the specified activities and inform our MMPA-required findings, we start by considering the estimates of likely incidental take and the analysis of associated impacts provided by the Request. We then identify some inherent uncertainties associated with forecasting impacts in this context, discuss legislative intent concerning how such uncertainties are to be considered in the ITR process, and effectuate that intent via further analysis that considers predictive model results. We then propose findings that account for qualitative considerations, the Request's estimates of likely incidental take, and FWS predictive model results. In light of the inherent uncertainties and challenges with quantifying take and the disparate results produced through different methodologies, the Service proposes to still consider its predictive model results to provide quantitative estimates but will consider the results alongside additional distinct methodologies.

The FWS predictive model results for incidental take of polar bears were not a component of determining the MMPA-required findings in the Beaufort Sea ITRs issued between 1993 and 2016. As a part of a change introduced around that time for MMPA-required findings, the first Beaufort Sea ITR using the FWS predictive model was the current, 2021–2026 Beaufort Sea ITR. The FWS is now further refining its approach to evaluate MMPA-required findings with additional information, including the estimates provided by AOGA. The FWS also recognizes that this approach to rendering MMPA-required findings differs from the approaches used in ITRs and IHAs concerning polar bears since 2021, in which we relied on qualitative considerations and predictive model results but not a separate set of incidental take estimates provided by the requester. The reason for this change relates to the fact that the present Request, in providing the estimates and analysis required by 50 CFR 18.27(d), uses methodologies and assumptions that differ from those employed by FWS's predictive modeling, resulting in different quantitative estimates. In this context, considering the additional types of analysis provided by the Request, while continuing to consider

qualitative considerations and the FWS predictive modeling results, should facilitate more comprehensive analysis to inform FWS's MMPA-required findings. The approach here also preserves the utility of the regulatory requirement that requests for ITRs provide estimates of likely incidental take. This approach is robust, well-tailored to the present circumstances, and permissible under 16 U.S.C. 1371(a)(5)(A), which does not prescribe any particular methodology for rendering required findings.

Request's Critique of FWS's Methodology for Estimating Take

Appendix A of the Request, "Critique of USFWS's Methodology for Estimating Take and Rationale for AOGA's Evidence-Based Approach." In summary, the Request notes that it developed its methodology "because the Service's approach—based solely on numerical modeling—has proven to be flawed and legally insufficient in multiple ways." Appendix A provides four "primary flaws with the Service's approach"

The Request's Take Estimation Methods

The Request states that it estimates incidental take of polar bears via a "weight of evidence" approach (Request, p. 3–1). The sources of data considered include field observations, historical data, modeling, and literature review (Request, table 3–1). Among the lines of evidence afforded the most weight are field observations from AOGA's LOA database, select Industry denning bear case studies, and scientific literature concerning polar bear biology and denning phenology (see Request, table 3–1). The Request expresses a high level of confidence in operators' ability to detect all (or nearly all) polar bears near industry activities (See Request, p. 3–5 which state "[w]hile it is theoretically possible that a bear or bear den in proximity to industry could go undetected, it is highly unlikely given the necessary vigilance and extensive and continuous monitoring that occurs during oil and gas activities."). The effectiveness of mitigation measures is also addressed. See, e.g., Request, section 3.7. Provided below is a summary of the Request's estimates of incidental take concerning surface (*i.e.*, non-denning) bears and denning bears.

AOGA Estimates: Surface Bears During All Activities

In estimating the likely incidental take of surface bears, the Request states that ". . . the most recent 10-year period of observational data . . . provides the most reliable estimation of

future incidental take of surface bears resulting from the [specified activities]" because "[t]he 2014–2024 period of observational data best reflects recent patterns in polar bear distribution and habitat use in the [Request] area, as well as industry activity, monitoring methods, and reporting practices that are consistent with today's regulatory and operational environment" (Request, p. 3–42). The Request states that the average number of incidental Level B harassments observed "for the recent 10-year period (2014–2024) was 16, with a standard deviation of (SD) of 9.95 and an annual range of 4–35" (Request, p. 3–42). Also noted is "a trend of increased presence of polar bears in coastal areas and their duration on land, particularly during the ice-free season." For the purposes of estimating incidental Level B harassment of surface bears from the specified activities, the Request "assumes these trends will continue and therefore uses the five highest incidental take years from the most recent 10-year period of observational data as the most reasonable representation of incidental take levels of non-denning bears for the 2026–2031 period" (Request, p. 3–42). This approach resulted in an estimated "annual average of 24" incidental Level B harassments of surface bears, "with a SD of 7.62 and an annual range of 15–35" (Request, p. 3–42). The number was derived using a dataset that includes Level B harassment events that occurred during vessel-based and aircraft-based activities, therefore the FWS has assumed AOGA intends the estimate to encompass these activities as well. The Request does not anticipate any forms of incidental take of surface bears other than Level B harassment.

AOGA Estimates: Denning Bears

The Request states that "[b]ased on the data from the five highest years of dens detected near industry during the last decade (Request, table 3–16), an estimate of 1.8 dens/year may be present near industry activities" (Request, p. 3–52). AOGA conducted a denning case study review that evaluated 64 case studies, 23 of which they found to be relevant to industry, to "infer the disposition of denning bears exposed to industry activity" (Request, p. 3–47). They provide a full description of their methodology in section 3.5 and appendix C of their Request. The results of AOGA's denning case study review are then summarized as follows: "87% of dens resulted in no effect, 11% resulted in the Level B incidental harassment and 2% resulted in Level A harassment" (Request, p. 3–53). Applying these probabilities in light of

the estimated number of dens near industry activities, and assuming three bears per den (a sow and two cubs), the Request estimates that “23 denning bears would experience no effect, 3 denning bears would experience Level B incidental harassment, and the probability of Level A harassment is exceedingly low (less than one over the five-year period)” (Request, p. 3–53).

AOGA Estimates: Total Take

In sum, with respect to likely incidental take over the 2026–2031 period, the Request estimates the Level B harassment of 123 polar bears (120 surface bears and three denning bears) and no other forms of take.

Consideration of Model Results

The Request also discusses the methods used by the FWS to estimate impacts to polar bears in recent regulatory processes (Request, section 3.3 and appendix A). This discussion asserts various flaws in FWS’s modeling approach and characterizes FWS model outputs as substantially overestimating impacts. For comparative purposes, the Request reports two sets of results from AOGA-conducted runs of FWS’s surface and denning models: one set described as using FWS parameters, and one set using parameters developed by AOGA (Request, p. 3–13, tables 3–6 and 3–7). Each set of results is further compared to AOGA’s accounting of reported take reflected in their LOA database (Request, p. 3–16).

Uncertainties

Disparities in projections of future impacts can result not only from different interpretations of existing data, but also from use of different assumptions and methods to account for uncertainties. In the present context, several inherent uncertainties increase the difficulty of accurately estimating the future impacts of the specified activities on polar bears. Most notably, based on general observational data and reports along with various scientific studies:

- There is variability in how polar bears use the ITR area each year and in how individual polar bears respond (if at all) to industry activities. This is demonstrated by the 43 Level B takes observed and reported by two operators in the ITR area for calendar year 2025, which is more than a standard deviation above the annual Level B take requested.

- The detailed observation reports submitted by operators pursuant to MMPA take authorization requirements provide valuable data concerning, among other things, polar bear distribution in the ITR area and how polar bears react (if at all) to industrial stimuli. However, ambient conditions common to the ITR area (e.g., darkness, snow, fog, and wind) can reduce the ability to observe all polar bears (and impacts, if any) in the vicinity of industry activities.

- During the particular denning timeframe when a sow’s abandonment of her maternal den prior to her cub(s) developing sufficient strength and/or ability to thermoregulate would be presumed to result in mortality of the cub(s), denning sows are thought to exhibit a relatively higher tolerance to disturbance. The existing dataset contains no definitive evidence that an industry activity caused a maternal den abandonment that in turn resulted in cub mortality. That said, given environmental conditions, the existence of scavengers, and difficulty of observation, it remains possible that this scenario has occurred but was not fully observed.

- Several scientific studies have found a correlation between premature maternal den emergence and/or premature maternal den site departure and cub survival, suggesting these behavioral responses may result in a decline in cub fitness and associated reduction in cub survival probability. Observations indicating that denning polar bears prematurely emerged from their den and/or prematurely departed from their den site in response to industry disturbance are rare. Assessment of this potential behavioral response is complicated by natural variability in the times that undisturbed polar bears establish their dens, remain in their dens, and remain at their den sites post-emergence. Also, any disturbance-caused decline in cub fitness would be difficult to observe, and any associated cub mortality would likely manifest after the family unit has departed from the observable area and onto the sea ice.

- The exact numbers and precise locations of maternal polar bear dens that will be established in the ITR area during each winter of the 2026–2031 period is unknown. The exact percentage of those dens that will be successfully detected and avoided by operators is also unknown.

Legislative Intent

The FWS addressed how to consider uncertainties regarding the probability and extent of potential impacts in the ITR context when it developed its implementing regulations at 50 CFR 18.27. Responding to a variety of public comments in its final rule, the FWS confirmed that the approach described in its proposed rule accurately interpreted the legislative intent behind the 1986 Amendments to the MMPA:

“If potential effects of a specified activity are conjectural or speculative, a finding of negligible impact may be appropriate. A finding of negligible impact may also be appropriate if the probability of occurrence is low but the potential effects may be significant. In this case, the probability of occurrence of impacts must be balanced with the potential severity of harm to the species or stock when determining negligible impact. In applying this balancing test, the Service will thoroughly evaluate the risks involved and the potential impacts on marine mammal populations. Such determinations will be made based on the best available scientific information.” (54 FR 40338 at 40343, September 29, 1989, citing 53 FR 8473 at 8474, March 15, 1988; accord, 132 Cong. Rec. S16305 (Oct. 15, 1986)).

The final rule continues:

“The Service recognizes the tension that exists between development interests and wildlife resource interests when restrictions on development are predicated upon the existence of adverse impacts that are speculative in nature. To resolve these difficult situations, the legislative history of the 1986 Amendments endorsed the use of a balancing approach to weigh the likelihood of occurrence against the severity of the potential impact: The degree of certainty of occurrence required in these judgments should be inversely proportional to the resultant harm to the overall population. 132 Cong. Rec. S16305 (Oct. 15, 1986). In applying this balancing test, the Service must, of necessity, evaluate each request for specific regulations on a case-by-case basis” (54 FR 40338 at 40343, September 29, 1989).

In the present context, where there exists substantial uncertainty as to the potential impacts of the specified activities, and where high rates of human-caused cub mortality (which has not been observed in the ITR area) could represent a significant effect to the SBS stock of polar bears, the FWS will consider the results of its predictive modeling to further inform its balancing. While the legislative history on this point concerns “negligible impact” analyses, the FWS will utilize a similar, comprehensive approach for all MMPA-required findings.

The FWS's Predictive Model Results

The FWS conducts predictive modeling that entails four main components: processes for estimating incidental take of non-denning bears during surface activities, aircraft activities, and vessel activities, and a process for estimating incidental take of denning bears during all operations. A detailed description of these processes, along with the model code and most recent data inputs, is provided at FWS–R7–ES–2025–1628 on <https://www.regulations.gov>. The FWS's predictive model results provide, among other things, a basis for assessing the probability and severity of potential impacts that the scientific literature suggests are possible but have not been observed or are rarely observed in the ITR area.

The FWS recognizes that all predictive analyses and models have limitations. The FWS further recognizes that its predictive models contribute to take estimates that have exceeded (and are expected to exceed) the number of events where biological consequences indicative of take are observed to result from industry activities. This is partly because the predictive models are designed to estimate harassment consistent with the MMPA's harassment definitions, which encompass certain acts which have “the potential to” result in certain biological consequences, and to account for any unobserved take. When addressing uncertainties, the models incorporate assumptions that attempt to strike a balance between potential overestimates and potential underestimates, but, overall, are more likely to contribute to an overestimate, rather than an underestimate, of the incidental take of polar bears. Over the years, the FWS has continually incorporated new data as it becomes available and refined its modeling parameters to improve accuracy to the extent practicable. Each refinement of modeling parameters has been described in the first ITR or IHA review process in which they were employed. See, *e.g.*, 90 FR 27398, June 26, 2025; and 90 FR 2718, January 13, 2025. More recent refinements, in addition to incorporating the latest available data, introduced in the present analysis are as follows:

- Assessment of the rate of incidental take preceding intentional take: In past incidental take analyses, we explained that intentional take events are usually preceded by incidental Level B harassment, and that since sufficient data were not available to support application of a reliable correction factor, we included all intentional take

events in our calculations of incidental take rates as a proxy for estimating incidental take in this context. We identified this assumption as “conservative” in the rulemaking process for the 2021–2026 Beaufort Sea ITR (86 FR 42982 at 43049, August 5, 2021). To increase accuracy in future analyses, we used a structured review process with designated decision rules to revisit records of intentional take from 2014–2024 to determine whether incidental Level B harassment occurred or potentially occurred prior to the intentional Level B harassment. We found 29 percent of intentional encounters were not preceded by incidental harassment and we apply this correction factor in the present analysis.

- Estimation of polar bear re-sighting rate: In past incidental take analyses, we estimated numbers of incidental take of polar bears but lacked sufficient data to further estimate how many individual polar bears would be subjected to those takes. We then provided “small numbers” determinations that identified and applied a conservative assumption that each estimated take would accrue to a different individual polar bear (see, *e.g.*, 82 FR 42982 at 43039, August 5, 2021). We describe below in our efforts to refine this assumption.

- Development of Offshore Polar Bear Encounter Rate: In past incidental take analyses, the FWS has used the coastal polar bear encounter rate to estimate take from offshore activities, while acknowledging the rate was conservative and greater than the actual rate of offshore encounters. At the recommendation of AOGA, we explored the use of data from the National Marine Fisheries Service Aerial Survey of Arctic Marine Mammals (ASAMM). We subset the ASAMM dataset to account for decreased visibility due to sea state and observation limitations. A summary of this information is available in Supplemental Information on <https://www.regulations.gov> in Docket No. FWS–R7–ES–2026–0694. The effort enabled FWS to develop an offshore polar bear encounter rate that enables more accurate estimates of take from vessel activity beyond the barrier islands.

FWS Predictive Model Estimates: Surface Activities

The FWS analyzed take by Level B harassment for polar bears that may be encountered and potentially impacted during AOGA's specified activities within the specified geographic region using the predictive formula presented in the 2021–2026 Beaufort Sea ITR (hereafter “2021–2026 ITR”; 86 FR 42982, August 5, 2021). The formula

incorporates spatio-temporally specific encounter rates and temporally specific harassment rates. We updated the encounter and harassment rates using polar bear encounter records submitted since the promulgation of the 2021–2026 ITR. A detailed description of this process, which included reassessment of the dates for open water and ice seasons evaluation of the rate of incidental take preceding intentional take, and establishment of a polar bear re-site rate as described above can be found in Supplemental Information on <https://www.regulations.gov> in Docket No. FWS–R7–ES–2026–0694. During FWS's preliminary review of their Request, AOGA provided the FWS with digital geospatial files that included the expected human occupancy for each individual structure (*e.g.*, each road, pipeline, well pad) of their proposed activities for each month of the proposed ITR period.

FWS Predictive Model Estimates: Aircraft Activities

Polar bears in the project area will likely be exposed to the visual and auditory stimulation associated with the applicant's fixed-wing and helicopter activities; however, these impacts are anticipated to be minimal and short-term. Low-flying aircraft activities may cause disruptions in the normal behavioral patterns of polar bears as either an auditory or visual stimulus, thereby resulting in incidental Level B harassment. To reduce the likelihood that polar bears are disturbed by aircraft, AOGA has included a variety of mitigation measures, such as minimum flight altitudes over polar bears and restrictions on hovering over polar bears. Meanwhile, the Request also states that certain aviation activities must be flown at low altitudes by design, including airborne gravity and airborne magnetic data collection, environmental (*e.g.*, avian, mammal, and ice) surveys, cultural and archeological resource surveys, and summer cleanup operations. We estimated the number of polar bears expected to be harassed by these low-flying aircraft activities using an estimate of the number of flight hours in each season and polar bear density zone (*i.e.*, coastal *v.* inland zone). These estimates were used as inputs in the take calculation formula presented in the revised 2021–2026 Regulations (90 FR 2718). Disturbances from aircraft activity are expected to have no more than short-term, temporary, and minor impacts on individual polar bears.

FWS Predictive Model Estimates: Denning Bears

We used the analytical methods presented in previous take authorizations (e.g., 90 FR 27398, June 26, 2025) to estimate the effects of the specified activities on denning polar bears. The statistical model consists of 10,000 iterations of simulated dens that are exposed to the specified activities and potentially disturbed. We estimated 6.5 (median = 6; 95 percent posterior credible interval (CI): 1–14) land-based dens in the area of specified activity in AOGA's request and within a 1.6-km (1-mi) buffer of the activities, annually. Estimates for different levels of take are presented in Supplemental Information on <https://www.regulations.gov> in Docket No. FWS-R7-ES-2026-0694. The distributions of simulated Level A harassments as well as lethal takes due to den abandonment were non-normal and heavily skewed, as indicated by markedly different mean and median values. The heavily skewed nature of these distributions has led to a mean value that is not representative of the most common model result.

Due to the low probability of one or more lethal takes occurring either annually (0.13) or in 5-year aggregate (0.45), along with a median value of 0 for either time period, we do not anticipate the specified activities will result in lethal take of polar bears. These estimates do not account for mitigation measures that were incorporated into AOGA's Request but have benefits that cannot be quantified in the FWS's modeling approach (e.g., personnel training). Implementation of these mitigation measures could further reduce the probability of take and minimize impacts to denning polar bears.

FWS Predictive Model Estimates: Vessel Activities

We used a method similar to that described in *FWS Predictive Model Estimates: Aircraft Activities* to estimate the potential effects of maritime activities on polar bears. As we discussed in *Effects of In-Water Activities on Polar Bears*, we do not anticipate harassment of polar bears due to in-water noise production. However, vessels may encounter polar bears in the open water or on ice floes, and polar bears may be harassed by vessel activity. We used the formula that incorporates spatio-temporally specific encounter rates and temporally specific harassment rates described in *FWS Predictive Model Estimates: Surface Activities* and Supplemental Information to estimate the potential

Level B harassment associated with vessel activity. A detailed description of the methodology is provided in Supplemental Information.

Pacific Walrus: All Interactions Estimated Harassment of Walruses

In their Request, AOGA has presented an estimate of potential walrus harassment that is consistent with methods presented in the past and at present by FWS. With the low occurrence of walruses in the Beaufort Sea, and given the mitigation measures incorporated into the Request, the only anticipated effects from the specified activities in the Beaufort Sea are short-term behavioral alterations of small numbers of walruses. Most walrus encounters within the geographic area in the past 10 years have been of solitary walruses or groups of two. A group of eight walruses was encountered during barging activity within the ITR area in 2025. The vessel encountered an additional 11 walruses along their voyage before entering the ITR area. While highly unlikely that a group of walruses will be encountered during the proposed activities, we estimate that no more than 20 walruses annually will be taken by Level B harassment during the specified activities. Harassment of no more than 20 walruses may occur from behavioral responses to vessels, or from behavioral changes in response to noise greater than 160 dB re 1 μ Pa created by in-water activities.

Critical Assumptions

In order to conduct this analysis and estimate the potential amount of Level B harassment and Level A harassment, several critical assumptions were made (for information regarding Critical Assumptions, see Supplemental Information on <https://www.regulations.gov> in Docket No. FWS-R7-ES-2026-0694).

FWS Predictive Model Estimates: Sum of Harassment From All Sources

The FWS predictive modeling methods estimated 91 takes by Level B harassment of 43 individual polar bears annually. This estimate was comprised of 85 takes of 37 bears during surface interactions, 1 take of 1 bear during aircraft activities, 4 takes of 4 bears during vessel activities, and 1 take of 1 denning bear. When these values were aggregated over the 5-year period of the ITR, the modeling methods estimated 422 takes by Level B harassment of 199 polar bears. Of these takes, 395 takes of 172 polar bears were during surface interactions, 5 takes of 5 bears were during aircraft overflights, 16 takes of 16 bears were during vessel activities, and

6 takes of 6 bears were during denning. When aggregating results over the 5-year period, the model also estimated four takes by Level A harassment of four denning cubs. We do not anticipate lethal take or Level A harassment would occur outside of impacts to denning polar bears because the level of sound and visual stimuli on a polar bear on the surface would not be significant enough to result in injury or death. Denning polar bears, however, may be subject to repeated exposures, significant energy expenditure from den abandonment or departure, or potential impacts to a cub if the den is abandoned or departed prematurely.

Determinations and Findings

Small Numbers

For our small numbers determination, we consider qualitative considerations, the Request's estimates of likely incidental take, and FWS predictive model results to determine whether the number of polar bears and walruses to be subjected to incidental take are respectively small relative to the population size of the species or stock. These considerations are listed below.

1. Within the specified geographical region, the area of Industry activity is expected to be small relative to the ranges of polar bears and walruses.

The footprint of the specified activities within the specified geographic region is small relative to the range of the walrus population and the SBS polar bear stock. Walruses and SBS polar bears range well beyond the boundaries of the proposed ITR region. As such, the ITR region itself represents only a subset of the potential area in which these species may occur. Thus, the FWS concludes that a small portion of the walrus population and SBS polar bear stock may be present in the specified geographic region during the time of the specified activities.

2. The estimated number of polar bears and walruses that will be harassed by Industry activity is small relative to the number of animals in their stocks.

In their Request, AOGA estimates Level B harassment of 24 polar bears each year, which would be 2.6 percent of a 907-individual stock. The FWS released a draft stock assessment report (SAR) for the SBS polar bear population on January 2, 2025 (90 FR 114), in which the SBS polar bear stock has changed to 819 bears, largely due to a shift in the border between the SBS and North Beaufort Sea stock. Should this draft SAR be finalized, 24 bears constitutes 2.9 percent of the SBS stock. These estimates indicate that the number of polar bears that would be

incidentally taken is small relative to the size of the SBS stock.

The FWS predictive model estimates that AOGA's proposed specified activities in the specified geographic region will incidentally take no more than 203 polar bears during the 5-year period of this proposed ITR (see *FWS Predictive Model Estimates: Sum of Harassment from All Sources*). Even if we assume all 4 estimated Level A harassments occur during the same year, the highest total number of animals estimated to be incidentally taken during any year would be 47, which is 5.2 percent of the best available estimate of the current SBS stock size of 907 animals (Bromaghin et al. 2015; Atwood et al. 2020; $((47 \div 907) \times 100 \approx 5.2$ percent)), and 5.7 percent of a 819-individual stock ($((47 \div 819) \times 100 \approx 5.7$ percent)).

As stated previously, walrus are extralimital in the Beaufort Sea, with nearly the entire walrus population found in the Chukchi and Bering Seas. Industry monitoring reports have observed no more than 49 walrus between 1995 and 2023, with only a few observed instances of disturbance to those walrus (AES Alaska 2015; FWS unpublished data). Between those years, observations were typically of a single or two animals, often separated by several years. At most, only a tiny fraction of the walrus population, which is composed of hundreds of thousands of animals (Beatty et al. 2022), may be found in areas potentially affected by AOGA's specified activities. We do not anticipate that seasonal movements of a

few walrus into the Beaufort Sea will significantly increase over the 5-year period of this ITR. The estimated incidental take of 20 walrus per year from a population numbering approximately 257,193 animals represents 0.008 percent of that population ($((20 \div 257,193) \times 100 \approx 0.008$ percent). These estimates indicate that the number of walrus that would be incidentally taken is small relative to the size of the walrus population.

Small Numbers Conclusion

We propose a finding that the specified activities will incidentally take only small numbers of SBS polar bears and Pacific walrus.

Negligible Impact

We propose a finding that AOGA's specific activities would result in a negligible impact to the SBS stock of polar bears. For our negligible impact determination, we consider the following:

1. The number of polar bears that use the terrestrial habitat of the North Slope is small in relation to the entire SBS stock. The distribution and habitat use patterns of polar bears indicate that relatively few polar bears will occur in the specified areas of activity at any particular time and, therefore, few polar bears are likely to be affected.

2. Mitigation measures will reduce potential impacts. The applicant has proposed, and would be required to adopt, monitoring requirements and mitigation measures designed to reduce the potential impacts of their operations on polar bears. Den detection surveys

for polar bears and adaptive mitigation and management responses based on real-time monitoring information will be used to avoid or minimize interactions with polar bears and, therefore, limit potential disturbance of these animals.

3. The majority of human-polar bear interactions will result in no effect or short-term, temporary behavioral changes. When developing estimates for Level B harassment, the FWS has determined that there is a 99 percent chance that at least 88 percent of encounters with bears on the surface in the open water season and 80 percent of encounters with bears on the surface in the ice season are expected to result in no significant change in a biologically important behavior, and we do not consider those interactions to result in a take. The remainder of encounters are anticipated to result in short-term, temporary changes in behavior that are indicative of Level B harassment of the animal.

4. Few dens would occur in proximity to Industry activities. Our denning simulations show that on average six dens are estimated to occur within 1 mile of the specified activities during each of the next five denning seasons. This number represents roughly 5 percent of the approximately 120 SBS polar bear dens that are established each year. The mitigation measures included in the Request reduce the number of dens whose occupants are estimated to be disturbed by the specified activities to 0.9 percent of the land-based dens and 0.45 percent of all dens in the SBS stock (figure 2, below).

Proportion of SBS land based dens with Level A disturbance

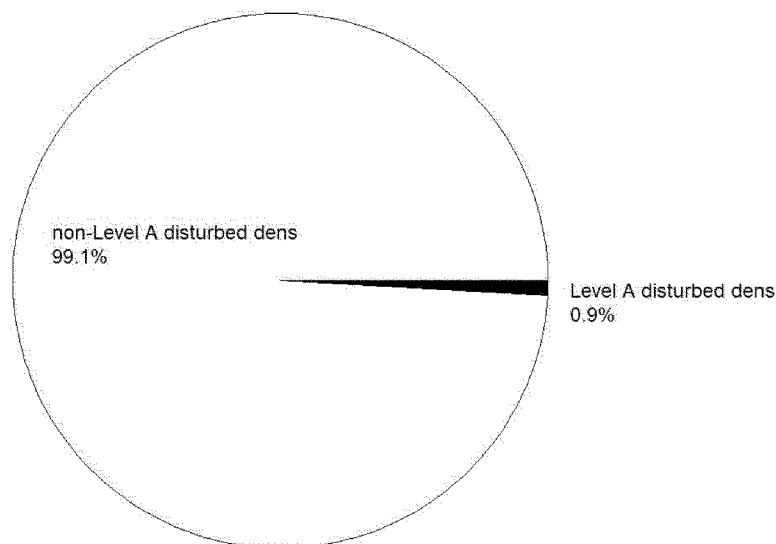


Figure 2—Proportion of SBS land-based dens whose occupants are estimated to experience Level A disturbance each year. Land-based dens represent roughly half of the SBS maternal polar bear dens established each year.

5. Estimated Level A harassments will not alter the distribution of cub survival probabilities for the SBS stock. The FWS predictive model estimates four cubs may experience Level A harassments as a result of the specified activities over a period of 5 years. The impact of these estimated harassment events can be quantified by first evaluating the estimated survival consequence to individual cubs and then estimating associated changes in overall survival rates for the stock. Lacking data regarding individual cub survival, we conduct this analysis using the metric of litter survival, which has been estimated by relevant empirical studies. While the metric does not account for partial litter loss (because a sow observed with one cub in the spring is assumed to have had an original litter size of one cub), it also cannot account for natural litter sizes of zero (because a sow observed with no cubs in spring

is assumed to have lost a litter). Because this metric represents the best available information, and because it is not biased in only one direction, we feel it is the most appropriate available metric to reflect potential impacts to cub survival.

The denning analysis model allows us to compare the probability of litter survival using both the undisturbed and disturbed (if applicable) emergence and departure dates of simulated dens. With this information, we can estimate the average decrease in survival probability that can be attributed to simulated Industry disturbance. The mean probability of litter survival for dens experiencing Level A harassment decreased 16 percent after simulated disturbance (pre-disturbance 85.5 percent, post-disturbance 69.2 percent).

When examining the potential impact of four Level A harassment events at the stock level, we consider the low percentage of SBS dens with cubs that the model anticipates will experience Level A harassment. Given that 0.9 percent of land-based dens within the SBS stock are anticipated to experience Level A harassment in any year, the 16 percent decrease does not alter or shift

the overall survival probability distribution for the SBS stock (figure 3, below). Further, if we examine the distribution of survival rates for the entire land-based SBS stock, counting for potential decrease in survival due to both potential Level A harassment and potential lethal take via den abandonment (which is not anticipated), we see no more than a minor change in distribution, as is illustrated by the similarities of the graphs in figure 3.

Applying the undisturbed mean survival rate to the estimated number of litters produced annually by sows in SBS land-based dens, we expect the average estimated number of litters with at least one surviving cub in the spring to be 50.7 percent, which we round to 51 litters. This estimate decreases to 50.5 percent when accounting for disturbance, which we also round to 51 litters, indicating the effect of disturbance at the population level is statistically insignificant. Further, it is important to acknowledge that roughly half of SBS polar bear dens are not found on land, but rather on the sea ice, and would not overlap spatially with the specified activities.

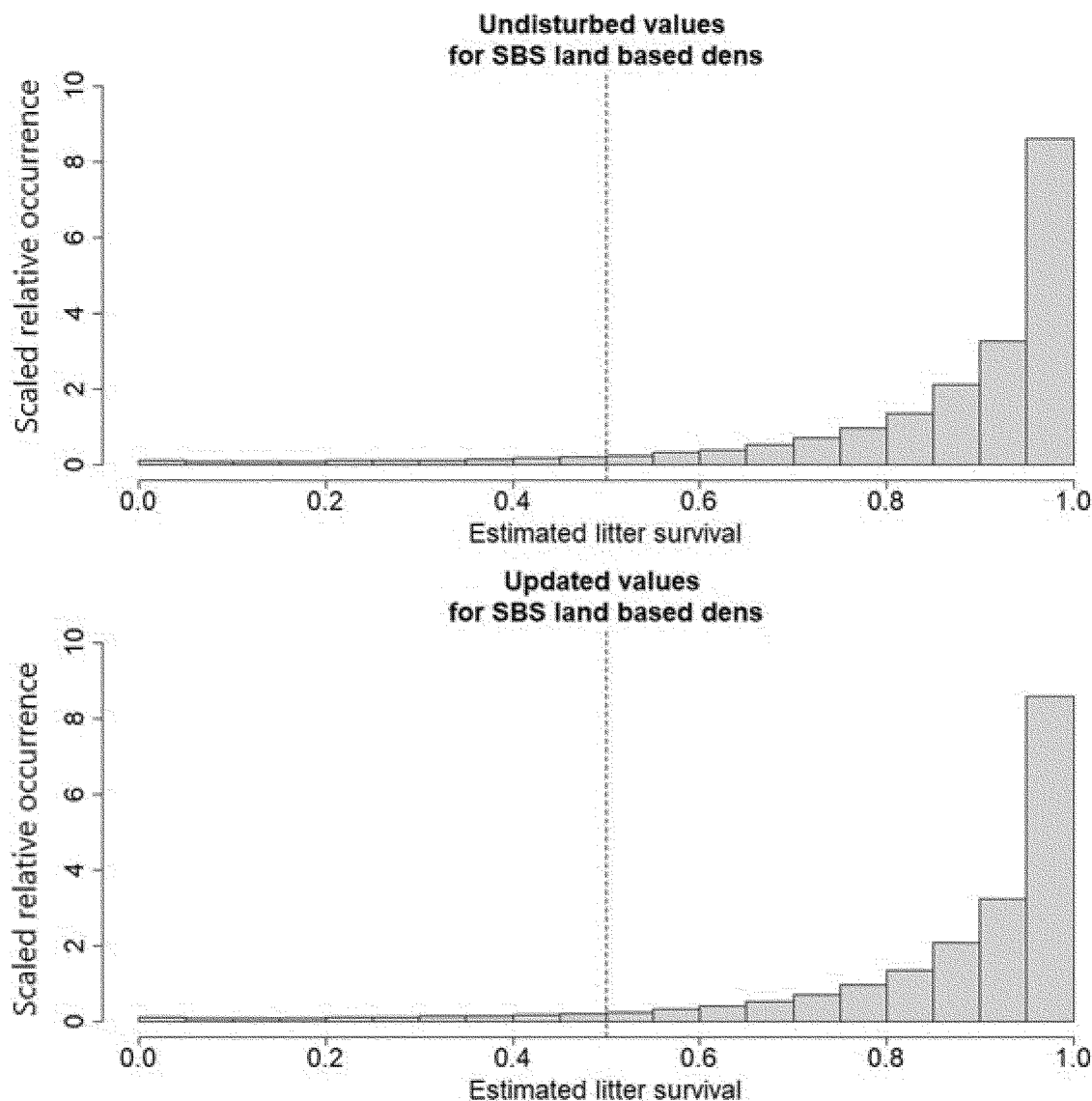


Figure 3—Litter survival probability distributions for the annual land-based dens of the SBS polar bear stock. The X-axes of these graphs depict the simulated probability that one or more cubs from a litter will be alive in the spring, and the Y-axes of these graphs depict the relative occurrence of the survival probabilities in our simulations. (Top plot: Survival probabilities simulated with no disturbance from Industry. Bottom plot: Survival probabilities simulated with estimated Level A harassment from Industry activities.)

6. Lethal take via den abandonment is rare within the Southern Beaufort Sea stock. Records of den abandonment in the oilfield are rare—the FWS has only one account of potential den abandonment within the 13 case studies used to develop early denning period

disturbance rates. Applying the denning model, the greatest annual simulated probability of lethal take throughout the proposed ITR is 0.13. The aggregated probability of potential lethal take over a 5-year period is 0.45. The median number of lethal takes in both the annual and 5-year aggregated modeling outputs was zero. These results, coupled with the lack of observed den abandonment, supports our finding that lethal take due to sow abandonment of the den and litter during the early denning period is unlikely.

7. We do not anticipate that loss of a cub or litter will adversely affect annual recruitment rates at the population level. Under the proposed ITR, anticipated incidental Level A harassment only involves cubs during the denning period. Impacts to denning females, the demographic group most important to annual recruitment, would

only involve take by Level B harassment. Therefore, the immediate number of potentially available reproductive females that would contribute to recruitment for the SBS stock would remain unaffected if a den disturbance were to result in the mortality of the cubs. If a den disturbance were to result in the mortality of the entire litter, the female would be available to breed during the next mating season and produce another litter during the next denning season.

Cubs inherently cannot contribute to annual rates of recruitment until they have reached sexual maturity because in wildlife biology the concept of recruitment speaks to individuals entering the reproductive population. Further, while adult male bears would contribute to the overall number of individuals in the population, they do not contribute significantly to annual

rates of recruitment. While a very small decrease in the number of males in a breeding population may be a concern if the stock was at risk of inbreeding depression or Allee effects (e.g., decrease in population size or individual fitness in response to low population density), this is not the case in the SBS stock. Female cubs have the opportunity to reach sexual maturity and contribute to annual recruitment; however, natural rates of survival fluctuate in the SBS stock. Death of one female cub less than once per year is within the natural variability found within the SBS stock and cannot be reasonably expected to cause an adverse impact on annual rates of recruitment.

Based on the low percentage of SBS stock polar bears potentially being removed from the stock even if den disturbance were to result in the mortality of the cubs, and the expectation that the number of potentially available reproductive females that would contribute to recruitment would be unaffected by den disturbance, the FWS does not anticipate that the loss of a cub or litter would adversely affect annual recruitment rates at the population level for the SBS stock of polar bears.

We reviewed the effects of Industry activities on polar bears, including impacts from surface interactions, aircraft overflights, marine vessel traffic, and den disturbance. Based on our review of these potential impacts, past monitoring reports, and the biology and natural history of polar bears, we conclude that any incidental take reasonably likely to occur as a result of specified activities would be limited to short-term behavioral disturbances and temporary reductions in fitness that would not affect the rates of recruitment or survival for the SBS stock of polar bears.

The FWS has analyzed the potential impact of the proposed taking in light of other factors affecting SBS polar bears, including subsistence harvest and other human-caused removals as well as climate change. Climate change is considered as the overall driver of effects that could alter polar bear habitat and behavior. The FWS is currently involved in research to understand how climate change may affect polar bears. As we gain a better understanding of climate change effects, we will incorporate the information in future authorizations. While climate change and other ongoing factors pose significant challenges to SBS polar bears, we do not expect them to influence the degree of impacts (i.e., short-term behavioral responses and temporary reductions in fitness)

resulting from the specified activities or incidental harassment to be authorized over the next 5 years under the proposed incidental take regulations.

Our analysis indicates that the impacts of these specified activities over 5 years cannot be reasonably expected to, and are not reasonably likely to, adversely affect the SBS stock of polar bears through effects on annual rates of recruitment or survival. Similarly, the estimated impacts described in AOGA's Request, which are lower than those of the FWS predictive model, cannot be reasonably expected to, and are not reasonably likely to, adversely affect the SBS stock of polar bears through effects on annual rates of recruitment or survival. We preliminarily find that the total of the taking will have no more than a negligible impact on the SBS stock of polar bears.

Impact on Subsistence Use

Based on information from past community consultations, as well as our analysis of hunting area locations—which did not identify any overlap between hunting areas and the specified activities—and the best scientific information available—including monitoring data from similar activities, we propose a preliminary finding that take caused by the specified activities in the specified geographic region will not have an unmitigable adverse impact on the availability of polar bears or walrus for taking for Alaska Native subsistence uses during the specified timeframe.

While polar bears and walrus represent a small portion, in terms of the number of animals, of the total subsistence harvest for the Utqiagvik, Nuiqsut, and Kaktovik communities, their harvest is important to Alaska Natives. However, the majority of project activities are within an established industrial area where harvest is not conducted. Walrus harvest from Nuiqsut and Kaktovik is opportunistic, and none of the walrus harvests for Utqiagvik, Nuiqsut, or Kaktovik from 2014 through 2024 have occurred within the area of specified activities. The FWS has not received any reports and is not aware of information that indicates that polar bears or Pacific walrus are being or will be deterred from hunting areas or impacted in any way that diminishes their availability for Alaska Native subsistence use by the specified activities. In their Request, AOGA has committed to notify the Village of Kaktovik and Village of Nuiqsut of the planned activities and document any discussions of potential conflict. LOA holders would contact Alaska Native

subsistence communities that may be affected by their activities to discuss potential conflicts caused by location, timing, and methods of the specified activities. They would also make reasonable efforts to ensure that activities do not interfere with subsistence hunting and that adverse effects on the availability of polar bears are minimized. The FWS is not aware of any concerns having been voiced by the Alaska Native communities regarding the specified activities limiting availability of polar bears for subsistence uses. However, should such a concern be voiced, POCs would identify measures to minimize any adverse effects and these measures will be implemented. Any POCs would further ensure that the specified activities will not have an unmitigable adverse impact on the availability of the species or stock for Alaska Native subsistence uses. POCs provide the procedures addressing how LOA holders will work with the affected Alaska Native communities and what actions will be taken to avoid interference with subsistence hunting of polar bears or walrus, as warranted.

Least Practicable Adverse Impact

ITRs must set forth, among other things, means of effecting the least practicable adverse impact on the species or stock and its habitat. We evaluated the practicability and effectiveness of mitigation measures based on the nature, scope, and timing of the specified activities; the best available scientific information; and monitoring data during industry activities in the specified geographic region. The FWS did not identify any additional (i.e., not already included in the Request), practicable mitigation measures to decrease the potential impact of the specified activities on walrus or their habitat, but we propose two additional mitigation measures to decrease the potential impact of the specified activities on polar bears.

The first measure is the addition of a third AIR survey of polar bear denning habitat within 1.6 km (1 mi) of onshore winter activities in the high-density denning zone. Under this measure, the FWS proposes to require polar bear denning habitat in project areas located in high denning density zones be AIR surveyed three times, denning habitat in project areas in moderate denning density zones be AIR surveyed twice, and denning habitat in project areas anywhere outside of either the moderate or high denning density zones be AIR surveyed once. When either one or two AIR surveys are needed, the first survey

would be flown between November 25 and December 25 and the second survey would occur between December 15 and January 15. In areas where three surveys are required, the additional survey would occur between December 5 and December 31. A minimum of 24 hours would be required between completion of the previous AIR survey and beginning a new AIR survey. The AIR surveys would be flown between an altitude of 244 m (800 ft) and 457 m (1,500 ft) using a fixed-wing aircraft originating from the Deadhorse airport and Alpine.

The second measure is a larger 1.6 km (1 mi) mitigation zone surrounding polar bear sows and their cub(s) at den sites. Under this measure, LOA holders would consult with the FWS on any activities that need to occur within a mile of a den location. The FWS would work cooperatively with LOA holders to identify mitigation measures, such as decreased and slowed traffic, personnel education, and increased monitoring, to decrease the potential impact of activities in the mitigation zone on polar bears.

We propose a finding that the mitigation measures already included within AOGA's Request will ensure the least practicable adverse impact on walruses and their habitat, and that the mitigation measures already included within AOGA's request and the two additional measures described above will ensure the least practicable adverse impact on polar bears and their habitat.

A number of mitigation measures were considered but determined to be not practicable. These measures are listed below:

- *Require use of helicopters for AIR surveys*—Use of helicopters to survey active polar bear dens might lead to greater levels of disturbance and take compared to fixed-wing aircraft. This statement is supported by greater harassment rates for helicopter overflights compared to fixed-wing overflights determined in the aircraft take estimate analysis. Additionally, there is no published data to indicate increased den detection efficacy of helicopter AIR.

- *Require optimal weather conditions for AIR surveys*—Appropriate weather conditions for AIR surveys are incorporated into the Request and an FWS-proposed mitigation measure. Additional restrictions would not be practicable for the specified activities due to the available timeframe to complete AIR surveys.

- *Ground all flights if they must fly below 457 m (1,500 ft)*—Requiring all aircraft to maintain an altitude of 457 m (1,500 ft) at all times is not practicable

as some operations may require flying below 457 m (1,500 ft) to perform necessary inspections or maintain safety of flight crew. Aircraft are required to fly above 457 m (1,500 ft) at all times within 805 m (0.5 mi) of an observed polar bear or walrus unless there is an emergency.

- *Require speed restrictions for all aircraft operations*—Requiring all aircraft to operate below a specific speed limit is not practicable as some operations may require speeds above the specified speed limit to maintain safety of the flight crew during various weather conditions. Additionally, aircraft operating at lower speeds may increase the duration of impact and potentially result in greater levels of disturbance to polar bears or walruses.

- *Spatial and temporal restrictions on surface activity*—Some spatial and temporal restrictions of operations were included in AOGA's Request; however, additional restrictions would not be practicable for the specified activities based on other regulatory and safety requirements, and the need to meet project objectives such as acquiring sufficient data.

- *Operational exclusion zone around all known polar bear denning habitat*—A 1.6-km (1-mi) operational exclusion zone around all known polar bear denning habitat is not practicable as much of AOGA's specified survey area occurs within 1.6 km (1 mi) of denning habitat; thus, to exclude all areas within 1.6 km (1 mi) of denning habitat would preclude many project activities from occurring.

- *Prohibit driving over high relief areas, embankments, or stream and river crossings*—In their request AOGA has committed to avoid operating in potential den locations. This includes providing crews GPS displays that highlight areas precluded from surface travel, training crews to recognize denning habitat and signs of animal activity, and scouting ahead with smaller/lighter equipment to evaluate travel routes before larger equipment arrives. Most travel will avoid embankments and steep slopes that polar bears utilize for denning, but scouting activity helps to further identify areas to avoid. To completely avoid these types of areas would likely cause personnel to drive further away from established operational areas and unnecessarily create additional safety concerns. Furthermore, other mitigation measures to minimize impact to denning habitats are included and will minimize the risk imposed by driving over high relief areas, embankments, or stream and river crossings. Lastly, the probability of a den being run over by

equipment during the specified activities is exceedingly low each year of the proposed ITR, and this probability will be further mitigated by AIR surveys at the beginning of the specified activities to detect dens within 1.6 km (1 mi) of the activities.

- *Use of a broader definition of "denning habitat" for operational offsets*—No data are available to support broadening the defining features of denning habitat beyond that established by the U.S. Geological Survey.

- *Prohibit activities within designated critical habitat for polar bears*—Critical habitat for polar bears must be considered during the specified activities; however, complete prohibition is not practicable due to the large spatial extent of critical habitat and project objectives.

- *Establish corridors for female and cub transit to the sea ice*—As no data support the existence of natural transit corridors to the sea ice, establishment of corridors in the ITR area would be highly speculative. Therefore, no mitigative benefit would be realized by their establishment.

- *Require third-party neutral marine mammal observers*—AOGA has committed to conducting polar bear training that meets FWS standards and will use bear guards to monitor for polar bears during project activities. These bear guards will be fully incentivized to diligently monitor for polar bears given inherent safety considerations.

- *Require all activities to immediately cease if a polar bear or walrus is injured or killed until an investigation is completed*—The FWS has incorporated into this proposed rule reporting requirements for all polar bear and walrus interactions. While immediately ceasing all activities may aid in any subsequent investigation, doing so may not be practicable or safe in certain circumstances and, thus, will not be mandated.

- *Require use of den detection dogs*—Requiring scent-trained dogs to detect dens across the broader ITR area is not practicable or safe due to the large spatial extent that would need to be surveyed. Such a wide-scale survey may also require additional transit vehicles and accommodations, which could increase disturbance to polar bears. However, in their application, AOGA considered use of scent-trained dogs as a mitigation action when hotspots are identified, stating that their best use is one-time verification at a specific site (rather than routine monitoring or surveying large areas). This site-specific use, which is different than potential wide-spread surveys, may be used as deemed appropriate.

- *Construct safety gates, fences, and enclosures to prevent polar bears from accessing facilities*—Constructing safety gates, fences, and enclosures to prevent polar bears from accessing all facilities is not practicable due to the short-term and relatively mobile project activities and temporary facilities. AOGA will place skirting around elevated facilities to prevent polar bears from accessing these areas.

- *Require the use of handheld or vehicle-mounted forward-looking infrared equipment*—The efficacy rates for AIR have been found to be four times more likely to detect dens versus ground-based forward-looking infrared (handheld or vehicle-mounted) due to impacts of blowing snow on detection. AOGA has previously incorporated into their mitigation measures the use of handheld or vehicle-mounted forward-looking infrared when transiting rivers occurring in suitable denning habitat, but it is not practicable to use the equipment during all transit.

- *Temporal restrictions after July 18*—While AOGA has committed to prioritizing cleanup in coastal areas first to complete them prior to July 18, the overall timing of cleanup activities is dependent upon snow-free conditions, which vary yearly and may not occur before July 18.

Monitoring and Reporting

The purpose of monitoring requirements is to assess the effects of the specified activities on polar bears and walruses, verify ITR compliance, detect any unanticipated effects on the species or stock, and ensure take will not have more than a negligible impact on species or stocks. Monitoring includes documenting when and how polar bears and walruses are observed, the number of polar bears or walruses, and their behavior during the observation. To the extent possible, personnel that encounter polar bears or walruses will record group size, age, sex, behavior, duration of observation, and closest approach to human activity. The AOGA would report all observations of polar bears or walruses. This information allows the FWS to measure encounter rates, examine trends in polar bear and walrus activity and distribution in the industrial areas, and estimate the number of polar bears or walruses potentially affected by industrial activities.

The FWS would provide AOGA with the most recent and up-to-date Polar Bear and/or Walrus Observation Form in which to record observations of polar bears or walruses. Observations must be reported to the FWS's Marine Mammals Management Office within 48 hours of

the observation and submitted to fw7_mmm_reports@fws.gov. Details on monitoring guidelines and reporting requirements can be read below in the proposed regulation promulgation portion of this document in proposed § 18.127 Monitoring and § 18.128 Reporting Requirements.

Request for Public Comments

If you wish to comment on these proposed regulations or the associated draft environmental assessment, you may submit your comments by any of the methods described in **ADDRESSES**. Please identify if you are commenting on the proposed regulations, the draft environmental assessment, or both, make your comments as specific as possible, confine them to issues pertinent to the proposed regulations, and explain the reason for any changes you recommend. Where possible, your comments should reference the specific section or paragraph that you are addressing. The FWS will consider all comments that are received by the close of the comment period (see **DATES**).

Required Determinations

National Environmental Policy Act (NEPA)

The FWS has prepared a draft environmental assessment in accordance with the NEPA (42 U.S.C. 4321 *et seq.*). The FWS has preliminarily concluded that the proposed action of issuing an ITR would not significantly affect the quality of the human environment, and, thus, preparation of an environmental impact statement for this incidental take regulation is not required by section 102(2) of NEPA or its implementing regulations. We are accepting comments on the draft environmental assessment as specified above in **DATES** and **ADDRESSES**.

Endangered Species Act (ESA)

Under the Endangered Species Act (ESA; 16 U.S.C. 1536(a)(2)), all Federal agencies are required to ensure the actions they authorize are not likely to jeopardize the continued existence of any threatened or endangered species or result in destruction or adverse modification of critical habitat. Prior to finalizing this ITR, if warranted, the FWS will complete intra-Service consultation under section 7 of the ESA on our proposed issuance of an ITR.

Government-to-Government Consultation

It is our responsibility to communicate and work directly on a Government-to-Government basis with federally recognized Alaska Native

Tribes and organizations in developing programs for healthy ecosystems. We seek their full and meaningful participation in evaluating and addressing conservation concerns for protected species. It is our goal to remain sensitive to Alaska Native culture and to make information available to Alaska Natives. Our efforts are guided by E.O. 13175, "Consultation and Coordination With Indian Tribal Governments," 512 DM 5, "Procedures for Consultation with Indian Tribes," 512 DM 6, "Department of the Interior Policy on Consultation with Alaska Native Claims Settlement Act Corporations," 510 FW 1, "The Service's Native American Policy," and 510 FW 2, "The Service's Alaska Native Relations Policy."

The FWS has evaluated possible effects of the specified activities on federally recognized Alaska Native Tribes and organizations. The applicant has presented a communication process, culminating in POCs if needed, with the Alaska Native organizations and communities most likely to be affected by their work. The FWS does not anticipate impacts to Alaska Native Tribes or Alaska Native Claims Settlement Act corporations and does not anticipate requesting consultation; however, we invite continued discussion, either about the project and its impacts or about our coordination and information exchange throughout the ITR/POC process.

Regulatory Planning and Review—E.O.s 12866 and 13563

E.O. 12866 provides that the Office of Information and Regulatory Affairs (OIRA) in the 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, to reduce uncertainty, and to 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 regulations must be based on the best available science and that the rulemaking process must allow for public participation and an open exchange of ideas. The FWS has developed this rule in a manner consistent with these requirements.

OIRA bases its determination of significance upon the following four

criteria: (a) Whether the rule will have an annual effect of \$100 million or more on the economy or adversely affect an economic sector, productivity, jobs, the environment, or other units of the government; (b) whether the rule will create inconsistencies with other Federal agencies' actions; (c) whether the rule will materially affect entitlements, grants, user fees, loan programs, or the rights and obligations of their recipients; (d) whether the rule raises novel legal or policy issues.

Expenses will be related to, but not necessarily limited to: the development of requests for LOAs; monitoring, recordkeeping, and reporting activities conducted during year-round oil and gas industry activities; development of activity- and species-specific marine mammal monitoring and mitigation plans; and coordination with Alaska Natives to minimize effects of operations on subsistence hunting. Realistically, costs of compliance with this proposed rule, if finalized, are minimal in comparison to those related to actual oil and gas industry activities. The actual costs to develop the petition for promulgation of regulations and LOA requests fall short of the "major rule" threshold that would require preparation of a regulatory impact analysis.

Small Business Regulatory Enforcement Fairness Act

The FWS has determined that this proposed rule, if finalized, is not a major rule under 5 U.S.C. 804(2), the Small Business Regulatory Enforcement Fairness Act. The proposed rule is also not likely to result in a major increase in costs or prices for consumers, individual industries, or government agencies or have significant adverse effects on competition, employment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

Regulatory Flexibility Act

The FWS has determined that this proposed rule, if finalized, will not have a significant economic effect on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). The AOGA and their affiliated parties conducting oil and gas industry activities in the Beaufort Sea and North Slope of Alaska are the only entities subject to this proposed ITR. Therefore, neither a regulatory flexibility analysis nor a small entity compliance guide is required.

Takings Implications

This proposed rule, if finalized, does not have takings implications under E.O. 12630 because the ITR process is voluntary and serves to exempt applicants from certain civil liability under the MMPA as long as they operate in compliance with the terms of their LOAs. Therefore, a takings implications assessment is not required.

Federalism Effects

This proposed rule, if finalized, does not contain policies with federalism implications sufficient to warrant preparation of a federalism assessment under E.O. 13132. The MMPA gives the FWS the authority and responsibility to protect polar bears and walrus.

Unfunded Mandates Reform Act

In accordance with the Unfunded Mandates Reform Act (2 U.S.C. 1501 *et seq.*), this proposed rule, if finalized, will not "significantly or uniquely" affect small governments. A small government agency plan is not required. The FWS has determined and certifies pursuant to the Unfunded Mandates Reform Act that this rulemaking will not impose a cost of \$100 million or more in any given year on local or State governments or private entities. This rule, if finalized, will not produce a Federal mandate of \$100 million or greater in any year, *i.e.*, it is not a "significant regulatory action" under the Unfunded Mandates Reform Act.

Civil Justice Reform

The Departmental Solicitor's Office has determined that this proposed rule, if finalized, will not unduly burden the judicial system and meets the applicable standards provided in sections 3(a) and 3(b)(2) of E.O. 12988.

Paperwork Reduction Act

This proposed rule does not contain any new collection of information that require approval by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*). All information collections under the PRA require OMB approval. We may not conduct or sponsor and you are not required to respond to a collection of information unless it displays a currently valid OMB control number. OMB previously approved the information collection requirements associated with incidental take in the identified subparts and assigned the following control numbers:

- 1018–0070, Incidental Take of Marine Mammals During Specified Activities (50 CFR 18.27 and 50 CFR 18, Subpart J) (expires 08/31/2028), and

- 1018–0203, Incidental Take of Marine Mammals During Specified Activities (50 CFR 18.27 and 50 CFR 18, Subpart L) (expires 08/31/2028).

Energy Effects

E.O. 13211 requires agencies to prepare statements of energy effects when undertaking certain actions. This proposed rule provides exceptions from the MMPA's taking prohibitions for entities engaged in specified oil and gas industry activities in the specified geographic region. By providing certainty regarding compliance with the MMPA, this proposed rule will have a positive effect on the oil and gas industry activities. Although the proposed rule requires an applicant to take a number of actions, these actions have been undertaken by oil and gas industry activities for many years as part of similar past regulations. Therefore, this proposed rule is not expected to significantly affect energy supplies, distribution, or use and does not constitute a significant energy action. No statement of energy effects is required.

Clarity of This Proposed Rule

We are required by E.O.s 12866 and 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: (a) Be logically organized; (b) use the active voice to address readers directly; (c) use common, everyday words and clear language rather than jargon; (d) be divided into short sections and sentences; and (e) 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 **ADDRESSES**. 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, the sections where you feel lists or tables would be useful, etc.

References

For a list of the references cited in this proposed rule, see Docket No. FWS–R7–ES–2026–0694, available at <https://www.regulations.gov>.

List of Subjects in 50 CFR Part 18

Administrative practice and procedure, Alaska, Imports, Indians, Marine mammals, Oil and gas exploration, Reporting and recordkeeping requirements, Transportation.

Signing Authority

Kevin Lilly, Principal Deputy Assistant Secretary for Fish and Wildlife and Parks, Exercising the Delegated Authority of the Assistant Secretary for Fish and Wildlife and Parks, approved this action on March 5, 2026, for publication. On March 5, 2026, Kevin Lilly authorized the undersigned to sign the document electronically and submit it to the Office of the Federal Register for publication as an official document of the U.S. Fish and Wildlife Service.

Proposed Regulation Promulgation

For the reasons set forth in the preamble, the FWS proposes to amend part 18, subchapter B of chapter 1, title 50 of the Code of Federal Regulations as set forth below.

PART 18—MARINE MAMMALS

■ 1. The authority citation of 50 CFR part 18 continues to read as follows:

Authority: 16 U.S.C. 1361 et seq.

■ 2. Amend part 18 by revising and republishing subpart J to read as follows:

Subpart J—Nonlethal Taking of Marine Mammals Incidental to Oil and Gas Exploration, Development, and Production Activities in the Beaufort Sea and Adjacent Northern Coast of Alaska

- 18.119 Specified activities covered by this subpart.
- 18.120 Specified geographic region where this subpart applies.
- 18.121 Dates this subpart is in effect.
- 18.122 Procedure to obtain a letter of authorization (LOA).
- 18.123 How the FWS will evaluate a request for an LOA.
- 18.124 Authorized take allowed under an LOA.
- 18.125 Prohibited take under an LOA.
- 18.126 Mitigation.
- 18.127 Monitoring.
- 18.128 Reporting requirements.
- 18.129 Information collection requirements.

§ 18.119 Specified activities covered by this subpart.

Regulations in this subpart apply to the incidental, but not intentional, take of small numbers of polar bears by certain U.S. citizens while engaged in oil and gas exploration, development, and production activities in the Beaufort Sea and adjacent northern coast of Alaska. A letter of authorization (LOA) from the FWS is required to authorize incidental take that may occur during the specified activities. The entities

described in § 18.122 may request an LOA pursuant to the regulations in this subpart.

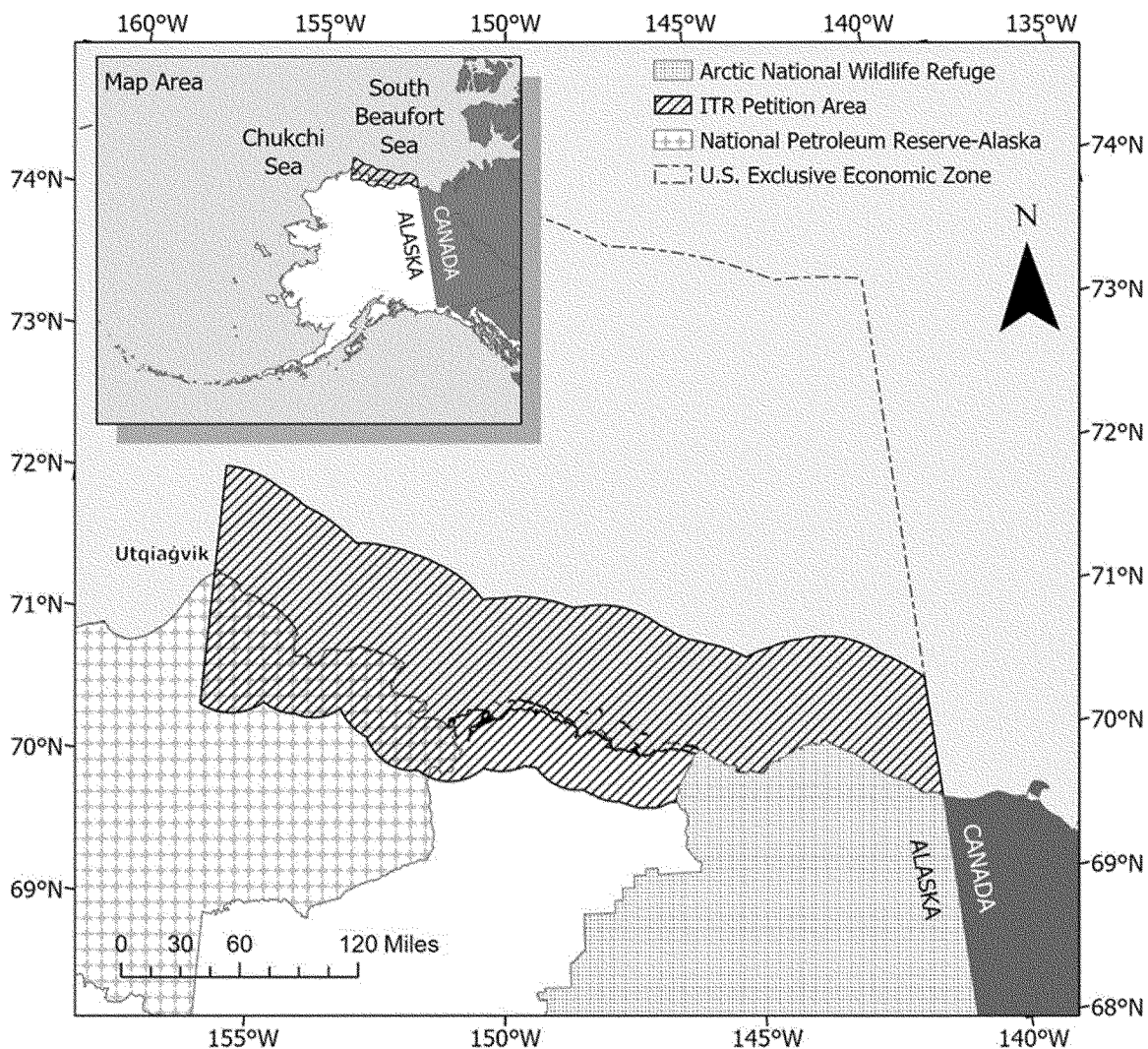
§ 18.120 Specified geographic region where this subpart applies.

This subpart applies to the specified geographic region that encompasses all Beaufort Sea waters east of a north-south line through Point Barrow, Alaska (latitude 71.39139° N, longitude 156.475° W; Board on Geographic Names (BGN) 1944), and 80.5 kilometer (km) (50 miles (mi)) north of Point Barrow, including Alaska State waters and Outer Continental Shelf waters, and east of that line to the Canadian border.

(a) The offshore boundary of the Beaufort Sea incidental take regulations (ITR) region extends 80.5 km (50 mi) offshore. The onshore region is the same north/south line at Utqiagvik, 40.2 km (25 mi) inland and east to the Canning River.

(b) Lands and waters within the exterior boundaries of the Arctic National Wildlife Refuge are not included in the Beaufort Sea ITR region. Figure 1 shows the area where this subpart applies.

Figure 1 to § 18.120—Map of the Beaufort Sea ITR region



§ 18.121 Dates this subpart is in effect.

The regulations in this subpart are effective from August 6, 2026, through August 5, 2031, for year-round oil and gas exploration, development, and production.

§ 18.122 Procedure to obtain a letter of authorization (LOA).

(a) An applicant must be a U.S. citizen as defined in § 18.27(c) and among:

- (1) Those entities specified in the request for this rule as set forth in paragraph (b) of this section;
- (2) Any of their corporate affiliates; or
- (3) Any of their respective contractors, subcontractors, partners, owners, co-lessees, designees, or successors-in-interest.

(b) The entities specified in the request (as modified) are the Alaska Oil and Gas Association, which includes Alyeska Pipeline Service Company; BlueCrest Energy, Inc.; Chevron Corporation; ConocoPhillips Alaska, Inc. (CPAI); ExxonMobil Alaska

Production, Inc. (ExxonMobil); Finnex; Furie Operating Alaska, LLC; Glacier Oil and Gas Corporation (Glacier); Hilcorp Alaska, LLC and Hilcorp North Slope, LLC (Hilcorp); Marathon Petroleum Corporation; Petro Star Inc.; Repsol; Santos; Shell Exploration and Production Company (Shell); APA Corporation; and 8 Star Alaska, LLC (a non-member company).

(c) Request for LOAs must be submitted to the Service's Alaska Region Marine Mammals Management (MMM) Office, MS 341, 1011 East Tudor Road, Anchorage, Alaska 99503, at least 90 days prior to the start of the activity.

(d) The request for an LOA must comply with the requirements set forth in §§ 18.126 through 18.128 of this subpart and must include the following information:

- (1) An operational plan that describes in detail the activity (e.g., type of project, methods, and types and numbers of equipment and personnel), the dates and duration of the activity,

and the specific locations affected by the activity;

(2) A site-specific Pacific walrus and polar bear safety, awareness, and interaction plan; the plan for each activity and location will detail the policies and procedures that will provide for the safety and awareness of personnel, avoid interactions with Pacific walruses and polar bears, and minimize impacts to these animals;

(3) A site-specific marine mammal monitoring and mitigation plan to monitor and mitigate the effects of the activity on Pacific walruses and polar bears; and

(4) If necessary, a plan of cooperation (POC) to mitigate potential conflicts between the activity and subsistence hunting.

(i) In a POC, applicants must provide documentation of communication with potentially affected subsistence communities along the Beaufort Sea coast (i.e., Kaktovik, Nuiqsut, and Utqigvik) and appropriate subsistence user organizations (i.e., the Alaska

Nannut Co-Management Council, the Eskimo Walrus Commission, or North Slope Borough) to discuss the location, timing, and methods of activities and identify and mitigate any potential conflicts with subsistence walrus and polar bear hunting activities. Applicants must specifically inquire of relevant communities and organizations if the activity will interfere with the availability of Pacific walruses and/or polar bears for the subsistence use of those groups.

(ii) Documentation must include a summary of any concerns identified by community members and hunter organizations and the applicant's responses to identified concerns.

§ 18.123 How the FWS will evaluate a request for an LOA.

We will evaluate each request for an LOA based on the specific activity and the specific geographic location. We will determine whether the level of activity identified in the request exceeds that analyzed by us in considering the number of animals estimated to be taken and evaluating whether there will be a negligible impact on the species or stock and an unmitigable adverse impact on the availability of the species or stock for subsistence uses. If the level of the operator's activity is within the level of activity already analyzed by us, we will grant the authorization. If the level of activity is greater, we may request further information and we will reevaluate our findings to determine if those findings continue to be appropriate based on the combined estimated take of the greater level of activity that the applicant has requested and all other activities proposed during the time of the activities in the LOA request. Depending on the results of the evaluation, we may grant the authorization, add further conditions, or deny the authorization.

§ 18.124 Authorized take allowed under an LOA.

(a) To incidentally take marine mammals pursuant to the regulations in this subpart, the applicant must apply for and obtain an LOA in accordance with §§ 18.27(f) and 18.122.

(b) An LOA issued under this subpart allows for the incidental take, as defined under section 3 of the Marine Mammal Protection Act (MMPA; 16 U.S.C. 1362), of Pacific walruses and/or polar bears during activities specified in § 18.119 within the Beaufort Sea ITR region described in § 18.120.

(c) Each LOA will set forth:

(1) Permissible methods of incidental take;

(2) Means of effecting the least practicable adverse impact (*i.e.*, mitigation) on the species, its habitat, and the availability of the species for subsistence uses; and

(3) Requirements for monitoring and reporting.

§ 18.125 Prohibited take under an LOA.

(a) Any incidental take that fails to comply with the regulations in this subpart or with the terms and conditions of an LOA remain prohibited. The regulations in this subpart do not authorize any intentional take.

(b) If specified activities cause unauthorized take, the holder of an LOA must:

(1) Cease activities immediately (or reduce activities to the minimum level necessary to maintain safety) and report the details of the incident within 48 hours to the FWS MMM office at 1–907–786–3800 (business hours); and

(2) Suspend further activities until the FWS has reviewed the circumstances, determined whether additional mitigation measures are necessary to avoid further unauthorized taking, and notified the LOA holder that project activities may resume.

§ 18.126 Mitigation.

(a) *Mitigation measures for all LOAs.* Holders of an LOA must implement policies and procedures to conduct activities in a manner that effects the least practicable adverse impact on Pacific walruses and/or polar bears, their habitat, and the availability of these marine mammals for subsistence uses. Adaptive management practices, such as temporal or spatial activity restrictions in response to the presence of marine mammals in a particular place or time or the occurrence of Pacific walruses and/or polar bears engaged in a biologically significant activity (*e.g.*, resting, feeding, denning, or nursing, among others), must be used to avoid interactions with and minimize impacts to these animals and their availability for subsistence uses. All holders of an LOA must:

(1) Cooperate with the FWS's MMM Office and other designated Federal, State, and local agencies to monitor and mitigate the impacts of activities on Pacific walruses and polar bears. Where information is insufficient to evaluate the potential effects of activities on walruses, polar bears, and the subsistence use of this species, holders of an LOA may be required to participate in joint monitoring and/or research efforts to address these information needs and ensure the least

practicable adverse impact to these resources.

(2) Designate trained and qualified personnel to monitor for the presence of Pacific walruses and polar bears, initiate mitigation measures, and monitor, record, and report the effects of the activities on Pacific walruses and/or polar bears.

(3) Have an approved Pacific walrus and polar bear safety, awareness, and interaction plan on file with the FWS's MMM Office and onsite and provide polar bear awareness training to certain personnel prior to their participation in the activities. Interaction plans must include:

(i) The type of activity and where and when the activity will occur (*i.e.*, a summary of the plan of operation);

(ii) A food, waste, and other "bear attractants" management plan;

(iii) Personnel training policies, procedures, and materials;

(iv) Site-specific walrus and polar bear interaction risk evaluation and mitigation measures;

(v) Walrus and polar bear avoidance and encounter procedures; and

(vi) Walrus and polar bear observation and reporting procedures.

(b) *Mitigation measures for onshore activities.* Holders of an LOA must undertake the following activities to limit disturbance around known polar bear dens:

(1) *Attempt to locate polar bear dens.* Holders of an LOA seeking to carry out onshore activities during the denning season (November–April) must conduct surveys for occupied polar bear dens in all denning habitat within 1.6 km (1 mi) of specified activities using AIR imagery. The applicant must conduct at least three such surveys in high density denning zones, at least two such surveys in moderate density denning zones, and at least one such survey in other onshore project areas.

(i) Where one or two AIR surveys are required, the first survey must occur between November 25 and December 25 and the second survey must occur between December 15 and January 15. Where three surveys are required, the additional survey must occur between December 5 and December 31. At least 24 hours must pass between the completion of a required survey and the beginning of a subsequent required survey.

(ii) AIR surveys will be conducted during darkness or civil twilight and not during daylight hours. Ideal environmental conditions during surveys would be clear, calm, and cold; AIR detection should not be attempted if there is blowing snow, any form of precipitation, or other sources of

airborne moisture. Flight crews will record and report environmental parameters including air temperatures, dew point, wind speed and direction, cloud ceiling, and percent humidity, and a flight log will be provided to the FWS within 48 hours of the flight.

(iii) A scientist experienced in interpreting AIR imagery will be on board the survey aircraft to analyze the AIR data in real-time. The data (infrared video) will be made available for viewing by the FWS immediately upon return of the survey aircraft to the base of operations.

(iv) All observed or suspected polar bear dens must be reported to the FWS prior to the initiation of activities.

(2) *Observe 1-mile operational mitigation zone around known polar bear dens.* Operators must observe a 1.6-km (1-mi) operational mitigation zone around all known or suspected polar bear dens during the denning season (November–April, or until the female and cubs leave the areas). Should previously unknown occupied dens be discovered within 1 mile of activities, the FWS must be contacted for guidance. The FWS will evaluate these instances on a case-by-case basis to determine the appropriate action. Potential actions may range from cessation or modification of work to conducting additional monitoring, and the holder of the LOA must comply with any additional measures specified.

(3) *Use the den habitat map developed by the U.S. Geological Survey (USGS).* To determine the areas that require surveys, operators must use the map of suitable coastal polar bear denning habitat developed by USGS: <https://data.usgs.gov/datacatalog/search?otherKeyword=%5B%22Denning%20habitat%22%5D>. Doing so will inform LOA holders of the potential locations of polar bear dens for consideration when conducting activities in the coastal areas.

(4) *Observe polar bear den restrictions.* Restrict the timing of the activity to limit disturbance around known or suspected dens.

(5) *Observe den emergence restrictions.* If a female and cubs of the year are observed during the den emergence period (February–April), LOA holders must immediately halt or delay any activities that could impede the polar bears' path to the sea ice. LOA holders must also notify the FWS and personnel conducting operations between the female and cubs and the coastline.

(c) *Mitigation measures for operational and support vessels.* Holders of an LOA must implement the following measures:

(1) Operational and support vessels must be staffed with dedicated marine mammal observers to alert crew of the presence of walruses and polar bears and initiate adaptive mitigation responses.

(2) At all times, vessels must maintain the maximum distance possible from concentrations of walruses or polar bears. Under no circumstances, other than an emergency, should any vessel approach within an 805-m (0.5-mi) radius of walruses or polar bears observed on land or ice.

(3) Vessel operators must take every precaution to avoid harassment of concentrations of feeding walruses when a vessel is operating near these animals. Vessels should reduce speed and maintain a minimum 805-m (0.5-mi) operational exclusion zone around feeding walrus groups. Vessels may not be operated in such a way as to separate members of a group of walruses (*i.e.*, greater than two) from other members of the group. When weather conditions require, such as when visibility drops, vessels should adjust speed accordingly to avoid the likelihood of injury to walruses.

(4) All vessels must avoid areas of active or anticipated walrus or polar bear subsistence hunting activity as determined through community consultations.

(5) In association with marine activities, we may require trained marine mammal monitors on the site of the activity or onboard ships, aircraft, icebreakers, or other support vessels or vehicles to monitor the impacts of oil and gas industry activity on polar bear and Pacific walruses.

(d) *Mitigation measures for aircraft to avoid disturbance.* Holders of an LOA must implement the following measures:

(1) *Follow aircraft elevation and flight path restrictions.* Operators of support aircraft shall, at all times, conduct their activities at the maximum distance practicable from concentrations of walruses or polar bears.

(i) Aircraft operations within the project area will maintain a minimum altitude of 457 m (1,500 ft) above ground level when safe and operationally possible.

(ii) Under no circumstances, other than an emergency, will aircraft operate at an altitude lower than 457 m (1,500 ft) within 805 m (0.5 mi) of walruses or polar bears observed on ice or land measured in a straight line between the polar bear and the ground directly underneath the aircraft. Helicopters may not hover or circle above such areas or within 805 m (0.5 mi) of such areas. Aircraft may be operated below 457 m

(1,500 ft) only when necessary to avoid adverse weather conditions or when operationally necessary. However, when weather conditions necessitate operation of aircraft at altitudes below 457 m (1,500 ft), the operator must avoid areas of known walrus and polar bear concentrations and should take precautions to avoid flying directly over or within 805 m (0.5 mi) of these areas.

(iii) Operators must plan all aircraft routes to minimize any potential conflict with active or anticipated walrus or polar bear hunting activity as determined through community consultations.

(2) *Follow aircraft landing and take-off spatial restrictions.* Aircraft will not land within 805 m (0.5 mi) of walruses or polar bears. If a polar bear is observed while the aircraft is grounded in remote areas, personnel will board the aircraft and leave the area. The aircraft operator will also avoid flying over the polar bear if possible. Operators should avoid making any sudden maneuvers, especially when traveling at lower altitudes, even if such maneuvers are intended to avoid walruses or polar bears. If a polar bear is observed within the landing zone or work area, operators should travel away from the site and slowly increase altitude to 457 m (1,500 ft) or a level that is safest and viable given current traveling conditions. Aircraft may not be operated in such a way as to separate individual walruses or polar bears from a group (*i.e.*, two or more animals).

(e) *Mitigation measures for the subsistence use of walruses and polar bears.* Holders of an LOA must conduct their activities in a manner that, to the greatest extent practicable, minimizes adverse impacts on the availability of Pacific walruses and polar bears for subsistence uses.

(1) *Community consultation.* Prior to receipt of an LOA, applicants must consult with potentially affected communities and appropriate subsistence user organizations to discuss potential conflicts with subsistence walrus and polar bear hunting caused by the location, timing, and methods of operations and support activities. If community concerns suggest that the activities may have an adverse impact on the subsistence uses of these species, the applicant must address conflict avoidance issues through a POC as described in paragraph (e)(2) of this section.

(2) *Plan of cooperation.* Based on community consultations, the holder of an LOA will be required to modify their POC as needed if directed by the FWS.

(i) The POC must include a description of the procedures by which

the holder of the LOA will work and consult with potentially affected subsistence hunters and a description of specific measures that have been or will be taken to avoid or minimize interference with subsistence hunting of walrus and polar bears and to ensure continued availability of the species for subsistence use.

(ii) The FWS will review the POC to ensure that any potential adverse effects on the availability of the animals are minimized. The FWS will reject or require modification of POCs if they do not provide adequate safeguards to ensure the least practicable adverse impact on the availability of walrus and polar bears for subsistence use.

§ 18.127 Monitoring.

Holders of an LOA must develop and implement a site-specific, FWS-approved marine mammal monitoring and mitigation plan to monitor and evaluate the effectiveness of mitigation measures and the effects of activities on walrus, polar bears, and the subsistence use of these species and provide trained, qualified, and FWS-approved onsite observers to carry out the activities identified in the marine mammal monitoring and mitigation plan.

§ 18.128 Reporting requirements.

Holders of an LOA must report the results of monitoring and mitigation activities to the FWS's MMM Office via email at: fw7_mmm_reports@fws.gov.

(a) *In-season monitoring reports.*

(1) *Activity progress reports.* Holders of an LOA must:

- (i) Notify the FWS at least 48 hours prior to the onset of activities;
- (ii) Provide the FWS weekly progress reports of any significant changes in activities and/or locations; and
- (iii) Notify the FWS within 48 hours after ending of activities.

(2) *Walrus observation reports.*

Holders of an LOA must report, on a weekly basis, all observations of walrus during any industry activity. Upon request, monitoring report data must be provided in a common electronic format (to be specified by the FWS). Information in the observation report must include, but is not limited to:

- (i) Date and time of the observation;
- (ii) Locations of the observer and walrus (GPS coordinates if possible);
- (iii) Number of walrus;
- (iv) Sex and age class of walrus (if known);
- (v) Observer name and contact information;
- (vi) Weather, visibility, and if at sea, sea state, and sea-ice conditions at the time of the observation;

(vii) Estimated distance of walrus at closest approach;

(viii) Industry activity at time of the observation;

(ix) Behavior of animals sighted;

(x) Description of the encounter;

(xi) Duration of the encounter; and

(xii) Mitigation actions taken.

(3) *Polar bear observation reports.*

Holders of an LOA must report, within 48 hours, all observations of polar bears and potential polar bear dens, during any industry activity. Upon request, monitoring report data must be provided in a common electronic format (to be specified by the FWS).

Information in the observation report must include, but is not limited to:

- (i) Date and time of the observation;
- (ii) Locations of the observer and polar bears (GPS coordinates if possible);
- (iii) Number of polar bears;
- (iv) Sex and age class of polar bears (if known);
- (v) Observer name and contact information;
- (vi) Weather, visibility, and if at sea, sea state, and sea-ice conditions at the time of the observation;
- (vii) Estimated closest distance of polar bears from personnel and facilities;
- (viii) Industry activity at time of the observation;
- (ix) Possible attractants present;
- (x) Polar bear behavior;
- (xi) Description of the observation;
- (xii) Duration of the observation; and
- (xiii) Mitigation actions taken.

(b) *Notification of LOA incident report.* Holders of an LOA must report, as soon as possible, but within 48 hours, all LOA incidents during any industry activity. An LOA incident is any situation in which specified activities exceed the authority of an LOA, a mitigation measure was required but not enacted, or injury or death of a walrus or polar bear occurs.

(1) Reports must include all information specified for an observation report, a complete detailed description of the incident, and any other actions taken.

(2) Injured, dead, or distressed walrus or polar bears that are clearly not associated with the specified activities (e.g., animals found outside the project area, previously wounded animals, or carcasses with moderate to advanced decomposition or scavenger damage) must also be reported to the FWS immediately, and not later than 48 hours after discovery. Photographs, video, location information, or any other available documentation must be included.

(c) *Final report.* The results of monitoring and mitigation efforts

identified in the marine mammal monitoring and mitigation plan must be submitted to the FWS for review within 90 days of the expiration of an LOA. Upon request, final report data must be provided in a common electronic format (to be specified by the FWS). Information in the final report must include, but is not limited to:

- (1) Copies of all observation reports submitted under the LOA;
- (2) A summary of the observation reports;
- (3) A summary of monitoring and mitigation efforts including areas, total hours, total distances, and distribution;
- (4) Analysis of factors affecting the visibility and detectability of walrus and polar bears during monitoring;
- (5) Analysis of the effectiveness of mitigation measures;
- (6) Analysis of the distribution, abundance, and behavior of walrus and/or polar bears observed; and
- (7) Estimates of take in relation to the specified activities.

identified in the marine mammal monitoring and mitigation plan must be submitted to the FWS for review within 90 days of the expiration of an LOA. Upon request, final report data must be provided in a common electronic format (to be specified by the FWS). Information in the final report must include, but is not limited to:

- (1) Copies of all observation reports submitted under the LOA;
- (2) A summary of the observation reports;
- (3) A summary of monitoring and mitigation efforts including areas, total hours, total distances, and distribution;
- (4) Analysis of factors affecting the visibility and detectability of walrus and polar bears during monitoring;
- (5) Analysis of the effectiveness of mitigation measures;
- (6) Analysis of the distribution, abundance, and behavior of walrus and/or polar bears observed; and
- (7) Estimates of take in relation to the specified activities.

§ 18.129 Information collection requirements.

OMB has approved the collection of information contained in this subpart and assigned OMB control number 1018-0070. We 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. Direct comments regarding the burden estimate or any other aspect of this requirement to the Information Collection Clearance Officer, U.S. Fish and Wildlife Service, at the address listed in 50 CFR part 2.1.

Brian R. Nesvik

Director, U.S. Fish and Wildlife Service.

[FR Doc. 2026-04558 Filed 3-6-26; 8:45 am]

BILLING CODE 4333-15-P

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

50 CFR Part 92

[Docket No. FWS-R7-MB-2025-1694; FXMB12610700000-267-FF07M01000]

RIN 1018-BI70

Migratory Bird Subsistence Harvest in Alaska

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Proposed rule.

SUMMARY: We, the U.S. Fish and Wildlife Service (Service), are proposing changes to the migratory bird subsistence harvest regulations in

Alaska. Subsistence harvest regulations allow for the continuation of customary and traditional subsistence uses of migratory birds in Alaska and establish when and where the harvesting of certain migratory birds may occur within each subsistence region. Subsistence harvest regulations, including these proposed changes, were developed through a cooperative process involving the Service, the Alaska Department of Fish and Game, and Alaska Native representatives.

DATES: We will accept comments received or postmarked on or before April 8, 2026.

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

(1) *Federal eRulemaking Portal:* <https://www.regulations.gov>. Follow the instructions for submitting comments to Docket No. FWS-R7-MB-2025-1694.

(2) *U.S. Mail:* Public Comments Processing, Attn: FWS-R7-MB-2025-1694, U.S. Fish and Wildlife Service, MS: JAO/3W, 5275 Leesburg Place, Falls Church, VA 22041-3803.

We will post all comments on <https://www.regulations.gov>. This generally means that we will post any personal information you provide us (see Public Comment Procedures, below, for more information).

FOR FURTHER INFORMATION CONTACT:

Wendy Loya, U.S. Fish and Wildlife Service, 1011 E Tudor Road, Mail Stop 201, Anchorage, AK 99503; (907) 227-2942. 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. Please see Docket No. FWS-R7-MB-2025-1694 on <https://www.regulations.gov> for a document that summarizes this proposed rule.

SUPPLEMENTARY INFORMATION:

Public Comment Procedures

To ensure that any action resulting from this proposed rule will be as accurate and as effective as possible, we request that you send relevant information for our consideration. The comments that will be most useful and likely to influence our decisions are those supported by quantitative information or studies and those that include citations to, and analyses of, the applicable laws and regulations. Please make your comments as specific as possible and explain the basis for them. In addition, please include sufficient

information with your comments to allow us to authenticate any scientific or commercial data you include.

You must submit your comments and materials concerning this proposed rule by one of the methods listed above in **ADDRESSES**. We will not accept comments sent by email or fax or to an address not listed in **ADDRESSES**. If you submit a comment via <https://www.regulations.gov>, your entire comment—including any personal identifying information, such as your address, telephone number, or email address—will be posted on the website.

If you mail a hardcopy comment directly to us that includes personal information, you may request at the top of your document that we withhold this information from public review.

However, we cannot guarantee that we will be able to do so. All comments and materials we receive will be available for public inspection via <https://www.regulations.gov> under Docket No. FWS-R7-MB-2025-1694.

Background

The Migratory Bird Treaty Act of 1918 (MBTA, 16 U.S.C. 703 *et seq.*) was enacted to protect migratory birds and gives the Secretary of the Interior the authority to regulate the harvest of certain migratory birds. The law further authorizes the Secretary to issue regulations to ensure that the indigenous inhabitants of the State of Alaska may take certain migratory birds and collect their eggs for nutritional and other essential needs during seasons established by the Secretary to provide for the preservation and maintenance of these migratory birds (16 U.S.C. 712(1)).

The take of migratory birds for subsistence uses in Alaska occurs primarily during the spring and summer, a timeframe not included in the fall and winter general migratory game bird hunting regulations for the United States. Regulations governing the subsistence harvest of migratory birds in Alaska are located in title 50 of the Code of Federal Regulations (CFR) in part 92. These regulations allow for the continuation of customary and traditional subsistence uses of migratory birds and establish when and where the harvesting of certain birds in Alaska may occur within each subsistence region.

The migratory bird subsistence harvest regulations are developed cooperatively. The Alaska Migratory Bird Co-Management Council (Council or AMBCC) consists of the Service, the Alaska Department of Fish and Game (ADFG), and Alaska Native representatives. The Council's primary purpose is to develop recommendations

pertaining to the subsistence harvest of migratory birds.

The Council generally holds an annual spring meeting to review and recommend any regulatory changes for migratory bird subsistence harvest regulations in Alaska. The Council met April 9–10, 2025, and recommended changes to the subsistence harvest regulations intended to take effect beginning with the 2026 harvest season. The Council's recommendations were presented to the Pacific Flyway Council for their review and comment and subsequent submission to the Service Regulations Committee (SRC) for consideration at the SRC meeting on December 16, 2025.

Proposed Revisions to the Regulations

Under the collaborative process described above, this document proposes the following revisions to the regulations for the taking of certain migratory birds for subsistence uses in Alaska during the spring and summer.

Proposed Revision to Subpart A

In 50 CFR part 92, subpart A (general provisions), we propose to change the name of the Upper Copper River region to the Ahtna Territory region in § 92.5. The Upper Copper River region is one of 12 geographic regions (called regional management areas) in Alaska based on common subsistence resource use patterns and the 12 Alaska Native regional corporation boundaries established under the Alaska Native Claims Settlement Act (ANCSA, 43 U.S.C 1606). The Upper Copper River region has eight eligible communities whose harvest area includes Alaska State Game Management Units 11, 12, and 13. The Copper River Migratory Bird Co-Management Council submitted a proposal to the AMBCC requesting their region be renamed Ahtna Territory to reflect the desires of member communities to self-identify with an appropriate regional name. The current name inaccurately reflects the region's community membership and eligible harvest area, as the community of Cantwell is not located in the Copper River drainage and its traditional hunting areas are within the watersheds of other major rivers (e.g., the Yukon and Susitna). Renaming this region as the Ahtna Territory will help clarify Ahtna Tribal communities included in the region and better identify those eligible to participate in the spring-summer subsistence harvest.

The AMBCC recommended an amendment to the regulations to change the name of the Upper Copper River region to the Ahtna Territory region on April 9, 2025. This regulatory

amendment was supported by the Pacific Flyway Council on September 12, 2025, and the SRC on December 16, 2025, and intended for implementation beginning with the 2026 subsistence season.

Proposed Revisions to Subpart B

In 50 CFR part 92, subpart B (program structure), we propose to change the name of the Upper Copper River region to the Ahtna Territory region in § 92.11 as described above for subpart A.

Proposed Revisions to Subpart D

In 50 CFR part 92, subpart D (annual regulations governing subsistence harvest), we propose several changes for the Upper Copper River region: changing the region's name, clarifying language regarding the harvest area, and modifying the season dates.

First, we propose to change the name of the Upper Copper River region to the Ahtna Territory region in § 92.31(i) as described above for subpart A.

Second, we propose clarifying and simplifying the language in § 92.31(i) regarding which Alaska State Game Management Units (GMUs) are included in the harvest area for the Upper Copper River region. Currently, § 92.31(i) states that the harvest area for the eight eligible communities—Gulkana, Chitina, Tazlina, Copper Center, Gakona, Mentasta Lake, Chistochina, and Cantwell—includes GMUs 11 and 13. However, § 92.31(i)(3) later adds GMU 12 as a harvest area for the Copper River Basin communities listed in § 92.31(i). This creates confusion, as one of the communities (Cantwell) is not located in the Copper River Basin. The current language implies that GMUs 11, 12, and 13 are open for the seven Copper River Basin communities, while Cantwell's harvest area is limited to GMUs 11 and 13. However, Cantwell is located north of the Alaska Range, which qualifies it as an “included area” under § 92.5(a). As such, its residents are eligible to harvest birds during the spring-summer season in areas north of the Alaska Range, like GMU 12. To clarify the regulations, we propose adding GMU 12 to the list of GMUs in § 92.31(i) for all eight communities. We also propose removing § 92.31(i)(3), as it would become redundant following this change and the proposed season date revisions described below.

Third, we propose to modify the season dates within the Upper Copper River region listed in § 92.31(i)(1) and (i)(2). This proposed change will simplify the regulations and better align season dates with bird presence in the region. The Upper Copper River region's harvest area includes GMUs 11, 12, and

13 as described above, but currently the hunting and egg gathering seasons for GMUs 11 and 13 are different from those in GMU 12. The Copper River Migratory Bird Co-Management Council proposed changing the season dates for GMUs 11 and 13 (currently: April 15–May 26 and June 27–August 31; closure: May 27–June 26) to match those in GMU 12 (season: April 2–June 14 and July 16–August 31; egg gathering May 1–June 14 only; closure: June 15–July 15). The proposed change will better align the season dates in GMUs 11 and 13 with the availability of birds in the region and improve alignment of the 30-day nesting closure with the principal nesting period. The proposed change would also simplify regulations for the region by establishing consistent season dates in all three GMUs (11, 12, and 13) and, along with the clarification described above, allows the removal of § 92.31(i)(3). The AMBCC lacked biological data to analyze the potential effects of the proposed change but instead relied on Indigenous Knowledge from the region to substantiate the necessity of adjusting season dates. The AMBCC does not anticipate any negative effects to migratory birds from these proposed changes.

On April 9, 2025, the AMBCC recommended an amendment to the regulations to change the season dates for GMUs 11 and 13 in the Upper Copper River region to April 2–June 14 and July 16–August 31; egg gathering May 1–June 14 only; closure: June 15–July 15 to match those in GMU 12. The word “only” is used after the egg gathering season dates to be consistent with the current regulations, *e.g.*, at 92.31(h) for the Interior region. This regulatory amendment was supported by the Pacific Flyway Council on September 12, 2025, and the SRC on December 16, 2025, and intended for implementation beginning with the 2026 subsistence season.

Compliance With the MBTA and the Endangered Species Act

The Service has dual objectives and responsibilities for authorizing a subsistence harvest while protecting migratory birds and threatened species. Although these objectives are challenging, they are not irreconcilable, provided that: (1) Regulations continue to protect threatened species, (2) measures to address documented threats are implemented, and (3) the subsistence community and other conservation partners commit to working together.

Mortality, sickness, and poisoning from lead exposure have been documented in many waterfowl species,

including threatened spectacled eiders (*Somateria fischeri*) and the Alaska-breeding population of Steller's eiders (*Polysticta stelleri*). While lead shot has been banned nationally for waterfowl hunting since 1991, Service staff have documented the availability of lead shot in waterfowl ammunition for sale in communities on the Yukon-Kuskokwim Delta and North Slope. The Service continues to work with partners to increase education, outreach, and enforcement efforts to ensure that subsistence waterfowl hunting is conducted using nontoxic shot.

Conservation Under the MBTA

Based on long-term monitoring of harvest and population size of the migratory bird species taken for subsistence, we find that this proposed rule will provide for the preservation and maintenance of migratory birds as required by the MBTA. Communication and coordination with the AMBCC and the Pacific Flyway Council have aided in the establishment of hunting regulations to ensure the long-term viability of the migratory birds exposed to harvest.

Endangered Species Act Consideration

Spectacled eiders and the Alaska-breeding population of Steller's eiders are listed as threatened species under the Endangered Species Act of 1973, as amended (ESA, 16 U.S.C. 1531 *et seq.*). Their migration and breeding distribution overlap with areas where the spring and summer subsistence migratory bird harvest is open in Alaska. However, neither eider species is present in the Upper Copper River region where this proposed rule applies. In addition, both species are closed to subsistence harvest and under §§ 92.21 and 92.32 the Service may implement emergency closures, if necessary, to protect Steller's eiders or any other endangered or threatened species or migratory bird population.

Section 7 of the ESA requires the Secretary of the Interior to review other programs administered by the Department of the Interior and utilize such programs in furtherance of the purposes of the ESA. The Secretary is further required to ensure that any action authorized, funded, or carried out by the Department of the Interior is not likely to jeopardize the continued existence of any endangered species or threatened species or result in the destruction or adverse modification of critical habitat.

The Service's Alaska Region Migratory Bird Management Program conducted an intra-agency consultation with the Service's Northern Alaska Fish

and Wildlife Field Office on this proposed rule. Given the absence of listed eiders in the action area, a no effect determination was made. Therefore, the Service will not need to issue a letter of concurrence or biological opinion, and we expect this proposed rule to comply with the ESA.

Comment Period

Implementation of the Service's 2013 supplemental environmental impact statement (SEIS) on the hunting of migratory birds resulted in changes to the overall timing of the annual regulatory schedule for the establishment of migratory bird hunting regulations and the Alaska migratory bird subsistence harvest regulations. The programmatic document, "Second Final Supplemental Environmental Impact Statement: Issuance of Annual Regulations Permitting the Hunting of Migratory Birds (SEIS 20130139)," filed with the Environmental Protection Agency on May 24, 2013, addressed compliance with the National Environmental Policy Act by the Service for issuance of the annual framework regulations for hunting of migratory game bird species. We published a notice of availability of the SEIS in the **Federal Register** on May 31, 2013 (78 FR 32686), and our Record of Decision on July 26, 2013 (78 FR 45376).

With the SRC meeting occurring on December 16, 2025, there is a short timeframe for finalizing the changes to the subsistence harvest regulations by the April 2, 2026, season opening. Thus, we have established a 30-day comment period for this proposed rule (see **DATES**, above), and we will be conducting Tribal consultations within Alaska simultaneously. We believe a 30-day comment period gives the public adequate time to provide meaningful comments.

Required Determinations

Regulatory Planning and Review (Executive Orders 12866 and 13563)

E.O. 12866 provides that the Office of Information and Regulatory Affairs (OIRA) in the 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, to reduce uncertainty, and to 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 regulations must be based on the best available science and that the rulemaking process must allow for public participation and an open exchange of ideas. We have developed these proposed revisions to the CFR in a manner consistent with these requirements.

Regulatory Flexibility Act

The Department of the Interior certifies that, if adopted as proposed, this proposed rule will not have a significant economic impact on a substantial number of small entities as defined under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). A regulatory flexibility analysis is not required.

Accordingly, a small entity compliance guide is not required. The regulations at 50 CFR part 92 legalize a preexisting subsistence activity. The commodities that are regulated under these regulations are migratory birds, and the resources harvested are consumed. This proposed rule would make only modest changes to the current regulations.

Congressional Review Act

This proposed rule is not a major rule under 5 U.S.C. 804(2), the Congressional Review Act. This proposed rule:

(a) Would not have an annual effect on the economy of \$100 million or more. The regulations at 50 CFR part 92 legalize the subsistence harvest of migratory birds and, as such, do not involve commodities traded in the marketplace. This proposed rule would not result in a substantial increase in subsistence harvest or a significant change in harvesting patterns.

(b) Would not cause a major increase in costs or prices for consumers; individual industries; Federal, State, or local government agencies; or geographic regions. This proposed rule does not deal with traded commodities and, therefore, would not have an impact on prices for consumers.

(c) Would not have significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of U.S.-based enterprises to compete with foreign-based enterprises. This proposed rule deals with the harvesting of wildlife for personal consumption. It would not regulate the marketplace in any way to generate substantial effects on the economy or the ability of businesses to compete.

Unfunded Mandates Reform Act

We have determined and certified under the Unfunded Mandates Reform

Act (2 U.S.C. 1501 *et seq.*) that this proposed rule would not impose a cost of \$100 million or more in any given year on local, State, or Tribal governments or private entities. The proposed rule would not have a significant or unique effect on local, State, or Tribal governments or the private sector. A statement containing the information required by the Unfunded Mandates Reform Act is not required. Participation on regional management bodies and the Council requires travel expenses for some Alaska Native organizations and local governments. In addition, they assume some expenses related to coordinating involvement of village councils in the regulatory process. Total coordination and travel expenses for all Alaska Native organizations are estimated to be less than \$300,000 per year. When funding permits, the Service makes annual grant agreements available to the partner organizations and the ADFG to help offset their expenses. However, this proposed rule would not revise any regulations pertaining to participation in the regulatory process.

Takings (E.O. 12630)

Under the criteria in E.O. 12630, this proposed rule would not have significant takings implications. The proposed changes to the regulations at 50 CFR part 92 are not specific to particular landownership but instead apply to the harvesting of migratory bird resources in portions of Alaska. A takings implication assessment is not required.

Federalism (E.O. 13132)

In accordance with E.O. 13132 (Federalism), this proposed rule does not have significant federalism implications to warrant the preparation of a federalism summary impact statement. The Service worked with the State of Alaska to develop these proposed regulations. Therefore, a federalism summary impact statement is not required.

Civil Justice Reform (E.O. 12988)

The Department, in promulgating this proposed rule, has determined that it would not unduly burden the judicial system and that it meets the requirements of sections 3(a) and 3(b)(2) of E.O. 12988.

Government-to-Government Relations With Native American Tribal Governments

In accordance with E.O. 13175 ("Consultation and Coordination with Indian Tribal Governments"), and the Department of the Interior's manual at

512 DM 2, 512 DM 4 and 512 DM 6, we readily acknowledge our responsibility to communicate meaningfully with federally recognized Tribes and Alaska Native Corporations on a government-to-government basis. We will send letters via electronic mail to all 229 federally recognized Indian Tribes in Alaska. Consistent with 512 DM 5 and 512 DM 7, we also will send letters to approximately 200 Alaska Native Corporations and other Tribal entities in Alaska soliciting their input as to whether or not they would like the Service to consult with them on the proposed changes to the migratory bird subsistence harvest regulations.

We implemented the amended treaty with Canada with a focus on local involvement. The treaty calls for the creation of management bodies to ensure an effective and meaningful role for Alaska's indigenous inhabitants in the conservation of migratory birds. According to the Letter of Submittal, management bodies are to include Alaska Native, Federal, and State of Alaska representatives as equals. They develop recommendations for, among other things: seasons and bag limits, methods and means of take, law enforcement policies, population and harvest monitoring, educational programs, research and use of traditional knowledge, and habitat protection. The management bodies involve village councils to the maximum extent possible in all aspects of management. To ensure maximum input at the village level, we required each of the 11 participating regions to create regional management bodies consisting of at least one representative from the participating villages. The regional management bodies meet twice annually to review and/or submit proposals to the statewide body.

Paperwork Reduction Act of 1995 (PRA)

This proposed rule does not contain any new collection of information that requires approval by the Office of Management and Budget (OMB) under 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 currently valid OMB control number. OMB has previously approved the information collection requirements associated with subsistence harvest reporting and assigned the following OMB control numbers:

- Alaska Migratory Bird Subsistence Harvest Household Survey, OMB Control Number 1018–0124 (expires July 31, 2027), and
- Regulations for the Taking of Migratory Birds for Subsistence Uses in Alaska, 50 CFR part 92, OMB Control Number 1018–0178 (expires July 31, 2027).

*National Environmental Policy Act Consideration (42 U.S.C. 4321 *et seq.*)*

The regulations at 50 CFR part 92 and options are considered in the environmental assessment, “Managing Migratory Bird Subsistence Hunting in Alaska: Hunting Regulations for the 2026 Spring/Summer Harvest.” Copies are available from the person listed under **FOR FURTHER INFORMATION CONTACT**.

Energy Supply, Distribution, or Use (E.O. 13211)

E.O. 13211 requires agencies to prepare statements of energy effects when undertaking certain actions. This proposed rule is not a significant regulatory action under this E.O.; it allows only for traditional subsistence harvest and improves conservation of migratory birds by allowing effective regulation of this harvest. This proposed rule would not have any effect on energy supplies, distribution, or use. Therefore, this action is not a significant energy action under Executive Order 13211, and a statement of energy effects is not required.

List of Subjects in 50 CFR Part 92

Hunting, Treaties, Wildlife.

Signing Authority

Kevin Lilly, Principal Deputy Assistant Secretary for Fish and Wildlife

and Parks, Exercising the Delegated Authority of the Assistant Secretary for Fish and Wildlife and Parks, approved this action on March 5, 2026, for publication. On March 5, 2026, Kevin Lilly authorized the undersigned to sign the document electronically and submit it to the Office of the **Federal Register** for publication as an official document of the U.S. Fish and Wildlife Service.

Proposed Regulation Promulgation

For the reasons set out in the preamble, we propose to amend 50 CFR part 92 as set forth below:

PART 92—MIGRATORY BIRD SUBSISTENCE HARVEST IN ALASKA

- 1. The authority citation for part 92 continues to read as follows:

Authority: 16 U.S.C. 703–712.

- 2. Amend § 92.5 by revising paragraphs (a)(2)(i) and (d)(2) to remove the words “Upper Copper River Region” and add in their place the words “Ahtna Territory Region”.

- 3. Amend § 92.11 by revising paragraph (a)(11) to remove the words “Upper Copper River” and add in their place the words “Ahtna Territory”.

- 4. Amend § 92.31 by revising and republishing paragraph (i) to read as follows:

§ 92.31 Region-specific regulations.

* * * * *

(i) Ahtna Territory region (Harvest Area: Game Management Units 11, 12, and 13) (Eligible communities: Gulkana, Chitina, Tazlina, Copper Center, Gakona, Mentasta Lake, Chistochina and Cantwell).

(1) Season: April 2–June 14 and July 16–August 31; egg gathering May 1–June 14 only.

(2) Closure: June 15–July 15.

* * * * *

Brian R. Nesvik,

Director, U.S. Fish and Wildlife Service.

[FR Doc. 2026–04559 Filed 3–6–26; 8:45 am]

BILLING CODE 4333–15–P

Notices

Federal Register

Vol. 91, No. 45

Monday, March 9, 2026

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

Farm Service Agency

[Docket ID FSA–2023–0020]

Information Collection Request; Emergency Relief Program (ERP) 2022

AGENCY: Farm Service Agency, USDA.

ACTION: Notice; request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, the Farm Service Agency (FSA) is requesting comments from all interested individuals and organizations on a revision of a currently approved information collection for the Emergency Relief Program (ERP) 2022. The application period for ERP 2022 has ended; however, the collection is continuing because additional information is needed to implement a provision of the Full-Year Continuing Appropriations and Extensions Act, 2025, and to verify participants' compliance with the requirement to purchase crop insurance or Noninsured Crop Disaster Assistance Program (NAP) coverage for the next 2 available years.

FOR FURTHER INFORMATION CONTACT: Michael Walter; telephone: (816) 491–6934; or email: Michael.Walter1@usda.gov. Individuals who require alternative means for communication should contact the USDA Target Center at (202) 720–2600 (voice and text telephone (TTY)) or dial 711 for Telecommunications Relay service (both voice and text telephone users can initiate this call from any telephone).

SUPPLEMENTARY INFORMATION:

Background

ERP 2022 was authorized by Title I of the Disaster Relief Supplemental Appropriations Act, 2023 (Division N of the Consolidated Appropriations Act, 2023; Pub. L. 117–328). FSA announced ERP 2022 in a notice published in the **Federal Register** on October 31, 2023

(88 FR 74404–74419), and the application period for ERP 2022 ended on August 14, 2024. FSA is revising the estimated respondents and burden hours for this collection to reflect the number of ERP 2022 participants and responses associated with the activities described below. FSA is also removing the forms previously included under this collection and the corresponding respondent and burden hour estimates because the time period to submit the forms has ended.

De Minimis Certification

ERP 2022 Track 2 payments were based on a producer's benchmark and disaster year revenue for all eligible crops. Producers who applied for Track 2 were required to certify in Item 16 of FSA–524 whether all eligible crops were insured or covered by NAP for the applicable program year. FSA used this certification to determine the ERP factor that was used when calculating a producer's Track 2 payment. If a producer answered “yes” in Item 16, an ERP factor of 90 percent was used, and if a producer answered “no”, an ERP factor of 70 percent was used to ensure that payments did not exceed the maximum amount allowed by statute. In cases where FSA determined that a producer's certification that all eligible crops were insured or covered by NAP was false, the producer was responsible for refunding the amount of the overpayment that resulted from calculating their payment with a factor of 90 percent rather than 70 percent.

Section 1207 of the Full-Year Continuing Appropriations and Extensions Act, 2025 (Pub. L. 119–4), signed on March 15, 2025, amended Title I of division N of the Consolidated Appropriations Act, 2023 (Pub. L. 117–328) to specify that “the Secretary shall allow producers to retain payments not to exceed 90 percent of the producer's revenue losses (as determined by the Secretary) if the Secretary determines a *de minimis* amount, as defined by the Secretary, of a producer's revenue loss is attributable to crops for which the producer did not insure or obtain coverage under the Noninsured Crop Disaster Assistance Program under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333).” As provided by the statute, this provision only allows a producer to retain an ERP 2022 payment

that was previously issued; FSA is not reopening the ERP 2022 application period to accept new applications or allowing producers to amend their previously filed ERP 2022 applications.

To be eligible to retain a payment in accordance with the *de minimis* provisions of the Full-Year Continuing Appropriations and Extensions Act, 2025, producers will submit a certification on form FSA–524C, *De Minimis* Revenue Loss Certification for Uninsured/Uncovered Crops, to their FSA county office. FSA will provide additional information related to what qualifies as *de minimis* and announce the submission period for this form in a future **Federal Register** notice. FSA is revising the burden hours for this collection to include the use of this form and an associated notification letter that will be sent to affected participants.

Requirement To Purchase Crop Insurance or NAP Coverage

The Disaster Relief Supplemental Appropriations Act, 2023, requires all participants who received an ERP 2022 payment to purchase crop insurance or Noninsured Crop Disaster Assistance Program (NAP) coverage for the next 2 available years. To ensure that ERP 2022 participants met this statutory requirement, FSA will verify compliance using crop insurance participation data on file with the Risk Management Agency (RMA) and NAP participation data on file with FSA. FSA is revising the estimated number of respondents and burden hours associated with this collection to reflect the number of participants who received an ERP payment and will be subject to the requirement to purchase crop insurance or NAP coverage.

Description of Information Collection Request

Title: Emergency Relief Program (ERP) 2022.

OMB Control Number: 0560–0316.

Type of Request: Revision.

OMB Expiration Date: May 31, 2027.

Abstract: The Full-Year Continuing Appropriations and Extensions Act, 2025 (Pub. L. 119–4), provides that producers may retain ERP 2022 payments, not to exceed 90 percent of the producer's revenue losses (as determined by the Secretary), if the Secretary determines a *de minimis* amount of a producer's revenue loss is attributable to crops for which the

producer did not have crop insurance or NAP coverage. Producers who are affected by this provision will receive a notification letter from FSA and complete FSA-524C to certify their eligibility to retain their payment under the *de minimis* provisions.

The Disaster Relief Supplemental Appropriations Act, 2023 (Pub. L. 117-328) requires all producers who received an ERP 2022 payment to purchase crop insurance or Noninsured Crop Disaster Assistance Program (NAP) coverage for the next 2 available years. To ensure that ERP 2022 participants met this statutory requirement, FSA will verify compliance using crop insurance participation data on file with the Risk Management Agency (RMA) and NAP participation data on file with FSA when possible to minimize the burden on producers.

Producers who are determined to be compliant based on FSA or RMA data will be notified of the determination by mail, and no other action will be required. If FSA is not able to determine a producer's compliance based on available data, FSA will notify the producer by mail that they must submit supporting documentation to verify their compliance in order to retain their ERP 2022 payment. These producers will also be notified of FSA's final determination of compliance or noncompliance.

FSA is revising the estimated respondents and burden hours for this collection to reflect the number of ERP 2022 participants and responses associated with these activities. FSA is also removing the forms previously included under this collection and the corresponding respondent and burden hour estimates because the time period to submit the forms has ended. All participants who received an ERP 2022 payment have already filed the required forms.

For the following estimated total annual burden on respondents, the formula used to calculate the total burden hour is the estimated average time per response multiplied by the estimated total annual responses.

Estimate of Respondent Burden: Public reporting burden for this information collection is estimated to average 0.101375137 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collections of information.

Respondents: Producers.

Estimated Annual Number of Respondents: 192,000.

Estimated Number of Responses per Respondent: 1.13875.

Estimated Total Annual Responses: 218,640.

Estimated Average Time per Response: 0.101375137 hours.

Estimated Total Annual Burden on Respondents: 22,165 hours.

We are requesting comments on all aspects of this information collection to help us:

(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 collection of information including the validity of the methodology and assumptions used;

(3) Evaluate the quality, utility, and clarity of the information technology; and

(4) Minimize the burden of the information collection on those who respond through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

All comments received in response to this notice, including names and addresses where provided, will be made a matter of public record. Comments will be summarized and included in the request for OMB approval of the information collection.

Kimberly Graham,

Acting Associate Administrator, Farm Service Agency.

[FR Doc. 2026-04511 Filed 3-6-26; 8:45 am]

BILLING CODE 3411-E2-P

DEPARTMENT OF AGRICULTURE

Rural Business-Cooperative Service

Rural Housing Service

Rural Utilities Service

[Docket No. RUS-25-AGENCY-0002]

OneRD Annual Notice of Guarantee Fee Rates, Periodic Retention Fee Rates, Loan Guarantee Percentage and Fee for Issuance of the Loan Note Guarantee Prior to Construction Completion for Fiscal Year 2026

AGENCY: Rural Business-Cooperative Service, Rural Housing Service and Rural Utilities Service, USDA.

ACTION: Notice.

SUMMARY: The Rural Business-Cooperative Service (RBCS), Rural Housing Service (RHS), and the Rural Utilities Service (RUS), agencies of the Rural Development mission area within the U.S. Department of Agriculture (USDA), hereinafter collectively referred to as the Agency, offer loan guarantees through four programs: Community Facilities (CF) administered by the RHS; Water and Waste Disposal (WWD) administered by the RUS; and Business and Industry (B&I) and Rural Energy for America Program (REAP) administered by the RBCS. This notice provides applicants with the Guarantee Fee rates, Loan Guarantee percentage, the Periodic Retention Fee, and Fee for Issuance of the Loan Note Guarantee Prior to Construction Completion for Fiscal Year (FY) 2026, to be used when applying for guaranteed loans under the guaranteed loan types listed above. Should the fees need to be adjusted, the agency will publish a subsequent notice in the **Federal Register**.

DATES: The fees in this notice are effective October 1, 2025.

FOR FURTHER INFORMATION CONTACT: For information specific to this notice contact Crystal Pemberton, Management Analyst, Regulations Management, Rural Development Innovation Center—Regulations Management, USDA, 1400 Independence Avenue SW, Washington, DC 20250-1522. Telephone: 202-260-8621 (This is not a toll-free number). Email: Crystal.Pemberton@usda.gov. For information regarding implementation, contact your respective Rural Development State Office listed at rd.usda.gov/browse-state.

SUPPLEMENTARY INFORMATION: As set forth in 7 CFR part 5001, the Agency is authorized to charge a guarantee fee, a periodic guarantee retention fee, a fee for the issuance of the loan note guarantee prior to construction completion and establish a loan guarantee percentage for guaranteed loans made under this rule. Pursuant to this and other applicable authority, and subject to the current appropriated authority, the Agency is establishing the following for FY 2026:

Loan type	Guarantee fee (%)	Periodic guarantee retention fee (%)	Loan guarantee percentage (%)	Fee for issuance of loan note guarantee prior to construction completion (%)
B&I less than \$5M	3.0	.55	85	0.50
B&I \$5M to \$25M	3.0	.55	80	0.50
B&I Reduced Fee	1.0	.50	80	0.50
B&I project in a high cost, isolated rural area of the State of Alaska that is not connected to a road system	1.0	0.50	90	0.50
CF	1.25	0.50	80	0.50
REAP	1.0	0.25	80	0.50
WWD	1.0	N/A	90	0.50

The initial guarantee fee is paid at the time the loan note guarantee is issued. The periodic guarantee retention fee is paid by the lender to the Agency once a year. Payment of the periodic guarantee retention fee is required in order to maintain the enforceability of the guarantee. The fee for issuance of the loan note guarantee prior to construction completion DOES NOT apply to all construction loans. This additional fee only applies to loans requesting to receive a loan note guarantee prior to project completion. For loans where the loan note guarantee is issued between October 1 and December 31, the first periodic retention fee payment is due January 31 of the second year following the date the loan note guarantee was issued.

Unless precluded by a subsequent FY 2026 appropriation, these rates will apply to all guaranteed loans obligated in FY 2026. The amount of the periodic retention fee on each guaranteed loan will be determined by multiplying the periodic retention fee rate by the outstanding principal loan balance as of December 31, multiplied by the percentage of guarantee.

Non-Discrimination Statement

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the State or local Agency that administers the program or contact USDA through the Telecommunications Relay Service at 711 (voice and TTY). Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at *How to File a Program Discrimination Complaint* and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue SW, Mail Stop 9410, Washington, DC 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

USDA is an equal opportunity provider, employer, and lender.

Joseph Gilson,

Chief of Staff, Rural Development.

[FR Doc. 2026-04581 Filed 3-6-26; 8:45 am]

BILLING CODE 3410-15-P

APPRAISAL SUBCOMMITTEE OF THE FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL

[Docket No. AS26-02]

Appraisal Subcommittee Notice of Meeting

AGENCY: Appraisal Subcommittee of the Federal Financial Institutions Examination Council.

ACTION: Notice of public meeting.

Description: In accordance with section 1104(b) of title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (title XI), codified at 12 U.S.C. 3333(b), and the Appraisal Subcommittee (ASC) Rules of Operation, notice is hereby given that the ASC is meeting for a Quarterly Public Meeting on March 19, 2026.

Location: This will be a virtual meeting via Webex. Please visit the agency's homepage (www.asc.gov) and access the registration link provided in the News and Events section. You MUST register in advance to attend this Meeting.

Date: March 19, 2026.

Time: 10:30 a.m. ET.

Status: Open.

Action and Discussion Item

Reports

Acting Chair
Acting Executive Director
Delegated State Compliance Reviews
Notation Votes

Discussion and Action Items

- Approval of Minutes
 - December 10, 2025 Quarterly Meeting Minutes
- Fiscal Year 2026 Notice of Funding Availability for the Appraisal Foundation

How To Attend and Observe an ASC Meeting

The meeting will be open to the public via live webcast only. Visit the agency's homepage (www.asc.gov) and access the registration link provided in the News and Events section. The meeting space is intended to accommodate public attendees. However, if the space will not accommodate all requests, the ASC may refuse attendance on that reasonable basis. The use of any video or audio tape recording device, photographing device, or any other electronic or

mechanical device designed for similar purposes is prohibited at ASC Meetings.

Ada Bohorfoush,
Attorney-Advisor.

[FR Doc. 2026-04496 Filed 3-6-26; 8:45 am]

BILLING CODE 6700-01-P

COMMISSION ON CIVIL RIGHTS

Notice of Public Meeting of the Georgia Advisory Committee to the U.S. Commission on Civil Rights

AGENCY: U.S. Commission on Civil Rights.

ACTION: Notice of public meeting.

SUMMARY: Notice is hereby given, pursuant to the provisions of the rules and regulations of the U.S. Commission on Civil Rights (Commission) and the Federal Advisory Committee Act, that the Georgia Advisory Committee (Committee) to the U.S. Commission on Civil Rights will hold a public business meeting via Zoom. The purpose of the meeting is to discuss briefing planning.

DATES: Tuesday, March 24, 2026, from 10:00 a.m.–11:00 a.m. Eastern Time

ADDRESSES: The meeting will be held via Zoom Webinar.

Registration Link (Audio/Visual):
https://www.zoomgov.com/webinar/register/WN_-2rTc02CR9KFNBWIpjizYg
Join by Phone (Audio Only): (833) 435-1820 USA Toll-Free; Meeting ID: 161 490 1641 #.

Agenda: <https://usccr.box.com/s/x41bthnwvu25196an4ug8mp6vl8tz1x7>
(note: a final meeting agenda will be available prior to the meeting date).

FOR FURTHER INFORMATION CONTACT: Mallory Trachtenberg, Designated Federal Officer, at mtrachtenberg@usccr.gov or (202) 809-9618.

SUPPLEMENTARY INFORMATION: This Committee meeting is available to the public through the registration link above. Any interested members of the public may attend this meeting. An open comment period will be provided to allow members of the public to make oral statements as time allows. Pursuant to the Federal Advisory Committee Act, public minutes of the meeting will include a list of persons who are present at the meeting. If joining via phone, callers can expect to incur regular charges for calls they initiate over wireless lines, according to their wireless plan. The Commission will not refund any incurred charges. Callers will incur no charge for calls they initiate over land-line connections to the toll-free telephone number. Closed captioning is available by selecting "CC" in the meeting platform. To

request additional accommodations, please email mtrachtenberg@usccr.gov at least 10 business days prior to the meeting.

Members of the public are entitled to submit written comments; the comments must be received in the regional office within 30 days following the scheduled meeting. Written comments may be emailed to mtrachtenberg@usccr.gov. Persons who desire additional information may contact the Regional Programs Coordination Unit at (202) 809-9618.

Records generated from this meeting may be inspected and reproduced at the Regional Programs Coordination Unit Office, as they become available, both before and after the meeting. Records of the meetings will be available via the file sharing website, <https://bit.ly/42t1cCA>. Persons interested in the work of this Committee are directed to the Commission's website, <http://www.usccr.gov>, or may contact the Regional Programs Coordination Unit at mtrachtenberg@usccr.gov.

Dated: March 5, 2026.

David Mussatt,

Supervisory Chief, Regional Programs Unit.

[FR Doc. 2026-04557 Filed 3-6-26; 8:45 am]

BILLING CODE P

DEPARTMENT OF COMMERCE

International Trade Administration

Initiation of Antidumping and Countervailing Duty Administrative Reviews

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

SUMMARY: The U.S. Department of Commerce (Commerce) has received requests to conduct administrative reviews of various antidumping duty (AD) and countervailing duty (CVD) orders with January anniversary dates. In accordance with Commerce's regulations, we are initiating those administrative reviews.

DATES: Applicable March 9, 2026.

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.

SUPPLEMENTARY INFORMATION:

Background

Commerce has received timely requests, in accordance with 19 CFR

351.213(b), for administrative reviews of various AD and CVD orders with January anniversary dates. All deadlines for the submission of various types of information, certifications, comments, or actions by Commerce discussed below refer to the number of calendar days from the applicable starting time.

Respondent Selection

In the event that 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 either on U.S. Customs and Border Protection (CBP) data for U.S. imports during the period of review (POR) or questionnaires in which we request the quantity and value (Q&V) of sales, shipments, or exports during the POR. Where Commerce selects respondents based on CBP data, we intend to place the CBP data on the record within five days of publication of the initiation notice. Where Commerce selects respondents based on Q&V data, except for the administrative review of the AD order on wooden bedroom furniture from the People's Republic of China (China), for which the Q&V questionnaire is in a document package online, Commerce intends to place the Q&V questionnaire on the record of the review within five days of publication of the initiation notice. In either case, we intend to make our respondent selection decision within 35 days of the **Federal Register** publication of the initiation notice. Comments regarding the CBP data (and/or Q&V data (where applicable)) and respondent selection should be submitted within seven days after the placement of the CBP data/submission of the Q&V data on the record of the review. Parties wishing to submit rebuttal comments should submit those comments within five days after the deadline for the initial comments.

In the event that Commerce decides it is necessary to limit individual examination of respondents and conduct respondent selection under section 777A(c)(2) of the Tariff Act of 1930, as amended (the Act), the following guidelines regarding collapsing of companies for purposes of respondent selection will apply. In general, Commerce has found that determinations concerning whether particular companies should be "collapsed" (e.g., 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 the 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 the AD proceeding (e.g., investigation, administrative review, new shipper review, or changed circumstances review). For any company subject to the 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.

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. Further, if companies are requested to complete the Q&V 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 the proceeding where Commerce considered collapsing that entity, complete Q&V data for that collapsed entity must be submitted.

Respondent Selection—Wooden Bedroom Furniture From China

In the event that Commerce limits the number of respondents individually examined in the administrative review of the AD order on wooden bedroom furniture from China, for purposes of the January 1, 2025, through December 31, 2025, POR, Commerce intends to select respondents based on volume data contained in responses to a Q&V questionnaire. All parties under review with respect to the AD order on wooden bedroom furniture from China, are hereby notified that they must timely respond to the Q&V questionnaire and certain additional questions. Commerce's Q&V questionnaire, along with certain additional questions, will be available in a document package at

<https://access.trade.gov/Resources/prc-WBF-document-Package.pdf> on the date that this notice is published in the **Federal Register**. A response to the Q&V questionnaire and the additional questions must be received by Commerce by no later than 21 days after publication of this notice in the **Federal Register**. Please be advised that due to the time constraints imposed by the statutory and regulatory deadlines for completing AD administrative reviews, Commerce does not intend to grant any extensions of time to respond to the Q&V questionnaire or the additional questions.

Notice of No Sales

With respect to AD administrative reviews, we intend to rescind the review where there are no suspended entries for a company or entity under review and/or where there are no suspended entries under the company-specific case number for that company or entity. Where there may be suspended entries, if a producer or exporter named in this notice of initiation had no exports, sales, or entries during the POR, it may notify Commerce of this fact within 30 days of publication of this initiation notice in the **Federal Register** for Commerce to consider how to treat suspended entries under that producer's or exporter's company-specific case number.

Deadline for Withdrawal of Request for Administrative Review

Pursuant to 19 CFR 351.213(d)(1), a party that has requested 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.

Deadline for Particular Market Situation Allegation

Section 504 of the Trade Preferences Extension Act of 2015 amended the Act by adding the concept of a 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 responses to section D of the questionnaire.

Separate Rates

In proceedings involving non-market economy (NME) countries, Commerce begins with a rebuttable presumption that all companies within the country are subject to government control and, thus, should be assigned a single AD deposit rate. It is Commerce's policy to assign all exporters of merchandise subject to an administrative review in an NME country this single rate unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate.

To establish whether a firm is sufficiently independent from government control of its export activities to be entitled to a separate rate, Commerce analyzes each entity exporting the subject merchandise. In accordance with the separate rates criteria, Commerce assigns separate rates to companies in NME cases only if respondents can demonstrate the absence of both *de jure* and *de facto* government control over export activities.

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

All firms listed below that wish to qualify for separate rate status in the administrative reviews involving NME countries must complete, as appropriate, either a Separate Rate Application or Certification, as described below. In addition, all firms that wish to qualify for separate rate status in the administrative reviews of AD orders in which a Q&V questionnaire is issued must complete, as appropriate, either a Separate Rate Application or Certification, and respond to the Q&V questionnaire. All firms that wish to qualify for separate rate status in the administrative review of the AD order on wooden bedroom furniture from China, must complete, as appropriate, either a Separate Rate Application or Certification, and respond to the Q&V questionnaire and the additional questions at <https://access.trade.gov/Resources/prc-WBF-document-Package.pdf>.

For these administrative reviews, in order to demonstrate separate rate eligibility, Commerce requires entities for whom a review was requested, that were assigned a separate rate in the most recent segment of this proceeding in which they participated, to certify that they continue to meet the criteria for obtaining a separate rate. The Separate Rate Certification form will be available on Commerce's website at <https://access.trade.gov/Resources/nme/nme-sep-rate.html> on the date of publication of this **Federal Register** notice. In responding to the certification, please follow the "Instructions for Filing the Certification" in the Separate Rate Certification. Separate Rate Certifications are due to Commerce no later than 14 calendar days after publication of this **Federal Register** notice. In addition to filing a Separate Rate Certification with Commerce no later than 14 calendar days after publication of this **Federal Register** notice, for the administrative review of the AD order on wooden bedroom furniture from China, a response to the Q&V questionnaire and the additional questions in the document package described above are due to Commerce no later than 21 calendar days after publication of this **Federal Register** notice. The deadline and requirement for submitting a Separate Rate Certification applies equally to NME-owned firms, wholly foreign-owned firms, and foreign sellers who purchase and export subject merchandise to the United States.

Entities that currently do not have a separate rate from a completed segment

of the proceeding² should timely file a Separate Rate Application to demonstrate eligibility for a separate rate in this proceeding. In addition, companies that received a separate rate in a completed segment of the proceeding that have subsequently made changes, including, but not limited to, changes to corporate structure, acquisitions of new companies or facilities, or changes to their official company name,³ should timely file a Separate Rate Application to demonstrate eligibility for a separate rate in this proceeding. The Separate Rate Application will be available on Commerce's website at <https://access.trade.gov/Resources/nme/nme-sep-rate.html> on the date of publication of this **Federal Register** notice. In responding to the Separate Rate Application, refer to the instructions contained in the application. Separate Rate Applications are due to Commerce no later than 14 calendar days after publication of this **Federal Register** notice. In addition to filing a Separate Rate Application with Commerce no later than 14 calendar days after publication of this **Federal Register** notice, for the administrative review of the AD order on wooden bedroom furniture from China, a response to the Q&V questionnaire and the additional questions in the document package described above, are due to Commerce no later than 21 calendar days after publication of this **Federal Register** notice. The deadline and requirement for submitting a Separate Rate Application applies equally to NME-owned firms, wholly foreign-owned firms, and foreign sellers that purchase and export subject merchandise to the United States.

Exporters and producers must file a timely Separate Rate Application or Certification if they want to be considered for individual examination. Furthermore, exporters and producers who submit a Separate Rate Application or Certification and subsequently are selected as mandatory respondents will no longer be eligible for separate rate status unless they respond to all parts of

² Such entities include entities that have not participated in the proceeding, entities that were preliminarily granted a separate rate in any currently incomplete segment of the proceeding (e.g., an ongoing administrative review, new shipper review, etc.) and entities that lost their separate rate in the most recently completed segment of the proceeding in which they participated.

³ Only changes to the official company name, rather than trade names, need to be addressed via a Separate Rate Application. Information regarding new trade names may be submitted via a Separate Rate Certification.

the questionnaire as mandatory respondents.

Furthermore, this notice constitutes public notification to all firms for which an administrative review of the AD order on wooden bedroom furniture from China has been requested, that are seeking separate rate status in the review, that they must submit a timely filed Separate Rate Application or Certification (as appropriate) as described above, and a timely filed response to the Q&V questionnaire and the additional questions in the document package in order to receive consideration for separate-rate status. In other words, in the administrative review of the AD order on wooden bedroom furniture from China, Commerce will not give consideration to any timely filed Separate Rate Application or Certification from a party who failed to timely respond to the Q&V questionnaire and the additional questions. All information submitted by respondents in the administrative review of the AD order on wooden bedroom furniture from China is subject to verification. As noted above, the Separate Rate Application and the Separate Rate Certification will be available on Commerce's website, and the Q&V questionnaire and the additional questions will be available at <https://access.trade.gov/Resources/prc-WBF-document-Package.pdf> on the date of publication of this notice in the **Federal Register**.

Certification Eligibility

Commerce may establish a certification process for companies whose exports to the United States could contain both subject and non-subject merchandise. Companies under review that were deemed to not be eligible to participate in the certification program of that proceeding may submit a Certification Eligibility Application to establish that they maintain the necessary systems to track their sales to the United States of subject and non-subject goods.

All firms listed below that are not currently eligible to certify but wish to establish certification eligibility are required to submit a Certification Eligibility Application. The Certification Eligibility Application will be available on Commerce's website at <https://access.trade.gov/Resources/Certification-Eligibility-Application.pdf>.

Certification Eligibility Applications must be filed according to Commerce's regulations and are due to Commerce no later than 30 calendar days after the publication of the **Federal Register** notice.

Exporters and producers that are not currently eligible to certify, who submit a Certification Eligibility Application, and are subsequently selected as mandatory respondents must respond to all parts of the questionnaire as

mandatory respondents for Commerce to consider their Certification Eligibility Application.

Initiation of Reviews

In accordance with 19 CFR 351.221(c)(1)(i), we are initiating

administrative reviews of the following AD and CVD orders and findings. We intend to issue the final results of these reviews not later than January 31, 2027.

	Period to be reviewed
AD Proceedings	
CANADA: Softwood Lumber, A-122-857	1/1/25-12/31/25
0752615 B.C. Ltd., Fraserview Remanufacturing Inc., Fraserview Cedar Products.	
1074712 BC Ltd., Quadra Cedar	
1539998 B.C. LTD	
5214875 Manitoba Ltd.	
Absolute Lumber Products Ltd.	
Adwood Manufacturing Ltd.	
AJ Forest Products Ltd.	
Aler Forest Products Ltd.	
Alpa Lumber Mills Inc.	
Andersen Pacific Forest Products Ltd.	
Antrim Cedar Corporation	
Aquila Cedar Products Ltd.	
Arbec Lumber Inc., Arbec Bois Doeuvre Inc.	
Ashlaur Trading	
Aspen Planers Ltd.	
Babine Forest Products Limited	
Bakerview Forest Products Inc.	
Barrette-Chapais Ltee	
BarretteWood Inc.	
Benoît & Dionne Forest Products Ltd., Benoît & Dionne Produits Forestiers Ltee	
Blanchet Multi Concept Inc.	
Blue Ridge Lumber Inc., Manning Forest Products Ltd., Sundre Forest Products Inc., West Fraser Mills Ltd.	
Bois Aise de Montreal Inc.	
Bois Bonsai Inc.	
Bois Daaquam Inc., Daaquam Lumber Inc.	
Bois D'oeuvre Cedrico Inc., Cedrico Lumber Inc.	
Bois Everest Inc.,	
Bois Weedon Inc.	
Boisaco Inc.	
Boscus Canada Inc.	
Boucher Bros. Lumber Ltd.	
BPWood Ltd.	
Brink Forest Products Ltd.	
Busque & Laflamme Inc.	
Canadian Bavarian Millwork & Lumber Ltd.	
Canadian Overseas Log and Lumber	
Canadian Wood Products Inc.	
Canasia Forest Industries Ltd.	
Canfor Wood Products Marketing Ltd., Canadian Forest Products Ltd., Canfor Corporation, Canfor Fox Creek Ltd., Canfor Whitecourt Ltd.	
Canyon Lumber Company Ltd.	
Carrier Forest Products Ltd.	
Carrier Lumber Ltd.	
Carter Forest Products Inc.	
Cedarland Forest Products Ltd.	
Cedarline Industries Ltd.	
Central Cedar Ltd.	
Central Forest Products Inc.	
Centurion Lumber Ltd.	
Chaleur Forest Products Inc.	
Chaleur Forest Products LP	
Channel-ex Trading Corporation	
CHAP Alliance, Inc.	
Chinook Wood Products Ltd.	
Clair Industrial Development Corp. Ltd.	
Clermond Hamel Ltee	
CLG Enterprises Inc.	
Coastland Wood Industries	
Commonwealth Plywood Co. Ltd.	
Conifex Fibre Marketing Inc.	
Cowichan Lumber Ltd.	
CS Manufacturing Inc., Cedarshed	
CWP—Industriel Inc.	

	Period to be reviewed
D & D Pallets Ltd. Dakeryn Industries Ltd. Decker Lake Forest Products Ltd. Delco Forest Products Ltd. Delta Cedar Specialties Ltd. Devon Lumber Co. Ltd. DH Manufacturing Inc. Doubletree Forest Products Ltd. Downie Timber Ltd. Dunkley Lumber Ltd. EACOM Timber Corporation East Fraser Fiber Co. Ltd. East Mountain Forest Products Ltd. Edgewood Forest Products Inc. Entreprise Forestiere Lambert Inc., ER Probyn Export Ltd. Falcon Lumber Ltd. Fontaine Inc. Foothills Forest Products Inc. Fort St. James Forest Products Limited Partnership Fraser Specialty Products Ltd. FraserWood Industries Ltd. Furtado Forest Products Ltd. Gilbert Smith Forest Products Ltd., Tolko Industries Ltd., Tolko Marketing and Sales Ltd. Goldwood Industries Ltd. Goodfellow Inc. Gorman Bros. Lumber Ltd. Green First Forest Products (QC) Inc. Greendale Industries Inc. Greenwell Resources Inc. Griff Building Supplies Ltd. Groupe Crete Chertsey Inc. Groupe Crete Division St-Faustin Inc. Groupe Lebel Inc. H.J. Crabbe & Sons Ltd. Haida Forest Products Ltd. Halo Sawmill, a division of Delta Cedar Specialties Ltd., Halo Sawmill Manufacturing Limited Partnership Hampton Lumber Sales Canada, Hampton Tree Farms, LLC Harmac Pacific Hibernia Trading Inc., Hillcore Lakeside Pacific Forest Products Horizon Coatings Inc., Hornepayne Lumber LP Independent Building Materials Distribution Inc. Interfor Sales & Marketing Ltd. Interfor Sales & Marketing Ltd., Interfor Corporation Ivor Forest Products Ltd. J&G Log Works Ltd. J.D. Irving, Limited J.H. Huscroft Ltd. Jan Woodlands (2001) Inc. Jasco Forest Products Ltd. Jazz Forest Products Ltd. Kalesnikoff Lumber Co. Ltd. Kan Wood Ltd. Kebois Ltee, Kebois Ltd. Kelfor Industries Ltd. Kermode Forest Products Ltd. Kings Wood Products Inc. Lecours Lumber Co. Limited Les Bois d'oeuvre Beaudoin Gauthier Inc. Les Chantiers de Chibougamau Ltee, Les Chantiers de Chibougamau Ltd. Les Industries P.F. Inc. Les Palettes B.B. Inc., B.B. Pallets Inc. Les Produits Forestiers D&G Ltee, D&G Forest Products Ltd. Leslie Forest Products Ltd. Lignum Forest Products LLP Linwood Homes Ltd. Lonestar Lumber Inc. Lulumco Inc. Madera Forest Products INC Magnum Forest Products Ltd. Maibec Inc. Marcel Lauzon Inc.	

	Period to be reviewed
Marwood Ltd. Materiaux Blanchet Inc. Metrie Canada Ltd. Mid Valley Lumber Specialties Ltd. Mill & Timber Products Ltd. Mirax Lumber Products Ltd. Mobilier Rustique (Beauce) Inc. Monterra Lumber Mills Limited Multicedre Ltee Nakina Lumber Inc. Nicholson and Cates Ltd. Norsask Forest Products Inc. North American Forest Products Ltd. (located in Abbotsford, British Columbia) North American Forest Products Ltd. (located in Saint-Quentin, New Brunswick) North Enderby Timber Ltd. Northland Forest Products Ltd. Olympic Industries ULC Otter Point Timber LTD Pacific NorthWest Lumber Ltd. Pacific Western Wood Works Ltd. PalletSource Inc. Parallel Wood Products Ltd. Partap Forest Products Ltd. Peak Industries (Cranbrook) Ltd. Phoenix Forest Products Inc. Pine Ideas Ltd. Pioneer Pallet & Lumber Ltd. Plaster Rock Lumber Corporation Porcupine Wood Products Ltd. Portbec Forest Products Ltd., Les Produits Forestiers Portbec Ltee Power Wood Corp. Precision Cedar Products Corp. Probyn Log Produits Matra Inc. Promoboiss G.D.S. Inc. R.A. Green Lumber Ltd. Rembos Inc. Rene Bernard Inc. Resolute FP Canada Inc., Resolute-LP Engineered Wood St-Prime Limited Partnership, Societe en commandite Scierie Opitciwan, Forest Products Mauricie LP, Resolute Growth Canada Inc., Resolute-LP Engineered Wood Larouche Inc. Rielly Industrial Lumber Inc. River City Remanufacturing Inc. Riverside Forest Products Inc. S&R Sawmills Ltd. Sawarne Lumber Co. Ltd. Scierie Alexandre Lemay & Fils Inc. Scierie St-Michel Inc. Scierie West Brome Inc. Sechoirs de Beauce Inc. Shakertown Corp. Sigurdson Forest Products Ltd. Sinclar Group Forest Products Ltd. Sitka Forest Products Inc., Les Produits Forestiers Sitka Inc. Skana Forest Products Ltd. South Beach Trading Inc. South Coast Reman Ltd., Southcoast Millwork Ltd. SPEC Wood & Marketing Solution, SPEC Wood and Marketing Solutions Inc., Bois et Solutions Marketing SPEC, Inc. Specialiste du Bardeau de Cedre Inc., Specialiste du Bardeau de Cedre Inc. (SBC) Storey Creek Trading Straight Edge Milling Ltd. Suncoast Industries Inc. Surrey Cedar Ltd. Taan Forest Products, Taan Forest Limited Partnership Taiga Building Products Ltd. Tall Tree Lumber Company Tenryu Canada Corporation Terminal Forest Products Ltd. The Teal Jones Group, Columbia River Shake & Shingle Ltd., Teal Cedar Products Ltd. The Wood Source Inc. Top Quality Lumber Ltd. TRAPA Forest Products Ltd. Triad Forest Products Ltd.	

	Period to be reviewed
Tyee Timber Products Ltd. Universal Lumber Sales Ltd. Usine Sartigan Inc. Van Urban, Vancouver Urban Timberworks Ltd. Vancouver Specialty Cedar Products Ltd. Vanderhoof Specialty Wood Products Ltd. Visscher Lumber Inc. W.I. Woodtone Industries Inc. Welco Lumber Corp., West Bay Forest Products Ltd. Western Canadian Timber Products LTD Western Forest Products Inc. Western Lumber Sales Limited Westminster Industries Ltd. Weston Forest Products Inc. Westrend Exteriors Inc. Weyerhaeuser Co. White River Forest Products L.P. Woodline Forest Products Ltd. Woodtone Specialties Inc. WWW Timber Products Ltd.	
GERMANY: Forged Steel Fluid End Blocks, A-428-847	1/1/25-12/31/25
BGH Edelstahl Siegen GmbH	
ITALY: Forged Steel Fluid End Blocks, A-475-840	1/1/25-12/31/25
Cogne Acciai Speciali S.p.A.	
Forge Monchieri S.p.A.	
Liberty Energy, Inc. d/b/a Liberty Advanced Equipment Technology	
Lucchini Mame Forge S.p.A	
Officine Galperti S.p.A. d/b/a Galperti Group	
Officine Meccaniche Roselli S.r.l.	
ST9 Gas + Oil LLC	
THAILAND: Prestressed Concrete Steel Wire Strand, A-549-820	1/1/25-12/31/25
The Siam Industrial Wire Co., Ltd.	
THE PEOPLE'S REPUBLIC OF CHINA: Certain Hardwood Plywood Products, A-570-051	1/1/25-12/31/25
Anhui Hoda Wood Co., Ltd.	
Anhui Samo Wood Co., Ltd.	
Bao Lian Industry Co., Ltd	
Bergey (Tianjin) International Co., Ltd.	
Best Supply Solution Limited	
Bizlink Technology Inc.	
Blue Mountain Industrial Pte. Ltd.	
BTR New Material Group Co., Ltd.	
Celtic Co., Ltd	
China Friend Limited	
Cosco Star International Co., Ltd.	
Dalian Sicily Wood Industry Co., Ltd.	
Dongguan Baijing Trading Co., Ltd	
Dongguan Lingfeng Wood Industry Co.	
Dongguan Starhome Technology Co Ltd	
Dongguan Xiang Yi Qi Wan Industrial	
Feixian Consomos Wood Industry Co., Ltd.	
First Part Manufacturing Limited	
Foshan Yunjia Decoration Materials	
Fujian Yuansheng Wood., Ltd	
Fusong Jinlong Wooden Group Co., Ltd	
Gao Di Trade Co., Ltd	
Golder International Trade Co., Ltd	
Guangdong Gaolin Wood Industry Co.	
Guangxi Rongxian Yicheng Furniture	
Guangxi Zhongyi Wood Industry Co.	
Guangzhou Shifengglobal Co., Ltd	
Hangzhou Zen Bamboo And Hardwood	
Happy Wood Industrial Group Co., Ltd.	
High Hope Zhongding Corporation	
Huainan Mengping Import and Export Co., Ltd	
Jiangsu Top Point International Co., Ltd	
Jiaxing Gsun Imp. & Exp. Co., Ltd	
Jiangsu High Hope Arser Co., Ltd	
Jiaxing Hengtong Wood Co., Ltd.	
K-Maid Cabinetry	
Larkcop International Co., Ltd	
Lemon Tree International Trading Co	
Lianyungang Yuantai International Trade Co., Ltd	
Linyi City Dongfang Fukai Wood Industry Co., Ltd	

	Period to be reviewed
Linyi City Shenrui International Trade Co., Ltd Linyi Dahua Wood Co., Ltd Linyi Dongstar Import & Export Co., Ltd Linyi Evergreen Wood Co., Ltd. Linyi Glary Plywood Co., Ltd. Linyi Hanbo Import & Export Co, Ltd Linyi Hengsheng Wood Industry Co., Ltd Linyi Highwise International Linyi Huasheng Yongbin Wood Co., Ltd. Linyi Jiahe Wood Industry Co., Ltd. Linyi Lion King International Trade Linyi Linhai Wood Co., Ltd Linyi Mingzhu Wood Co., Ltd Linyi Phoenix International Enterprise Linyi Sanfortune Wood Co., Ltd. Linyi Ximing International Trade Co Linyi Zhongtai Import And Export Co Pihong Technology Co., Ltd. Pingyi Fengtai International Trade Pingyi Jinniu Wood Co., Ltd Pizhou Jiangshan Wood Co., Ltd Pizhou Dayun Import And Export Trade Pizhou Ouyme Import & Export Trade Co Qingdao Everise Int'l Co., Ltd. Qingdao Good Faith Import and Export Co., Ltd. Qingdao Linluosi International Qingdao Taize International Trading Qingdao Top P&Q International Corp. Shandong Qishan International Trading Co., Ltd Shanghai Brightwood Trading Co., Ltd. Shaanxi Fangzhi Trade Co., Ltd. Shandong Baozhu International Trading Shandong Fangsi Import And Export Co Shandong Good Wood Imp And Exp Co. Shandong Xingang Group Shanghai Futuwood Trading Co., Ltd. Shanghai Luli Trading Co., Ltd. Shanghai Suntung Industry Co., Ltd Shenzhen 3s Global Develop Co., Ltd. Shenzhen Joyton Import And Export Co Shenzhen Kedali Industry Co., Ltd Shouguang Topbon Import And Export Sino-Wide International(Asia)Limited Suining Pengxiang Wood Co., Ltd Sumec International Technology Co., Ltd Sun Chain Trading Co., Ltd. Suqian Hopeway International Trade Co., Ltd. Suzhou Dongsheng Wood Co., Ltd Suzhou Fengshuwan Import and Exports Trade Co., Ltd Suzhou Oriental Dragon Import and Export Co., Ltd. Xuzhou Amish Import And Export Trade Xuzhou Andefu Wood Co., Ltd Xuzhou DNT Commercial Co., Ltd Xuzhou Happy Wood Building Material Xuzhou Huanghuai Wood Co., Ltd Xuzhou Eastern Huatai International Trading Co., Ltd Xuzhou Jiangheng Wood Products Co., Ltd. Xuzhou Longyuan Wood Industry Co., Ltd Xuzhou New Defu Wood International Xuzhou Pinlin International Trade Co., Ltd Xuzhou Shengping Imp and Exp Co., Ltd Xuzhou Shelter Import & Export Co., Ltd Xuzhou Shuner Import & Export Trade Co. Ltd Xuzhou Tianshan Wood Co., Ltd Xuzhou Timber International Trade Co., Ltd. Xuzhou Yishun Brightwood Co., Ltd Yangzhou Hanov International Co. Ltd Yishui Win-Win Wood Co., Ltd. Zhejiang Layo Wood Industry Co., Ltd Zhejiang Xingke Wood Co., Ltd Zhejiang Yuhua Timber Co., Ltd THE PEOPLE'S REPUBLIC OF CHINA: Wooden Bedroom Furniture, A-570-890 Dongguan Chengcheng Furniture Co., Ltd. Golden Well International (HK), Ltd./Producer: Zhangzhou XMB Furniture Product Co., Ltd.	1/1/25-12/31/25

	Period to be reviewed
Guangzhou Maria Yee Furnishings Ltd., Pyla HK Ltd., Maria Yee, Inc. Jiangsu Xiangsheng Bedtime Furniture Co., Ltd. Nanhai Jiantai Woodwork Co. Ltd., Fortune Glory Industrial, Ltd. (HK Ltd.) Perfect Line Furniture Co., Ltd. PuTian JingGong Furniture Co., Ltd. Shenzhen Jiafa High Grade Furniture Co., Ltd., Golden Lion International Trading Ltd. Shenzhen Wonderful Furniture Co., Ltd. Shing Mark Enterprise Co., Ltd., Carven Industries Ltd. (BVI), Carven Industries Ltd. (HK), Dongguan Zhenxin Furniture Co., Ltd., Dongguan Yongpeng Furniture Co., Ltd. Tradewinds Furniture Ltd. (successor-in-interest to Nanhai Jiantai Woodwork Co.), Fortune Glory Industrial Ltd. (H.K. Ltd.) Wuxi Yushea Furniture Co., Ltd. Zhangjiagang Daye Hotel Furniture Co. Ltd. Zhejiang Tianyi Scientific & Educational Equipment Co., Ltd. Zhongshan Golden King Furniture Industrial Co., Ltd. Zhoushan For-Strong Wood Co., Ltd. CVD Proceedings CANADA: Softwood Lumber, C-122-858 0752615 B.C Ltd; Fraserview Remanufacturing Inc, dba Fraserview Cedar Products 10104704 Manitoba Ltd O/A Woodstock Forest Products 1074712 BC Ltd. (Quadra Cedar) 1539998 B.C. Ltd. 258258 B.C. Ltd., dba Pacific Coast Cedar Products 5214875 Manitoba Ltd.; AM Lumber Brokerage A.B. Cedar Shingle Inc. Absolute Lumber Products Ltd. Adwood Manufacturing Ltd. AJ Forest Products Ltd. Alberta Spruce Industries Ltd. Aler Forest Products, Ltd. Alpa Lumber Mills Inc. American Pacific Wood Products Anbrook Industries Andersen Pacific Forest Products Ltd. Antrim Cedar Corporation Aquila Cedar Products Ltd. Arbec Lumber Inc. (aka Arbec Bois Doeuvre Inc.) Ashlaur Trading Aspen Planers Ltd. B.B. Pallets Inc. (aka Les Palettes B.B. Inc.) Babine Forest Products Limited Bakerview Forest Products Inc. Barrette-Chapais Ltee BarretteWood Inc.; BarretteBois Inc. Benoit & Dionne Produits Forestiers Ltee (aka Benoit & Dionne Forest Products Ltd.) Blanchet Multi Concept Inc. Bois Aise de Montreal Inc. Bois Bonsai Inc. Bois D'oeuvre Cedrico Inc. (aka Cedrico Lumber Inc.) Bois Daaquam inc. (aka Daaquam Lumber Inc.) Bois et Solutions Marketing SPEC, Inc. (aka SPEC Wood & Marketing Solution or SPEC Wood and Marketing Solutions Inc.) Bois Everest Inc. Bois Weedon Inc. Boisaco Inc. Boscus Canada Inc. Boucher Bros. Lumber Ltd. BPWood Ltd. Bramwood Forest Inc. Brink Forest Products Ltd. Busque & Laflamme Inc. C&C Wood Products Ltd. Caledonia Forest Products Inc. Canadian American Forest Products Ltd. Canadian Bavarian Millwork & Lumber Ltd. Canadian Forest Products, Ltd.; Canfor Corporation; Canfor Wood Products Marketing, Ltd. Canadian Overseas Log and Lumber Canadian Wood Products—Montreal Inc. (CWP—Montreal Inc.) Canadian Wood Products Inc. Canasia Forest Industries Ltd. Canusa Cedar Inc. Canyon Lumber Company, Ltd. Careau Bois Inc.	1/1/25–12/31/25

	Period to be reviewed
Carrier & Begin Inc. Carrier Forest Products Ltd Carrier Lumber Ltd. Carter Forest Products Inc. Cedarland Forest Products Ltd. Cedarline Industries Ltd. Central Cedar Ltd. Centurion Lumber, Ltd. Channel-ex Trading Corporation CHAP Alliance Inc. Chinook Wood Products Ltd. Clair Industrial Development Corp. Ltd Clermond Hamel Ltee CLG Enterprises Inc. CNH Products Inc. Coastland Wood Industries Columbia River Shake & Shingle Ltd.; Teal Cedar Products Ltd., dba The Teal Jones Group Commonwealth Plywood Co. Ltd. Conifex Fibre Marketing Inc. Cowichan Lumber Ltd. CS Manufacturing Inc., dba Cedarshed CWP Industriel Inc. (aka CWP—Industriel Inc.) D & D Pallets Ltd. Dakeryn Industries Ltd. Decker Lake Forest Products Ltd. Deep Cove Forest Products, Inc. Delco Forest Products Ltd. Delta Cedar Specialties Ltd. Devon Lumber Co. Ltd. DH Manufacturing Inc. DMM Forest Products Inc. Doubletree Forest Products Ltd. Downie Timber Ltd. Dunkley Lumber Ltd. East Fraser Fiber Co. Ltd. East Mountain Forest Products Ltd Edgewood Forest Products Inc. Entreprise Forestiere Lambert Inc. ER Probyn Export Ltd. Eric Goguen & Sons Ltd. Falcon Lumber Ltd Foothills Forest Products Inc Fort St. James Forest Products Limited Partnership Fraser Specialty Products Ltd. FraserWood Inc. Fraserwood Industries Ltd. Furtado Forest Products Ltd. G & R Cedar Ltd. Gilbert Smith Forest Products Ltd. Goat Lake Forest Products Ltd. Goldband Shake & Shingle Ltd. Golden Ears Shingle Ltd. Goldwood Industries Ltd. Goodfellow Inc. Gorman Bros. Lumber Ltd. Greendale Industries Inc. GreenFirst Forest Products (QC) Inc. Greenwell Resources Inc. Griff Building Supplies LTD. Groupe Crete Chertsey Inc. Groupe Crete Division St-Faustin Inc. Groupe Lebel Inc. H.J. Crabbe & Sons Ltd. Haida Forest Products Ltd. Halo Sawmill, a division of Delta Cedar Specialties Ltd.; Halo Sawmill Manufacturing Limited Partnership Hampton Tree Farms, LLC, dba Hampton Lumber Sales Canada Harmac Pacific Harry Freeman & Son Hibernia Trading Inc. Hillcore Lakeside Pacific Forest Products Ltd Horizon Coatings Inc. Hornepayne Lumber LP Imperial Cedar Products Ltd. Imperial Shake Co. Ltd	

	Period to be reviewed
Independent Building Materials Distribution Inc. Interfor Corporation; EACOM Timber Corporation; Chaleur Forest Products Inc.; Chaleur Forest Products LP; Interfor Sales & Marketing Ltd. Ivor Forest Products Ltd. J&G Log Works Ltd. J.D. Irving, Limited; Irving Paper Limited; Miramichi Timber Holdings Limited; Rothesay Paper Holdings Ltd.; St. George Pulp & Paper Limited; The New Brunswick Railway Company J.H. Huscroft Ltd. Jan Woodlands (2001) Inc. Jasco Forest Products Ltd. Jazz Forest Products Ltd. Jhaji Lumber Corporation Kalesnikoff Lumber Co. Ltd. Kan Wood Ltd. Kebois Ltee/Ltd. Kelfor Industries Ltd. Kermode Forest Products Ltd. Kings Wood Products Inc. Kootenay Innovative Wood Ltd. Lecours Lumber Co. Limited Ledwidge Lumber Co., Ltd. Les bois d'oeuvre Beaudoin Gauthier Inc. Les Chantiers de Chibougamau Ltd./Ltee Les Industries P.F. Inc. Les Produits Forestiers Sitka Inc. (aka Sitka Forest Products Inc.) Leslie Forest Products Ltd. Lignum Forest Products LLP Linwood Homes Ltd. Lonestar Lumber Inc Longlac Lumber Inc. Ludwig Lumber Lulumco Inc. Madera Forest Products Inc. Magnum Forest Products, Ltd. Maibec Inc. Manitou Forest Products Ltd Marcel Lauzon Inc., Placements Marcel Lauzon Ltee, Investissements LRC Inc.⁴ Marwood Ltd. Materiaux Blanchet Inc. Matsqui Management and Consulting Services Ltd., dba Canadian Cedar Roofing Depot Metrie Canada Ltd. Mid Valley Lumber Specialties Ltd. Midway Lumber Mills Ltd. Mill & Timber Products Ltd. Mirax Lumber Products Ltd. Moblier Rustique (Beauce) Inc.; J.F.S.R. Inc.; Gestion C.A. Rancourt Inc.; Gestion J.F. Rancourt Inc.; Gestion Suzie Rancourt Inc.; Gestion P.H.Q Inc.; 9331–3419 Quebec Inc.; 9331–3468 Quebec Inc.; SPQ Inc. Monterra Lumber Mills Limited Morwood Forest Products Inc. MP Atlantic Wood Ltd. Multicedre ltee Nakina Lumber Inc. National Forest Products Ltd. New Future Lumber Ltd. Nicholson and Cates Ltd. NorSask Forest Products Limited Partnership; NorSask Forest Products Inc. North American Forest Products Ltd. (located in Abbotsford, British Columbia) North Enderby Timber Ltd. Northland Forest Products LTD Ntityix Resources LP Oakwood Manufacturing, a division of Weston Forest Products Inc. Oikawa Enterprises Ltd. Olympic Industries, Inc.; Olympic Industries ULC Oregon Canadian Forest Products Inc., dba Oregon Canadian Forest Products Otter Point Timber LTD Pacific Lumber Remanufacturing Inc. Pacific NorthWest Lumber Ltd. Pacific Western Wood Works Ltd. PalletSource Inc. Parallel Wood Products Ltd. Partap Forest Products Ltd. Peak Industries (Cranbrook) Ltd. Phoenix Forest Products Inc. Pine Ideas Ltd.	

	Period to be reviewed
Pioneer Pallet & Lumber Ltd. Plaster Rock Lumber Corporation Porcupine Wood Products Ltd. Power Wood Corp. Precision Cedar Products Corp. Probyn Log Produits Forestiers Petit Paris Inc. Produits Matra Inc.; Sechoirs de Beauce Inc.; Bois Ouvre de Beauceville (1992), Inc. Promobois G.D.S. Inc. R.A. Green Lumber Ltd. Rembos Inc. Rene Bernard inc. Resolute FP Canada Inc.; 9192-8515 Quebec Inc.; Abitibi-Bowater Canada Inc.; Bowater Canadian Ltd.; Produits Forestiers Maurice SEC.; Resolute Forest Products Inc. Richard Lutes Cedar Inc. Rielly Industrial Lumber Inc. River City Remanufacturing Inc. Riverside Forest Products Inc. S & K Cedar Products Ltd. S&R Sawmills Ltd. San Group San Industries Ltd. Sawarne Lumber Co. Ltd. Scierie P.S.E. Inc. Scierie St-Michel Inc. Scierie West Brome Inc. Scotsburn Lumber Co. Ltd. Serpentine Cedar Ltd. Serpentine Cedar Roofing Ltd. Sexton Lumber Co. Ltd. Shakertown Corp. Sigurdson Forest Products Ltd. Silver Creek Premium Products Ltd. Sinclar Group Forest Products Ltd. Skana Forest Products Ltd. Sound Spars Enterprise Ltd. South Beach Trading Inc. South Coast Reman Ltd. Specialiste du Bardeau de Cedre Inc. (aka SBC) Storey Creek Trading Straight Edge Milling Ltd. Suncoast Industries Inc. Sundher Timber Products Inc. Surrey Cedar Ltd. Taan Forest Limited Partnership (aka Taan Forest Products) Taiga Building Products Ltd. Tall Tree Lumber Company Tembec Inc. Temrex Produits Forestiers s.e.c. Tenryu Canada Corporation Terminal Forest Products Ltd. The Wood Source Inc. Tolko Industries Ltd.; Tolko Marketing and Sales Ltd.; Meadow Lake OSB Limited Partnership Top Quality Lumber Ltd. Trans-Pacific Trading Ltd.; TRAPA Forest Products Ltd. Triad Forest Products Ltd. Tyee Timber Products Ltd Universal Lumber Sales Ltd. Usine Sartigan Inc. Vancouver Island Shingle, Ltd. Vancouver Specialty Cedar Products Ltd. Vancouver Urban Timberworks Ltd. (aka Van Urban) Vanderhoof Specialty Wood Products Ltd. Visscher Lumber Inc. W.I. Woodtone Industries Inc. Waldun Forest Products Ltd. Welco Lumber Corp. West Bay Forest Products Ltd. West Fraser Mills Ltd.; Blue Ridge Lumber Inc.; Manning Forest Products, Ltd.; Spray Lake Sawmills (1980) Ltd.; Sundre Forest Products Inc.; West Fraser Alberta Holdings, Ltd.; West Fraser Timber Co. Ltd. West Wind Hardwood Inc. Western Canadian Timber Products LTD. Western Forest Products Inc. Western Lumber Sales Limited	

	Period to be reviewed
Western Wood Preservers Ltd. Westminster Industries Ltd. Weston Forest Products Inc. Westrend Exteriors Inc. Weyerhaeuser Co. White River Forest Products L.P. Woodline Forest Products Ltd. Woodtone Specialties Inc. WWW Timber Products LTD Yarrow Wood Ltd.	
GERMANY: Forged Steel Fluid End Blocks, C-428-848	1/1/25-12/31/25
BGH Edelstahl Siegen GmbH	
ITALY: Forged Steel Fluid End Blocks, C-475-841	1/1/25-12/31/25
Lucchini Mame Forge S.p.A	
Metalcam S.p.A.	
THE PEOPLE'S REPUBLIC OF CHINA: Crystalline Silicon Photovoltaic Cells, Whether Or Not Assembled Into Modules, ⁵ C-570-980	1/1/24-12/31/24

Suspension Agreements

None.

Duty Absorption Reviews

During any administrative review covering all or part of a period falling between the first and second or third and fourth anniversary of the publication of an AD order under 19 CFR 351.211 or a determination under 19 CFR 351.218(f)(4) to continue an order or suspended investigation (after sunset review), Commerce, if requested by a domestic interested party within 30 days of the date of publication of the notice of initiation of the review, will determine whether antidumping duties have been absorbed by an exporter or producer subject to the review if the subject merchandise is sold in the United States through an importer that is affiliated with such exporter or producer. The request must include the name(s) of the exporter or producer for which the inquiry is requested.

Gap Period Liquidation

For the first administrative review of any order, there will be no assessment of antidumping or countervailing duties on entries of subject merchandise

⁴ Entries of subject merchandise produced and exported by Marcel Lauzon Inc. or its cross-owned companies are not subject to countervailing duties because Commerce's final determination with respect to the producer/exporter combination was *de minimis*. However, any entries of merchandise produced by any other entity and exported by Marcel Lauzon Inc. or a cross-owned company, or produced by Marcel Lauzon Inc. or a cross-owned company and exported by another entity are subject to review. See *Certain Softwood Lumber Products from Canada: Final Results of Countervailing Duty Expedited Review*, 84 FR 32121 (July 5, 2019); see also *Certain Softwood Lumber Products from Canada: Notice of Reinstatement of Exclusion from the Countervailing Duty Order*, 88 FR 85225 (December 7, 2023).

⁵ In the initiation notice published on February 20, 2026 (91 FR 8186) Commerce inadvertently did not include the company listed above. This notice serves as a correction.

entered, or withdrawn from warehouse, for consumption during the relevant "gap" period of the order (*i.e.*, the period following the expiry of provisional measures and before definitive measures were put into place), if such a gap period is applicable to the POR.

Administrative Protective Orders and Letters of Appearance

Interested parties must submit applications for disclosure under administrative protective orders in accordance with the procedures outlined in Commerce's regulations at 19 CFR 351.305. Those procedures apply to administrative reviews included in this notice of initiation. Parties wishing to participate in any of these administrative reviews should ensure that they meet the requirements of these procedures (*e.g.*, the filing of separate letters of appearance as discussed at 19 CFR 351.103(d)).

Factual Information Requirements

Commerce's regulations identify five categories of factual information in 19 CFR 351.102(b)(21), which are summarized as follows: (i) evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by Commerce; and (v) evidence other than factual information described in (i)-(iv). These regulations require any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation

identifying the information already on the record that the factual information seeks to rebut, clarify, or correct. The regulations, at 19 CFR 351.301, also provide specific time limits for such factual submissions based on the type of factual information being submitted. Please review the *Final Rule*,⁶ available at <https://www.govinfo.gov/content/pkg/FR-2013-07-17/pdf/2013-17045.pdf>, prior to submitting factual information in this segment. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).⁷

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information using the formats provided at the end of the *Final Rule*.⁸ Commerce intends to reject factual submissions in any proceeding segments if the submitting party does not comply with applicable certification requirements.

Extension of Time Limits Regulation

Parties may request an extension of time limits before a time limit established under Part 351 expires, or as otherwise specified by Commerce.⁹ In general, an extension request will be considered untimely if it is filed after the time limit established under Part

⁶ See *Certification of Factual Information To Import Administration During Antidumping and Countervailing Duty Proceedings*, 78 FR 42678 (July 17, 2013) (*Final Rule*); see also the frequently asked questions regarding the *Final Rule*, available at https://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf.

⁷ See *Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings; Final Rule*, 88 FR 67069 (September 29, 2023).

⁸ See section 782(b) of the Act; see also *Final Rule*; and the frequently asked questions regarding the *Final Rule*, available at https://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf.

⁹ See 19 CFR 351.302.

351 expires. For submissions which are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. on the due date.

Examples include, but are not limited to: (1) case and rebuttal briefs, filed pursuant to 19 CFR 351.309; (2) factual information to value factors under 19 CFR 351.408(c), or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2), filed pursuant to 19 CFR 351.301(c)(3) and rebuttal, clarification and correction filed pursuant to 19 CFR 351.301(c)(3)(iv); (3) comments concerning the selection of a surrogate country and surrogate values and rebuttal; (4) comments concerning CBP data; and (5) Q&V questionnaires. Under certain circumstances, Commerce may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from multiple parties simultaneously. In such a case, Commerce will inform parties in the letter or memorandum setting forth the deadline (including a specified time) by which extension requests must be filed to be considered timely. This policy also requires that an extension request must be made in a separate, standalone submission, and clarifies the circumstances under which Commerce will grant untimely-filed requests for the extension of time limits. Please review the *Final Rule*, available at <https://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm>, prior to submitting factual information in these segments.

Notification to Interested Parties

These initiations and this notice are in accordance with section 751(a) of the Act (19 U.S.C. 1675(a)) and 19 CFR 351.221(c)(1)(i).

Dated: March 4, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. 2026-04516 Filed 3-6-26; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[RTID 0648-XF564]

Caribbean Fishery Management Council's Mariculture Hybrid Workshop

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and

Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of Mariculture Hybrid Workshop (in-person/virtual).

SUMMARY: The Caribbean Fishery Management Council (CFMC) will hold a Mariculture Hybrid Workshop to address the items contained in the tentative agenda included in the **SUPPLEMENTARY INFORMATION.**

DATES: The Mariculture Hybrid Workshop will be held on March 24, from 8 a.m. to 4:15 p.m., AST, and March 25, 2026, from 8 a.m. to 4 p.m., AST.

ADDRESSES: The Mariculture Hybrid Workshop will be held at the Courtyard by Marriott Isla Verde Resort, 7012 Boca de Cangrejos Avenue, Carolina, Puerto Rico.

You may join the Mariculture Hybrid Workshop via Zoom, from a computer, tablet or smartphone by entering the following address:

Join Zoom Meeting: <https://us02web.zoom.us/j/83060685915?pwd=VmVsc1orSUtKck8xYk1XOXNDY1ErZz09>.

Meeting ID: 843 2813 0219.

Passcode: 856050.

One tap mobile:

+17879451488,,83060685915#,,,,,0#

.,995658# Puerto Rico

+17879667727,,83060685915#,,,,,0#

.,995658# Puerto Rico

Dial by your location:

+1 787 945 1488 Puerto Rico

+1 787 966 7727 Puerto Rico

+1 939 945 0244 Puerto Rico

Meeting ID: 830 6068 5915.

Passcode: 995658.

In case there are problems, and we cannot reconnect via Zoom, the meeting will continue using GoToMeeting.

You can join the meeting from your computer, tablet, or smartphone. <https://global.gotomeeting.com/join/971749317>. You can also dial in using your phone. United States: +1 (408) 650-3123 Access Code: 971-749-317.

FOR FURTHER INFORMATION CONTACT:

Miguel A. Rolón, Executive Director, Caribbean Fishery Management Council, 270 Muñoz Rivera Avenue, Suite 401, San Juan, Puerto Rico 00918-1903, telephone: (787) 398-3717.

SUPPLEMENTARY INFORMATION: The following items included in the tentative agenda will be discussed:

March 24, 2026

8 a.m.–8:30 a.m.

—Workshop Mix and Mingle

8:30 a.m.–9 a.m.

—Welcome—Eugenio Piñeiro Soler/
Miguel A. Rolón

9 a.m.–9:15 a.m.

—Past and Present Aquaculture in the U.S. Caribbean—José A. Rivera

9:15 a.m.–9:30 a.m.

—Mariculture Government Efforts in Puerto Rico—Ricardo López

9:30 a.m.–9:45 a.m.

—Mariculture Permits and Government Efforts in U.S.V.I.—Nicole Angeli

9:45 a.m.–10 a.m.

—Permits, Consultations and Authorizations for Aquaculture Projects in the U.S. Caribbean—Evelyn Cepeda

10 a.m.–10:15 a.m.

—Break

10:15 a.m.–10:45 a.m.

—Overview of NOAA's Efforts to Increase U.S. Aquaculture Production—Danielle Blacklock

10:45 a.m.–12 p.m.

—Current projects in Puerto Rico and USVI (10 mins each)

—Corals and Urchins—Stacey Williams

—Queen Conch—Megan Davis and Raimundo Espinoza

—Spiny Lobster—Caribbean Sustainable Fisheries, Inc.—Nik Sachlikidis

—Oysters—Culebra Fishermen's Association and Isla Mujeres Foundation—N Gómez

—Red Snapper—Cultimar, David Miranda

—Project Siting Environmental Studies in Puerto Rico—Tyler Scłodnick

12 p.m.–12:30 p.m.

—Questions and Answers Panel with Presenters (Puerto Rico and U.S.V.I. Projects)

12:30 p.m.–1:30 p.m.

—Lunch

1:30 p.m.–2:30 p.m.

—Commercial Mariculture in the Caribbean (20 mins each)

—Open Blue Sea Farms, Panama—Jorge Alarcón

—Dyer Aqua Panamá—Alcibiades Arauz

—Kilic Dominic, Dominican Republic—Carlos Then

2:30 p.m.–3 p.m.

—Questions and Answers Panel with Presenters (Caribbean Commercial Mariculture)

3 p.m.–3:15 p.m.

—Break

3:15 p.m.–4:15 p.m.

—Discussion/Synthesis Identifying Current Challenges and Barriers to Aquaculture Development in the U.S. Caribbean

March 25, 2026

8 a.m.–8:30 a.m.

—Workshop Mix and Mingle

8:30 a.m.–9 a.m.

—Day One Recap and Day 2 Objectives

9 a.m.–9:30 a.m.

—Investing in Aquaculture

—Cuna del Mar

—Hatch Blue

9:30 a.m.–9:45 a.m.

—Introduction to SWOT and PESTEL Analysis—Kieley Hurff

9:45 a.m.–10:45 a.m.

—SWOT Exercise Focus Groups—Identifying Challenges and Opportunities for Aquaculture Development in the U.S. Caribbean

10:45 a.m.–11 a.m.

—Break

11 a.m.–11:15 a.m.

—SWOT Exercise Results—Kieley Hurff

11:15 a.m.–12:30 p.m.

—PESTEL Exercise Focus Groups; Identifying Challenges and Opportunities for Aquaculture Development in the U.S. Caribbean

12:30 p.m.–1:30 p.m.

—Lunch

1:30 p.m.–2:45 p.m.

—Discussion: Vision for Aquaculture Development in the U.S. Caribbean

2:45 p.m.–4 p.m.

—Workshop Findings Summary and Closing Remarks
—Other Business
—Adjourn

Note (1): Other than starting time and dates of the meetings, the established times for addressing items on the agenda may be

adjusted as necessary to accommodate the timely completion of discussion relevant to the agenda items. To further accommodate discussion and completion of all items on the agenda, the meeting may be extended from or completed before the date established in this notice. Changes in the agenda will be posted to the CFMC website, Facebook, Twitter and Instagram as practicable.

Note (2): Financial disclosure forms are available for inspection at this meeting, as per 50 CFR part 601.

The order of business may be adjusted as necessary to accommodate the completion of agenda items. The meeting will begin on March 24, 2026, at 8 a.m., AST, and will end on March 25, 2026, at 4 p.m., AST. Other than the start time on the first day of the meeting, interested parties should be aware that discussions may start earlier or later than indicated in the agenda, at the discretion of the Chair.

Special Accommodations: For any additional information on this public hybrid meeting, please contact Diana Martino, Caribbean Fishery Management Council, 270 Muñoz Rivera Avenue, Suite 401, San Juan, Puerto Rico, 00918–1903, telephone: (787) 226–8849.

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

Dated: March 4, 2026.

Rey Israel Marquez,

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

[FR Doc. 2026–04498 Filed 3–6–26; 8:45 am]

BILLING CODE 3510–22–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[RTID 0648–XF568]

Magnuson-Stevens Act Provisions; General Provisions for Domestic Fisheries; Application for Exempted Fishing Permits

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

ACTION: Notice; request for comments.

SUMMARY: The Assistant Regional Administrator for Sustainable Fisheries, Greater Atlantic Regional Fisheries Office (GARFO), NMFS, has made a preliminary determination that an Exempted Fishing Permit (EFP) application contains all of the required information and warrants further consideration. The EFP would allow federally permitted fishing vessels to fish outside fishery regulations in support of exempted fishing activities proposed by the University of Rhode Island (URI). Regulations under the Magnuson-Stevens Fishery Conservation and Management Act require publication of this notification to provide interested parties the opportunity to comment on applications for proposed EFPs.

DATES: Comments must be received on or before March 24, 2026.

ADDRESSES: You may submit written comments by email: nmfs.gar.efp@noaa.gov. Include in the subject line “URI Scallop Kite Panel EFP.” All comments received are a part of the public record and may be posted for public viewing without change. All personal identifying information (*e.g.*, name, address), confidential business information, or otherwise sensitive information submitted voluntarily by the sender will be publicly accessible. NMFS will accept anonymous comments (enter “anonymous” as the signature if you wish to remain anonymous).

FOR FURTHER INFORMATION CONTACT: Christine Ford, Fishery Management Specialist, christine.ford@noaa.gov, 978–281–9185.

SUPPLEMENTARY INFORMATION: The applicant submitted a complete application for an EFP to conduct commercial fishing activities that the regulations would otherwise restrict. This EFP would exempt the participating vessels from the following Federal regulations:

TABLE 1—REQUESTED EXEMPTIONS

CFR citation	Regulation	Need for exemption
50 CFR 648.51(b)(4)(iii) 50 CFR 648.80(h)(3)(iii)(A).	Restriction against dredge or net obstructions Restriction against Limited Access General Category-Individual Fishing Quota vessels from possessing any species other than scallops.	To trial a bycatch reduction device. To allow for the temporary possession of yellowtail flounder and windowpane flounder for catch data collection.
50 CFR 648.83(a)(1)	Yellowtail flounder minimum size regulations	To allow for the temporary possession of undersized yellowtail flounder for catch data collection.
50 CFR 648.86(l)	Windowpane flounder possession	To allow for the temporary possession of windowpane flounder for catch data collection.
50 CFR 648.86(g)	Yellowtail flounder possession	To allow for the temporary possession of yellowtail flounder for catch data collection.

TABLE 1—REQUESTED EXEMPTIONS—Continued

CFR citation	Regulation	Need for exemption
50 CFR 648.88 (a)(2)(i)	Handgear permit restrictions	To allow a vessel issued a NE multispecies Handgear permit to use scallop gear to temporarily possess yellowtail and windowpane flounder for catch data collection.

TABLE 2—PROJECT SUMMARY

Project title	Piloting the use of a kite panel on a scallop dredge twine top to reduce bycatch of flatfish and juvenile scallops.
Project start	04/01/2026.
Project end	09/30/2026.
Project objectives	To evaluate the potential of attaching a canvas kite to the twine top of scallop dredges as a bycatch reduction strategy.
Project location	Statistical Area 539.
Number of vessels	2 (1 primary; 1 back-up).
Number of trips	5.
Trip duration (days)	1.
Total number of days	5.
Gear type(s)	Dredge.
Number of tows or sets	7–12 per trip.
Duration of tows or sets	60–90 minutes.

Project Narrative

The applicant proposes to attach a canvas panel to a scallop dredge twine top to act as a kite that will open the dredge bag and facilitate escapement of flatfish species and juvenile scallops. This project was designed to identify optimal kite size, location, and tow speed to achieve optimal bag lift for future testing. To achieve the goal, the researchers would: (1) Conduct underwater video tows with dredge modifications; (2) conduct paired tows between control and experimental scallop dredges; and (3) quantify and compare the scallop catch and bycatch between the dredges.

This EFP would authorize two commercial fishing vessels (one primary; one backup) to complete five total research trips for this project. All trips would occur within Statistical Area 539. URI and/or Commercial Fisheries Research Foundation researchers would accompany the vessels on each trip. The first two trips would consist of video testing to evaluate the practicality of implementing the kite design and confirming underwater performance. GoPro cameras would be mounted on the dredge facing the twine top to characterize the performance of the dredge with the kite panel attached. Video evidence would also enable the project team to assess whether any modifications are needed. Following video analysis, 3 days of field trials would be conducted at the best-verified kite location, based on evidence from the first two trips. As the vessels may only tow one dredge at a time, tows would alternate using an ABBA method,

with A being the control dredge and B being the experimental dredge. Between 7 and 12 tows would be conducted each trip. The expected tow duration of 60–90 minutes would be standardized across all tows.

The participants would use a standard New Bedford-style dredge that is commonly used throughout the industry. The only modification would be the addition of the kite. The kite would be triangular in shape (with the front-facing corner removed), and approximately 12 x 20 inches (30.5 x 50.8 cm). The kite will be attached to the twine top using snap links, that allow it to stretch. The kite will not be snug against the twine; as such, it is not expected to restrict escapement of non-target species.

For each tow, the entire scallop catch would be placed into baskets. A random sub-sample of baskets would be selected to measure scallops. Legal catch would be landed for sale in accordance with the fishing permits held by the vessels. All incidental catch of interest would be identified to species and weighed, prior to being released back into the water.

If approved, the applicant may request minor modifications and extensions to the EFP throughout the year. EFP modifications and extensions may be granted without further notice if they are deemed essential to facilitate completion of the proposed research and have minimal impacts that do not change the scope or impact of the initially approved EFP request. Any fishing activity conducted outside the scope of the exempted fishing activity would be prohibited.

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

Dated: March 4, 2026.

David R. Blankinship,
Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service.
[FR Doc. 2026–04537 Filed 3–6–26; 8:45 am]

BILLING CODE 3510–22–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Basic Requirements for Special Exception Permits and Authorizations To Take, Import, and Export Marine Mammals, Threatened and Endangered Species, and for Maintaining a Captive Marine Mammal Inventory Under Section 104 of the Marine Mammal Protection Act, the Fur Seal Act, and/or Section 10(a)(1)(A) of the Endangered Species Act

AGENCY: National Oceanic & Atmospheric Administration (NOAA), 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 revision and renewal of this NOAA collection to OMB.

DATES: To ensure consideration, comments regarding this proposed information collection must be received on or before May 8, 2026.

ADDRESSES: Interested persons are invited to submit written comments to Adrienne Thomas, NOAA PRA Officer, at NOAA.PRA@noaa.gov. Please reference OMB Control Number 0648–0084 in the subject line of your comments. All comments received are part of the public record and will generally be posted on <https://www.regulations.gov> without change. 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 Amy Hapeman, Biologist, National Marine Fisheries Service (NMFS), Office of Protected Resources, Permits and Conservation Division, 1315 East-West Highway, Silver Spring, MD 20910, (301) 427–8401, amy.hapeman@noaa.gov.

SUPPLEMENTARY INFORMATION:

I. Abstract

The NMFS, Office of Protected Resources, Permits and Conservation Division is requesting a revision and extension of the currently approved information collection OMB Control Number 0648–0084. The information collection request (ICR) is under the authority of the Marine Mammal Protection Act (16 U.S.C. 1361 *et seq.*; MMPA), the Fur Seal Act (16 U.S.C. 1151 *et seq.*; FSA), and the Endangered Species Act (16 U.S.C. 1531 *et seq.*; ESA). This information collection applies to certain protected species for which NMFS is responsible: cetaceans (whales, dolphins and porpoises) and pinnipeds (seals and sea lions); and, for ESA scientific research and enhancement permits: smalltooth sawfish, sea turtles (in water), sturgeon (Atlantic and shortnose), and certain foreign ESA-listed species. This revision incorporates endangered corals into the list of species. This information collection may be used for future ESA-listed species.

MMPA Section 104 and ESA Section 10(a)(1)(A) Permit Applications

The MMPA, FSA, and ESA prohibit “take” (e.g., to harass or kill), import, and export of marine mammals and endangered and threatened species,

with limited exceptions. Pursuant to Section 104 of the MMPA and Section 10(a)(1)(A) of the ESA, individuals, business or other for-profit organizations, not-for-profit institutions, and government agencies may obtain special exception permits to take, import, or export marine mammals or endangered or threatened species for scientific research or enhancement purposes. Section 104 of the MMPA also provides for Letters of Confirmation under a General Authorization for scientific research; permits for commercial and educational photography of marine mammals; and permits for capture and/or import of marine mammals for public display.

Persons or institutions seeking to take, import, or export protected species must apply for a permit or authorization and demonstrate that statutory and regulatory requirements are met. The regulations pertaining to permits and associated reporting under the MMPA and FSA are at 50 CFR part 216; the regulations for permit requirements under the ESA are at 50 CFR part 222. The required information in this collection is used by NMFS to make the determinations required by the MMPA, FSA, ESA, and their implementing regulations prior to issuing a permit or authorization; to establish appropriate permit conditions; to evaluate the impacts on protected species; and to ensure compliance with the Acts.

Information currently required includes the name, affiliation, contact information and qualifications of the applicant and others listed on the application; the purpose and justification for the request; the species, age, sex, and number of animals; the locations of the activities; the proposed methods and mitigation to minimize impacts to the species; a description of the impacts to the species and environment; and the requested time frame of the permit. Permit and authorization holders must submit reports on the activities they carry out.

To be consistent with NMFS’ final rule (89 FR 100393; December 12, 2024) effective on January 13, 2025, we are revising all MMPA Section 104 permit and authorization application instructions to remove the 5-year limit on MMPA permit and authorization durations. The revised instructions provide guidance to applicants about what to consider when requesting their permit duration and require applicants to justify their requested permit duration. This revision applies to MMPA Section 104 permit and authorization applications. For consistency, we are also revising the ESA Section 10(a)(1)(A) scientific

research and enhancement permit application instructions to clarify applicants must provide a justification for the requested permit duration (there is no duration limit on ESA permits, and guidance on duration is already provided in these application instructions).

We also propose to create a separate set of ESA Section 10(a)(1)(A) scientific research and enhancement permit application instructions for corals because pillar corals (*Dendrogyra cylindrus*) have been listed as endangered under the ESA (89 FR 101993; December 17, 2024). Creating a separate set of instructions is designed to tailor and streamline the application process for pillar coral applicants. These revisions may be applied to other species of coral requiring an ESA Section 10(a)(1)(A) scientific research or enhancement permit in the future.

In addition, we propose to change the estimating and reporting of takes during uncrewed aircraft system (UAS) operations in MMPA Section 104 permit applications to follow the guidance for vessel or ground-based activities (within 100 yards for baleen and sperm whales and 50 yards for other cetaceans and pinnipeds), rather than the current 1,000 feet guidance used for crewed aircraft. This change will include additional guidance in MMPA Section 104 permit application instructions that will improve take number estimates and reporting. The intent is to reduce burden on applicants, improve the reasonableness of take estimates, and increase the accuracy of their subsequent reporting. These proposed changes will be included in all instructions involving Level B harassment of marine mammals in the wild, including MMPA permit applications for scientific research and enhancement, commercial and educational photography, and public display (those authorizing capture in the wild); and MMPA Letters of Intent under the General Authorization for scientific research.

We propose to revise the MMPA Letter of Intent under the General Authorization for scientific research application instructions to be consistent with the implementing regulations at 50 CFR 216.45. The proposed changes include reducing the amount of information requested from applicants when describing the purpose of the project (e.g., take number rationale), anticipated effects and mitigation. As described above for MMPA Section 104 permit applications, we propose to provide additional guidance in the application instructions to improve take number estimates and reporting for UAS

operations and revise the application instructions to remove the 5-year limit on the requested duration. These changes will better align our guidance with the statutory definition of Level B harassment under the MMPA (16 U.S.C. 1362(18)) and allow us to accurately quantify and assess the impacts of the takes that are likely to occur.

We are also streamlining the amount of information required in the instructions for importing marine mammals for public display to better align with the statutory requirements. This will ensure we can make a determination that the manner of taking or importation is humane, as required by the MMPA, and is consistent with the Animal Welfare Act.

Last, we are in the process of revising the current online application system known as APPS (Authorizations and Permits for Protected Species; <https://apps.nmfs.noaa.gov/>), which dates back to 2008, for MMPA Section 104 and ESA Section 10(a)(1)(A) permit applications. The revision of the online application system is necessary for many reasons, including to improve information security and ease of use. As part of the redesign, we have split the information fields of the application instructions into small text boxes in APPS that ask briefer and more specific questions. This allows applicants to provide less information overall while still adequately addressing the required application criteria and providing better alignment with the Word and PDF application instructions included in this instrument collection. The overall user experience and functionality of the online application system will be improved and streamlined from the currently available APPS system, although the specific information requested remains limited to what is described in our application instructions.

MMPA Section 104 National Inventory of Marine Mammals

The MMPA requires NMFS to maintain an inventory of captive marine mammals held in permanent care facilities and for those facilities to report certain information to NMFS (via the National Inventory of Marine Mammals [NIMM]). The NIMM forms include an institutional contact form, a marine mammal data sheet (MMDS), and a transfer/transport notification form. Inventory information required by the MMPA includes the animal's name or other identification; sex; birth date; date animal enters and leaves a collection; source of the animal (e.g., stranding); where an animal is transferred or transported; and date and cause of death

(when determined). Exporting facilities must provide documentation to NMFS that the recipient facility meets standards comparable to those required in the United States. The NIMM forms facilitate compliance with MMPA reporting requirements and allow NMFS to keep NIMM up to date. We are not proposing any changes to the MMDS or the other NIMM forms at this time.

NMFS previously published a **Federal Register** notice (84 FR 4443; February 15, 2019) and extension (84 FR 15593; April 16, 2019) seeking comments on implementing NIMM, including clarification on reporting requirements and levels of constituent access to the database. We are not proposing any access changes to NIMM at this time and will seek public comment on proposed final policies and procedures for NIMM through a separate process in the future.

The proposed revisions to the instructions are available for review as downloadable PDF versions online at <https://www.fisheries.noaa.gov/national/permits/proposed-revisions-application-instructions-permits-and-authorizations-directed>. When the revised online application system is launched, the URL for the online system will change. The revised system will be able to accept all application types, whereas the current APPS system cannot accept photography and public display permit applications.

II. Method of Collection

Current permit applications and permit report form information, are available as downloadable Word or PDF versions online at <https://www.fisheries.noaa.gov/permits-and-forms#protected-resources> or via email. Respondents may submit applications, forms, and reports by email, mail, or APPS (Authorizations and Permits for Protected Species; <https://apps.nmfs.noaa.gov/>). Reports for most permits can also be submitted online via APPS. NIMM inventory forms may be downloaded as fillable Word documents at <https://www.fisheries.noaa.gov/national/marine-mammal-protection/national-inventory-marine-mammals> or requested via email. Inventory forms can be submitted via email or mail.

III. Data

OMB Control Number: 0648-0084.

Form Number(s): NOAA Forms 89-880, 89-881, and 89-882.

Type of Review: Regular submission (revision and extension of a current information collection).

Affected Public: Individuals; Business or other for-profit organizations; Not-for-

profit institutions; State, Local, or Tribal government; Federal government.

Estimated Number of Respondents: 427.

Estimated Time per Response: The estimated *average* amount of time it takes to complete each information collection instrument is as follows. Scientific research and enhancement permit applications, 50 hours; public display permit applications, 50 hours; protected species parts applications, 20 hours; photography permit applications, 10 hours; General Authorization Letters of Intent, 10 hours; major permit modification requests, 35 hours; minor permit modification requests, 3 hours; scientific research permit reports, 12 hours; scientific research parts only permit reports, 8 hours; General Authorization reports, 8 hours; public display permit reports, 2 hours; photography permit reports, 2 hours; public display inventory reporting, 2 hours; and general record keeping, 2 hours per each type.

Estimated Total Annual Burden Hours: 6,568.

Estimated Total Annual Cost to Public: \$80.00 in recordkeeping/reporting costs. This represents costs for mailing in applications, forms, and reports.

Respondent's Obligation: Mandatory.

Legal Authority: MMPA (16 U.S.C. 1361 *et seq.*), FSA (16 U.S.C. 1151 *et seq.*), and ESA (16 U.S.C. 1531 *et seq.*).

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 information collection request. 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. 2026-04530 Filed 3-6-26; 8:45 am]

BILLING CODE 3510-22-P

DEPARTMENT OF COMMERCE

Patent and Trademark Office

Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Comment Request; Deposit of Biological Materials

AGENCY: United States Patent and Trademark Office, Department of Commerce.

ACTION: Notice of information collection; request for comments.

SUMMARY: The United States Patent and Trademark Office (USPTO) 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. The USPTO invites comments on the information collection renewal of 0651-0022, which helps the USPTO assess the impact of its information collection requirements and minimize the reporting burden to the public. Public comments were previously requested via the **Federal Register** on November 19, 2025 during a 60-day comment period (90 FR 52038). This notice allows for an additional 30 days for public comments.

DATES: To ensure consideration, you must submit comments regarding this information collection on or before April 8, 2026.

ADDRESSES: Written comments and recommendations for this information collection should be submitted within 30 days of the publication of this notice on the following website, <http://www.reginfo.gov/public/do/PRAMain>. You may find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function and entering either the title of the information collection or the OMB Control Number, 0651-0022. Do not submit Confidential Business

Information or otherwise sensitive or protected information.

FOR FURTHER INFORMATION CONTACT:

• This information collection request may be viewed at <http://www.reginfo.gov>. Follow the instructions to view the Department of Commerce, USPTO information collections currently under review by OMB.

• *Email:* InformationCollection@uspto.gov. Include “0651-0022 information request” in the subject line of the message.

• *Mail:* Justin Isaac, Office of the Chief Administrative Officer, United States Patent and Trademark Office, P.O. Box 1450, Alexandria, VA 22313-1450.

• *Telephone:* Raul Tamayo, Senior Legal Advisor, 571-272-7728.

SUPPLEMENTARY INFORMATION:

Title: Deposit of Biological Materials.
OMB Control Number: 0651-0022.

Abstract: This information collection covers information from patent applicants who seek to deposit biological material in connection with a patent application according to 37 CFR 1.801-1.809. The information collected from such patent applicants consists of information and documentation demonstrating the applicant’s compliance with regulatory requirements, as well as information regarding the biological sample after it is deposited. This collection also covers communications from institutions that wish to be recognized by the USPTO as a suitable depository to receive deposits for patent application purposes. The information collection requirements for these actions are separate, as discussed below.

A. Deposits of Biological Materials

The deposit of biological material as part of a patent application is authorized by 35 U.S.C. 2(b)(2) and 112. The term “biological material” is defined in 37 CFR 1.801 as including material that is capable of self-replication, either directly or indirectly. When an invention involves a biological material, words and figures may not sufficiently describe how to make and use the invention in a reproducible material as required by 35 U.S.C. 112. In such cases, the inventive biological material must be known and readily available to the public or can be made or isolated without undue experimentation (see 37 CFR 1.802). In order to satisfy the “known and readily available” requirement, the biological material may be deposited in a suitable depository that has been recognized as an International Depository Authority

(IDA) established under the Budapest Treaty per 37 CFR 1.803(a)(1), or any other depository recognized to be suitable by the USPTO per 37 CFR 1.803(a)(2). Under the authority of 35 U.S.C. 2(b)(2), the deposit rules (37 CFR 1.801-1.809) set forth examination procedures and conditions of deposit which must be satisfied in the event a deposit is required.

In cases where a deposit of biological material that is capable of self-replication either directly or indirectly is made, and the deposit is not made under the Budapest Treaty, the USPTO collects information to determine whether the deposit meets the viability requirements of 37 CFR 1.807. This information includes a viability statement under 37 CFR 1.807, such statement identifying:

- (1) The name and address of the depository where the deposit was made;
- (2) The name and address of the depositor;
- (3) The date of the deposit;
- (4) The identity of the deposit and the accession number given by the depository;
- (5) The date of the viability test;
- (6) The procedure used to obtain a sample if the test was not done by the depository; and
- (7) A statement that the deposit is capable of reproduction.

A viability statement is not required when a deposit is made and accepted under the Budapest Treaty.

This information collection also covers additional information that may be gathered by the USPTO after a biological material is deposited into the recognized depository. For example, depositors may be required to submit verification statements for biological material deposited after the effective filing date of a patent application, or written notification that an acceptable deposit will be made. Occasionally a deposit may be lost, contaminated, or is not able to self-replicate, and a replacement or supplemental deposit needs to be made. This information collection includes a required written notification that the depositor must submit to the USPTO disclosing the particulars of such situation and, in the case of an issued patent, requesting a certificate of correction.

There are no forms associated with the information collected by the USPTO in connection with the deposit of biological material. However, there are forms available under the Budapest Treaty for use with international depositories.

B. Request for Depository Approval

Institutions that wish to be recognized by the USPTO as a suitable depository to receive deposits for patent purposes are required by 37 CFR 1.803(b) to make a request demonstrating that they are qualified to store and test the biological material submitted to them under patent applications (see also MPEP 2405). This information collection covers the information that a depository must submit to the USPTO when seeking recognition by the USPTO as a suitable depository under 37 CFR 1.803(a)(2). This information enables the USPTO to evaluate whether such a depository has internal practices (both technical and administrative) and the technical ability sufficient to protect the integrity of the biological material being stored by U.S. patent applicants and patent owners. This information includes:

(1) The name and address of the depository seeking recognition under 37 CFR 1.803(a)(2),

(2) Detailed information as to the capacity of the depository to comply with the requirements of 37 CFR 1.803(a)(2), including information on its legal status, scientific standing, staff, and facilities;

(3) An indication that the depository intends to be available, for the purposes of deposit, to any depositor under these same conditions;

(4) Where the depository intends to accept for only certain kinds of biological material, specify such kinds; and

(5) An indication of the amount of any fees that the depository will, upon acquiring the status of suitable depository under paragraph (a)(2) of this section, charge for storage, viability statements and furnishings of the samples of the deposit.

This collection also includes additional information gathered by the USPTO that may be needed after a depository has been recognized by the USPTO under 37 CFR 1.803(a)(2), such as requests to handle additional types of biological material other than the material originally recognized, and viability statements that depositories may submit on behalf of depositors for deposits tested at the depository and/or documentation proving the public has been notified where to obtain samples. There are no forms associated with requests under 37 CFR 1.803(b) to become a recognized depository.

Forms:

- BP/1 (Statement in the Case of an Original Deposit (Rule 6.1))
- BP/2 (Statement in the Case of a New Deposit with the Same International Depository Authority (Rule 6.2))

- BP/3 (Statement in the Case of a New Deposit with Another International Depository Authority (Rule 6.2))
- BP/9 (Viability Statement (Rule 10.2) (International Form))

Type of Review: Extension and revision of a currently approved information collection.

Affected Public: Private sector.

Respondent's Obligation: Required to obtain or retain benefits.

Frequency: On occasion.

Estimated Number of Annual Respondents: 1,501 respondents.

Estimated Number of Annual Responses: 1,501 responses.

Estimated Time per Response: The USPTO estimates that the responses in this information collection will take the public approximately 1 to 5 hours to complete, depending on the complexity of the situation. This includes the time to gather the necessary information, create the document, and submit the completed item to the USPTO.

Estimated Total Annual Respondent Burden Hours: 1,505 hours.

Estimated Total Annual Respondent Non-hourly Cost Burden: \$4,306,511.

Justin Isaac,

Information Collections Officer, Office of the Chief Administrative Officer, United States Patent and Trademark Office.

[FR Doc. 2026-04519 Filed 3-6-26; 8:45 am]

BILLING CODE 3510-16-P

Dated March 5, 2026 in Washington, DC.

Zakiya N. Walters,

Administrative Officer.

[FR Doc. 2026-04583 Filed 3-6-26; 8:45 am]

BILLING CODE 6330-01-P

DEPARTMENT OF EDUCATION

[Docket No.: ED-2025-SCC-0316]

Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Comment Request; Foreign Graduate Medical School Consumer Information Reporting Form

AGENCY: Federal Student Aid (FSA), Department of Education (ED).

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act (PRA) of 1995, the Department is proposing a reinstatement without change of a previously approved information collection request (ICR).

DATES: Interested persons are invited to submit comments on or before April 8, 2026.

ADDRESSES: Written comments and recommendations for proposed information collection requests should be submitted within 30 days of publication of this notice. Click on this link www.reginfo.gov/public/do/PRAMain to access the site. Find this information collection request (ICR) by selecting "Department of Education" under "Currently Under Review," then check the "Only Show ICR for Public Comment" checkbox. *Reginfo.gov* provides two links to view documents related to this information collection request. Information collection forms and instructions may be found by clicking on the "View Information Collection (IC) List" link. Supporting statements and other supporting documentation may be found by clicking on the "View Supporting Statement and Other Documents" link.

FOR FURTHER INFORMATION CONTACT: For specific questions related to collection activities, please contact Carolyn Rose, 202-453-5967.

SUPPLEMENTARY INFORMATION: The Department is especially interested in public comment addressing the following issues: (1) is this collection necessary to the proper functions of the Department; (2) will this information be processed and used in a timely manner; (3) is the estimate of burden accurate; (4) how might the Department enhance the quality, utility, and clarity of the information to be collected; and (5) how

COMMISSION OF FINE ARTS**Notice of Meeting**

Per 45 CFR Chapter XXI § 2102.3, the next meeting of the U.S. Commission of Fine Arts is scheduled for March 19, 2026, at 9:00 a.m. and will be held in the Commission offices at the National Building Museum, Suite 312, Judiciary Square, 401 F Street NW, Washington, DC 20001-2728. Items of discussion may include buildings, infrastructure, parks, memorials, and public art.

Draft agendas and additional information regarding the Commission are available on our website: www.cfa.gov. Inquiries regarding the agenda, as well as any public testimony, and requests to submit written or oral statements should be addressed to Thomas Luebke, Secretary, U.S. Commission of Fine Arts, at the above address; by emailing cfastaff@cfa.gov; or by calling 202-504-2200. Individuals requiring sign language interpretation for the hearing impaired should contact the Secretary at least 10 days before the meeting date.

might the Department minimize the burden of this collection on the respondents, including through the use of information technology. Please note that written comments received in response to this notice will be considered public records.

Title of Collection: Foreign Graduate Medical School Consumer Information Reporting Form.

OMB Control Number: 1845–0117.

Type of Review: A reinstatement without change of a previously approved ICR.

Respondents/Affected Public: Private Sector.

Total Estimated Number of Annual Responses: 24.

Total Estimated Number of Annual Burden Hours: 384.

Abstract: This is a request for an reinstatement without change of the information collection to obtain consumer information from foreign graduate medical institutions that participate in the William D. Ford Federal Direct Loan Program (Direct Loan Program) as authorized under Title IV of the Higher Education Act of 1963, as amended, (HEA). The form is used for reporting specific graduation information to the Department of Education (the Department) with a certification signed by the institution's President/CEO/Chancellor.

Ross Santy,

Chief Data Officer, Office of Planning, Evaluation and Policy Development.

[FR Doc. 2026–04555 Filed 3–6–26; 8:45 am]

BILLING CODE 4000–01–P

DEPARTMENT OF EDUCATION

[Docket No.: ED–2025–SCC–0250]

Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Comment Request; Health Education Assistance Loan (HEAL) Program Regs

AGENCY: Federal Student Aid (FSA), Department of Education (ED).

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act (PRA) of 1995, the Department is proposing a reinstatement without change of a previously approved information collection request (ICR).

DATES: Interested persons are invited to submit comments on or before April 8, 2026.

ADDRESSES: Written comments and recommendations for proposed information collection requests should

be submitted within 30 days of publication of this notice. Click on this link www.reginfo.gov/public/do/PRAMain to access the site. Find this information collection request (ICR) by selecting “Department of Education” under “Currently Under Review,” then check the “Only Show ICR for Public Comment” checkbox. *Reginfo.gov* provides two links to view documents related to this information collection request. Information collection forms and instructions may be found by clicking on the “View Information Collection (IC) List” link. Supporting statements and other supporting documentation may be found by clicking on the “View Supporting Statement and Other Documents” link.

FOR FURTHER INFORMATION CONTACT: For specific questions related to collection activities, please contact Carolyn Rose, 202–453–5967.

SUPPLEMENTARY INFORMATION: The Department is especially interested in public comment addressing the following issues: (1) is this collection necessary to the proper functions of the Department; (2) will this information be processed and used in a timely manner; (3) is the estimate of burden accurate; (4) how might the Department enhance the quality, utility, and clarity of the information to be collected; and (5) how might the Department minimize the burden of this collection on the respondents, including through the use of information technology. Please note that written comments received in response to this notice will be considered public records.

Title of Collection: Health Education Assistance Loan (HEAL) Program Regs.

OMB Control Number: 1845–0125.

Type of Review: A reinstatement without change of a previously approved ICR.

Respondents/Affected Public: Individuals and Households; State, Local, and Tribal Governments.

Total Estimated Number of Annual Responses: 87,726.

Total Estimated Number of Annual Burden Hours: 16,318.

Abstract: This is a request for a reinstatement of OMB approval of information collection requirements associated with the Health Education Assistance Loan (HEAL) Program regulations for reporting, recordkeeping and notifications, previously approved under OMB No. 1845–0125. There has

been no change to the regulatory language.

Ross Santy,

Chief Data Officer, Office of Planning, Evaluation and Policy Development.

[FR Doc. 2026–04556 Filed 3–6–26; 8:45 am]

BILLING CODE 4000–01–P

ELECTION ASSISTANCE COMMISSION

Technical Guidelines Development Committee (TGDC) Notice of Vacancy

AGENCY: Election Assistance Commission.

ACTION: Notice of vacancy.

SUMMARY: Pursuant to the Help America Vote Act (HAVA) and the Charter of the EAC Technical Guidelines Development Committee (TGDC), the EAC is posting this notice of vacancy for two vacancies for individuals with technical and scientific expertise relating to voting systems and voting equipment. The vacancies shall be filled jointly by the EAC and the Director of the National Institute of Standards and Technology (NIST).

ADDRESSES: Pursuant to the TGDC Charter, the EAC will post the notice on the EAC website: https://www.eac.gov/about/technical_guidelines_development_committee. Interested persons should contact the Alternate Designated Federal Official for the TGDC Monica Childers by email, mchilders@eac.gov.

SUPPLEMENTARY INFORMATION: The Technical Guidelines Development Committee (TGDC) is a non-discretionary Federal Advisory Committee established by the Help America Vote Act of 2002 (HAVA), Public Law 107–252, 116 Stat. 1666 (2002). The TGDC assists the EAC in developing the Voluntary Voting System Guidelines (VMSG). The chairperson of the TGDC is the director of the National Institute of Standards and Technology (NIST). The TGDC is composed of 14 other members appointed jointly by EAC and the director of NIST.

HAVA mandates that the 14 other members appointed jointly by the EAC and NIST shall include individuals with technical and scientific expertise relating to voting systems and voting equipment. The TGDC Charter requires that notice of vacancies on the Committee for those individuals jointly appointed by EAC and NIST be published in the **Federal Register** as well as on the Commission's website.

Pursuant to HAVA and the TGDC charter, the EAC is publishing this notice of vacancy on the TGDC.

Vacancies shall be filled through a joint appointment by the EAC and NIST.

Camden Kelliher,

General Counsel, U.S. Election Assistance Commission.

[FR Doc. 2026–04539 Filed 3–6–26; 8:45 am]

BILLING CODE 4810–71–P

DEPARTMENT OF ENERGY

Notice of Closed Meetings To Implement Voluntary Agreements and Related Plans of Action Under the Defense Production Act

AGENCY: Office of Nuclear Energy, Department of Energy.

ACTION: Notice of closed meetings.

SUMMARY: The notice announces a series of closed meetings held pursuant to the Defense Production Act to discuss the implementation of its Voluntary Agreement and potential accompanying Plans of Action with entities involved in the nuclear fuel industry.

DATES: See **SUPPLEMENTARY INFORMATION** section for further details.

ADDRESSES: The meetings were held virtually (Teams).

FOR FURTHER INFORMATION CONTACT: Ms. Sarah McPhee-Charrez, Chief of Staff, Nuclear Fuel Cycle, Office of Nuclear Energy, Department of Energy, 1000 Independence Avenue SW, Washington, DC 20585, Telephone: (202) 587–1092. Email: sarah.mcphee@nuclear.energy.gov.

SUPPLEMENTARY INFORMATION: In accordance with section 708 of the Defense Production Act (“DPA”) (50 U.S.C. 4558) and consistent with the regulations set out at 10 CFR part 821, the Department of Energy (“DOE”) hereby gives notice that a series of closed meetings were held to discuss the implementation of a Voluntary Agreement and any subsequent Plans of Action regarding each of the listed topics. DOE determined that these meetings were likely to disclose information treated as trade secrets and commercial or financial information obtained from a person and privileged or confidential. As a result, DOE determined that the matters discussed in these meetings fell within the scope of 5 U.S.C. 552b(c), thereby necessitating their closure to the public.

Meeting 1: Reactors Meeting

February 3, 2026, February 10, 2026, February 17, 2026, and February 24, 2026.

11:00 a.m.–11:45 a.m. Virtual (Teams)

Meeting 2: Recycling and Reprocessing Meeting

February 3, 2026, February 10, 2026, and February 24, 2026.

11:45 a.m.–12:45 p.m. Virtual (Teams)

Meeting 3: Mining and Milling Meeting

February 3, 2026, February 10, 2026, and February 17, 2026.

1:00 p.m.–1:30 p.m. Virtual (Teams)

Meeting 4: Utilities Meeting

February 5, 2026, February 12, 2026, and February 26, 2026.

1:00 p.m.–2:00 p.m. Virtual (Teams)

Meeting 5: Fabrication and

Deconversion Meeting

February 19, 2026, and February 22, 2026.

2:00 p.m.–3:00 p.m. Virtual (Teams)

Meeting 6: Enrichment Meeting

February 5, 2026, and February 12, 2026.

10:00 a.m.–10:30 a.m. Virtual (Teams)

Meeting 7: Conversion Meeting

February 5, 2026, February 12, 2026, and February 19, 2026.

11:00 a.m.–11:45 a.m. Virtual (Teams)

Signing Authority

This document of the Department of Energy was signed on February 26, 2026, by Theodore J. Garrish, Assistant Secretary, Nuclear Energy, pursuant to delegated authority from the Secretary of Energy. That document with the original signature and date is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the **Federal Register**.

Signed in Washington, DC, March 5, 2026.

Treena V. Garrett

Federal Register Liaison Officer, U.S.

Department of Energy.

[FR Doc. 2026–04575 Filed 3–6–26; 8:45 am]

BILLING CODE 6450–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. RD26–1–000; Docket No. RD26–2–000; Docket No. RD26–3–000]

North American Electric Reliability Corporation; Notice of Staff Attendance at North American Electric Reliability Corporation Operational Studies Drafting Teams Meetings and Standards Committee Meeting

The Federal Energy Regulatory Commission hereby gives notice that

members of the Commission and/or Commission staff may attend the following meetings:

North American Electric Reliability Corporation: Project 2025–03 Order No. 901—Operational Studies Drafting Team Meeting, WebEx: March 5, 2026 | 2:00 p.m.–4:00 p.m. Eastern

Further information regarding this meeting and how to join remotely may be found at: <https://www.nerc.com/events/03-05-26-project-2025-03-order-no.-901-operational-studies-drafting-team-meeting>.

North American Electric Reliability Corporation: Project 2025–03 Order No. 901—Operational Studies Drafting Team Meeting, WebEx, March 10, 2026 | 2:00 p.m.–4:00 p.m. Eastern

Further information regarding this meeting and how to join remotely may be found at: <https://www.nerc.com/events/03-10-26-project-2025-03-order-no.-901-operational-drafting-team-meeting>.

North American Electric Reliability Corporation: Project 2025–03 Order No. 901—Operational Studies Drafting Team Meeting, WebEx, March 12, 2026 | 2:00 p.m.–4:00 p.m. Eastern

Further information regarding this meeting and how to join remotely may be found at: <https://www.nerc.com/events/03-12-26-project-2025-03-order-no.-901-operational-drafting-team-meeting>.

North American Electric Reliability Corporation: Standards Committee In-person and Webex Meeting, March 18, 2026 | 9:00 a.m.–2:00 p.m. Eastern

Further information regarding this meeting and how to join may be found at: <https://www.nerc.com/events/3-18-26-sc-conference-call>.

The discussions at the meetings, which are open to the public, may address matters at issue in the following Commission proceedings:

Docket No. RD26–1–000 North American Electric Reliability Corporation

Docket No. RD26–2–000 North American Electric Reliability Corporation

Docket No. RD26–3–000 North American Electric Reliability Corporation

For further information, please contact Neil Yallabandi at (202) 502–8260 or Neil.Yallabandi@ferc.gov.

(Authority: 18 CFR 2.1)

Dated: March 4, 2026.

Debbie-Anne A. Reese,

Secretary.

[FR Doc. 2026-04553 Filed 3-6-26; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. CP26-74-000]

Southern Star Central Gas Pipeline, Inc.; Notice of Scoping Period Requesting Comments on Environmental Issues for the Proposed Viola Project

The staff of the Federal Energy Regulatory Commission (FERC or Commission) will prepare an environmental document that will discuss the environmental impacts of the Viola Project involving construction and operation of facilities by Southern Star Central Gas Pipeline, Inc. (Southern Star) in Sumner County, Kansas. The Commission will use this environmental document in its decision-making process to determine whether the project is in the public convenience and necessity.

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 a Certificate of Public Convenience and Necessity. 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 April 3, 2026. Comments may be submitted in written 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 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 January 21, 2026, you will need to file those comments in Docket No. CP26-74-000 to ensure they are considered as part of this proceeding.

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 proposed project and encourage them to comment on their areas of concern.

If you are a landowner receiving this notice, a pipeline company representative may contact you about the acquisition of an easement to construct, operate, and maintain the proposed facilities. The company would seek to negotiate a mutually acceptable easement agreement. You are not required to enter into an agreement. However, if the Commission approves the project, the Natural Gas Act conveys the right of eminent domain to the company. Therefore, if you and the company do not reach an easement agreement, the pipeline company could initiate condemnation proceedings in court. In such instances, compensation would be determined by a judge in accordance with state law. The Commission does not subsequently grant, exercise, or oversee the exercise of that eminent domain authority. The courts have exclusive authority to handle eminent domain cases; the Commission has no jurisdiction over these matters.

Southern Star provided landowners with a fact sheet prepared by the FERC entitled “An Interstate Natural Gas Facility On My Land? What Do I Need To Know?” which addresses typically asked questions, including the use of eminent domain and 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 three 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 located 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 (CP26-74-000) 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.

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.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502-6595 or OPP@ferc.gov.

Summary of the Proposed Project

Southern Star proposes to construct a new meter station, flow station, compressor station, and the Line UA natural gas pipeline, which with the compressor station is designed to flow up to 116,296 dekatherms per day of natural gas. The Viola Project would support and supply the planned 710-megawatt combined cycle power generation Viola Plant located in Sumner County, Kansas, which is owned and operated by Evergy Kansas Central, Inc. (Evergy)

The Viola Project would consist of the following facilities:

- approximately 19.33 miles of new 16-inch-diameter natural gas pipeline (Line UA), which would connect to Southern Star's existing 20-inch-diameter Line U;
- the new Wellington Compressor Station, consisting of three compressor units totaling 12,375 horsepower, along with ancillary station equipment;
- a new mainline valve on Line U; and
- the Evergy Meter Setting, a meter station which would connect Line UA to the new Evergy Viola Plant.

The general location of the project facilities is shown in appendix 1.¹

Land Requirements for Construction

Construction of the proposed facilities would disturb about 266.4 acres of land for the aboveground facilities and the pipeline. Following construction, Southern Star would maintain about 163.8 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 the Commission will discuss impacts that could occur as a result of the construction and operation of the proposed 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;
- socioeconomic;
- air quality and noise; and

- reliability and safety.

Commission staff will also evaluate reasonable alternatives to the proposed 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.

Following this scoping period, Commission staff will 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 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 decision regarding the proposed project. If Commission staff prepares an EIS, a *Notice of Intent to Prepare an EIS/ Notice of Schedule* will be issued, which will open up an additional comment period. Staff will then prepare a draft EIS which 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 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 of 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.

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 Kansas State Historic Preservation Office, 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 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 proposed 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 CP26-74-000 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

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, (886) 208-3676 or TTY (202) 502-8659.

² For instructions on connecting to eLibrary, refer to the last page of this notice.

³ Cooperating agency responsibilities are addressed in Section 107(a)(3) of NEPA (42 U.S.C. 4336(a)(3)).

⁴ The Advisory Council on Historic Preservation's 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.

as it appeared on this notice. *This email address is unable to accept comments.*
OR

(2) Return the attached "Mailing List Update Form" (appendix 2).

Additional Information

Additional information about the project is available from the FERC website at 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 (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.

(Authority: 18 CFR 2.1)

Dated: March 4, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026-04550 Filed 3-6-26; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

Notice of Effectiveness of Exempt Wholesale Generator Status

	Docket Nos.
Golden Fields Solar VI, LLC	EG26-87-000
Raven Storage, LLC	EG26-88-000
Bee Hollow Solar, LLC	EG26-89-000
Forgeview Interconnection, LLC	EG26-90-000
Flat Fork Interconnection, LLC	EG26-91-000
Mallard Energy Storage LLC	EG26-92-000
MEC Phase 1, LLC	EG26-93-000
MEC Phase 2, LLC	EG26-94-000
Lock Energy Center, LLC	EG26-95-000
Colleton Energy Storage, LLC	EG26-96-000
Williamsburg Energy Storage, LLC	EG26-97-000
Honey Creek Energy, LLC	EG26-98-000
Murch Solar, LLC	EG26-99-000
Rockhound Solar C, LLC	EG26-100-000
Greyhound Solar A, LLC	EG26-101-000
Rockhound Solar D, LLC	EG26-102-000
Pelicans Jaw Solar, LLC	EG26-103-000
Arlington Energy Storage LLC	EG26-104-000
Mark Center Solar Project, LLC	EG26-105-000
IP Aramis, LLC	EG26-106-000
IP Easley, LLC	EG26-107-000
IP Easley II, LLC	EG26-108-000
WR Graceland Solar, LLC	EG26-109-000
Scioto Solar, LLC	EG26-110-000
Alligator Creek Solar, LLC	EG26-111-000
Emerald Solar, LLC	EG26-112-000
Two Blues Solar, LLC	EG26-113-000

	Docket Nos.
Baroness Solar, LLC	EG26-114-000
Chula Vista Energy Center 2, LLC	EG26-115-000
CG Leon County LLC	EG26-116-000
CG Leon County II LLC	EG26-117-000
Ostrea Solar, LLC	EG26-118-000
Midland Cogeneration Venture Limited Partnership	EG26-119-000
Apache Hill Energy Center, LLC	EG26-120-000

Take notice that during the month of February 2026, the status of the above-captioned entities as Exempt Wholesale Generators became effective by operation of the Commission's regulations. 18 CFR 366.7(a) (2025).

Dated: March 4, 2026.

Carlos D. Clay,

Deputy Secretary.

[FR Doc. 2026-04543 Filed 3-6-26; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 7264-028]

Neenah Paper FR, LLC, Appleton Dam, LLC; Notice of Application of Transfer of License and Soliciting Comments, Motions To Intervene, and Protests

On July 1, 2025, Neenah Paper FR, LLC (transferor) and Appleton Dam, LLC (transferee) filed an application for a transfer of license for the 1.19-megawatt Middle Appleton Dam Hydroelectric Project No. 7264. The project is located on the Lower Fox River in the City of Appleton, Outagamie County, Wisconsin. The project does not occupy any federal lands.

Pursuant to 16 U.S.C. 801, the applicants seek Commission approval to transfer the license for the project from Neenah Paper FR, LLC, a co-licensee, to Appleton Dam, LLC. NEW Hydro, LLC would remain the other co-licensee. The transferee would be required by the Commission to comply with all the requirements of the license as though it were the original licensee.

Applicants Contact: Shawn Puzen, 1720 Lawrence Drive, De Pere, Wisconsin 54115-3901, Phone: (920) 593-6865, Email: Shawn.Puzen@MeadHunt.com.

FERC Contact: Woohee Choi, Phone: (202) 502-6336, Email: Woohee.Choi@ferc.gov.

Deadline for filing comments, motions to intervene, and protests: April 3, 2026 5:00 p.m. Eastern Time. 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 U.S. Postal Service must be addressed to, Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Room 1A, Washington, DC 20426. Submissions sent via any other carrier must be addressed to, Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852. The first page of any filing should include docket number P-7264-028. Comments emailed to Commission staff are not considered part of the Commission record.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502-6595 or OPP@ferc.gov.

(Authority: 18 CFR 2.1)

Dated: March 4, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026-04549 Filed 3-6-26; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[CP26-75-000]

Texas Eastern Transmission, LP; Notice of Scoping Period Requesting Comments on Environmental Issues for the Proposed Line 31 Expansion Project

The staff of the Federal Energy Regulatory Commission (FERC or Commission) will prepare an environmental document that will discuss the environmental impacts of the Line 31 Expansion Project involving construction and operation of facilities by Texas Eastern Transmission, LP (Texas Eastern) in Madison and Hinds Counties, Mississippi. The Commission will use this environmental document in its decision-making process to

determine whether the project is in the public convenience and necessity.

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 a Certificate of Public Convenience and Necessity. 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 April 3, 2026. Comments may be submitted in written 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 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 January 23, 2026, you will need to file those comments in Docket No. CP26–75–000 to ensure they are considered as part of this proceeding.

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 proposed project and encourage them to comment on their areas of concern.

If you are a landowner receiving this notice, a pipeline company representative may contact you about the acquisition of an easement to construct, operate, and maintain the

proposed facilities. The company would seek to negotiate a mutually acceptable easement agreement. You are not required to enter into an agreement. However, if the Commission approves the project, the Natural Gas Act conveys the right of eminent domain to the company. Therefore, if you and the company do not reach an easement agreement, the pipeline company could initiate condemnation proceedings in court. In such instances, compensation would be determined by a judge in accordance with state law. The Commission does not subsequently grant, exercise, or oversee the exercise of that eminent domain authority. The courts have exclusive authority to handle eminent domain cases; the Commission has no jurisdiction over these matters.

Texas Eastern provided landowners with a fact sheet prepared by the FERC entitled “An Interstate Natural Gas Facility On My Land? What Do I Need To Know?” which addresses typically asked questions, including the use of eminent domain and 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 three 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 located 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 (CP26–75–000) 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.

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.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502–6595 or OPP@ferc.gov.

Summary of the Proposed Project

Texas Eastern proposes to construct and operate, approximately 10.2 miles of 36-inch-diameter pipeline (Line 31 Pipeline Loop), 1.6 miles of 16-inch-diameter pipeline (Line 14–P Lateral), a new compressor station (Ridgeline Compressor Station), and a new meter and regulator station (Ridgeland Meter and Regulator Station) in Madison County, Mississippi. The Line 31 Pipeline Loop would connect to Texas Eastern’s Lines 14 and 18 at two new 30-inch-diameter crossover valves. The Line 14–P Lateral is connecting to Lines 14 and 18 and extending southward to a terminus at an interconnect with Entergy Mississippi, LLC’s proposed Traceview Advanced Power Station (Traceview) in Madison County. The Ridgeland Meter and Regulator Station would be installed at milepost 1.6 of the Line 14–P Lateral and at an interconnect with Traceview. Texas Eastern will also construct the new Ridgeland Compressor Station which will contain three compressor units, each having a capacity of about 1,500 horsepower. Additional aboveground facilities would include main line valves, inspection gauge pig¹ launcher/receivers, and

¹ Pig launchers are essential devices in pipeline systems that facilitate the introduction of pipeline inspection gauges (pigs) for maintenance, cleaning, and inspection purposes.

cathodic protection along Line 31 Pipeline Loop and the Line 14–P Lateral. The project will provide up to an additional 125,000 dekatherms per day (Dth/d) of firm incremental natural gas transportation capacity on a segment of Texas Eastern's mainline pipeline system.

The general location of the project facilities is shown in appendix 1.²

Land Requirements for Construction

Although there is one temporary contractor yard in Hinds County, Mississippi, all of the facilities and contractor yards are located in Madison County, Mississippi. Construction of the proposed facilities would disturb about 238 acres of land for the aboveground facilities and the pipelines. Following construction, Texas Eastern would maintain about 94 acres for permanent operation of the facilities; the remaining acreage would be restored and revert to former uses. About 84 percent of the proposed pipeline route parallels existing pipeline, utility, or road rights-of-way.

NEPA Process and the Environmental Document

Any environmental document issued by the Commission will discuss impacts that could occur as a result of the construction and operation of the proposed 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;
- air quality and noise;
- socioeconomic; and
- reliability and safety.

Commission staff will also evaluate reasonable alternatives to the proposed 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.

Following this scoping period, Commission staff will 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 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 decision regarding the proposed project. If Commission staff prepares an EIS, a *Notice of Intent to Prepare an EIS/Notice of Schedule* will be issued, which will open up an additional comment period. Staff will then prepare a draft EIS which 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 eLibrary³ 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 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 of this project to formally cooperate in the preparation of the environmental document.⁴ 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.

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.⁵

The environmental document for this project will document 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 proposed 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 CP26–75–000 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 2).

Additional Information

Additional information about the project is available from the FERC website at 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 (866)

district, site, building, structure, or object included in or eligible for inclusion in the National Register of Historic Places.

² 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, (886) 208–3676 or TTY (202) 502–8659.

³ For instructions on connecting to eLibrary, refer to the last page of this notice.

⁴ Cooperating agency responsibilities are addressed in Section 107(a)(3) of NEPA (42 U.S.C. 4336(a)(3)).

⁵ The Advisory Council on Historic Preservation's regulations are at Title 36, Code of Federal Regulations, Part 800. Those regulations define historic properties as any prehistoric or historic

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.

(Authority: 18 CFR 2.1)

Dated: March 4, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026–04552 Filed 3–6–26; 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: PR26–41–000.
Applicants: Black Hills/Kansas Gas Utility Company, LLC.
Description: § 284.123 Rate Filing: BHKG Revised SOC and Statement of Rates to be effective 2/1/2026.
Filed Date: 3/3/26.
Accession Number: 20260303–5183.
Comment Date: 5 p.m. ET 3/24/26.
Docket Numbers: RP26–611–000.
Applicants: Equitrans, L.P.
Description: § 4(d) Rate Filing: Negotiated Rate Agreement—3/4/2026 to be effective 3/4/2026.
Filed Date: 3/3/26.
Accession Number: 20260303–5163.
Comment Date: 5 p.m. ET 3/16/26.
Docket Numbers: RP26–612–000.
Applicants: ≤B–R Pipeline, LLC.
Description: Tariff Amendment: B–R Pipeline Notice of Tariff Cancellation to be effective 4/1/2026.
Filed Date: 3/3/26.
Accession Number: 20260303–5167.
Comment Date: 5 p.m. ET 3/16/26.
Docket Numbers: RP26–613–000.
Applicants: Iroquois Gas Transmission System, L.P.
Description: § 4(d) Rate Filing: 3.4.26 Negotiated Rates—DTE Energy Trading, Inc. R–1830–20 to be effective 4/1/2026.
Filed Date: 3/4/26.
Accession Number: 20260304–5067.
Comment Date: 5 p.m. ET 3/16/26.
Docket Numbers: RP26–614–000.
Applicants: Iroquois Gas Transmission System, L.P.

Description: § 4(d) Rate Filing: 3.4.26 Negotiated Rates—DTE Energy Trading, Inc. R–1830–21 to be effective 4/1/2026.
Filed Date: 3/4/26.

Accession Number: 20260304–5078.

Comment Date: 5 p.m. ET 3/16/26.

Docket Numbers: RP26–615–000.

Applicants: Iroquois Gas Transmission System, L.P.

Description: § 4(d) Rate Filing: 3.4.26 Negotiated Rates—Macquarie Energy LLC R–4090–37 to be effective 4/1/2026.
Filed Date: 3/4/26.

Accession Number: 20260304–5085.

Comment Date: 5 p.m. ET 3/16/26.

Docket Numbers: RP26–616–000.

Applicants: Vector Pipeline L.P.

Description: § 4(d) Rate Filing: Vector Pipeline Motion for Interim Settlement Rates to be effective 4/1/2026.

Filed Date: 3/4/26.

Accession Number: 20260304–5091.

Comment Date: 5 p.m. ET 3/16/26.

Docket Numbers: RP26–617–000.

Applicants: Iroquois Gas Transmission System, L.P.

Description: § 4(d) Rate Filing: 3.4.26 Negotiated Rates—Radiate Energy LLC R–8115–06 to be effective 4/1/2026.

Filed Date: 3/4/26.

Accession Number: 20260304–5092.

Comment Date: 5 p.m. ET 3/16/26.

Docket Numbers: RP26–618–000.

Applicants: Iroquois Gas Transmission System, L.P.

Description: § 4(d) Rate Filing: 3.4.26 Negotiated Rates—Sequent Energy Management LLC R–3075–23 to be effective 4/1/2026.

Filed Date: 3/4/26.

Accession Number: 20260304–5093.

Comment Date: 5 p.m. ET 3/16/26.

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.

For public inquiries and assistance with making filings such as

interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502–6595 or OPP@ferc.gov.

Dated: March 4, 2026.

Carlos D. Clay,
Deputy Secretary.

[FR Doc. 2026–04540 Filed 3–6–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. AD10–12–017]

Increasing Market and Planning Efficiency Through Improved Software; Notice of Technical Conference: Increasing Market and Planning Efficiency Through Improved Software

Take notice that Commission staff will convene a technical conference to discuss opportunities for increasing market and planning efficiency including through improved software (software conference) on Tuesday, July 7 and Wednesday, July 8, 2026 in the Kevin J. McIntyre Commission Meeting Room at the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426.

The software conference will bring together experts from a broad range of backgrounds including electric power system operators, software developers, government, research centers, reliability organizations, and academia for the purposes of stimulating discussion, sharing information, and identifying fruitful avenues for research, including research on improving software for increased efficiency, affordability, and reliability of the bulk power system.

I. Panel Discussions: Tuesday, July 7, 2026

On the first day of the conference, July 7, staff will lead two in-person panel discussions.

The first panel will discuss effective deployment of grid-enhancing technologies and related software. Grid-enhancing technologies have the potential to improve the efficient use of the existing transmission grid, reducing costs and increasing reliability. In addition to learning about recent research on grid-enhancing technologies, Commission staff are interested in hearing from transmission owners and system operators about their experience deploying grid-enhancing technologies and related software. This panel may address grid enhancing technologies including: (1) static

synchronous compensators; (2) static VAR compensators; (3) advanced power flow control devices; (4) transmission switching; (5) synchronous condensers; (6) voltage source converters; (7) advanced conductors; (8) dynamic line ratings;¹ and (9) the implementation of, and software related to, ambient-adjusted ratings.²

The second panel will discuss load forecasting. Load forecasting is becoming increasingly important as the bulk power system faces historic demand growth driven in part by data centers and other large new loads. This panel may address: (1) forecasting for data centers and other large loads; (2) resource needs to serve new large loads; (3) software improvements to increase the accuracy of load forecasting; (4) options to enhance data sharing; and (5) underlying assumptions and computational techniques. As potential changes to forecasting processes are being discussed nationwide, including by reliability organizations and RTO/ISO stakeholder groups, Commission staff will seek perspectives from a variety of stakeholders.

Individuals interested in participating as panelists on either panel should nominate themselves by 12:00 p.m. Eastern Time on April 6, 2026 on the Commission's website, linked here. Each nomination should state the proposed panelist's name, contact information, organizational affiliation, and indicate the topic area on which the proposed panelist would like to speak.

II. Individual Presentations: Wednesday, July 8, 2026

Building on prior conferences, on the second day, July 8, the software conference will address cutting edge research topics through individual presentations from industry in the same format as prior conferences in this series. Broadly, such topics fall into the following categories:

(1) Software applications, including artificial intelligence (AI) or machine learning, to improve efficiency and affordability of the bulk power system, and implementation of advanced

computing methods in electric and natural gas markets.

(2) Software supporting the operation of energy infrastructure, including operations impacted by the interconnection of large loads.

(3) Software to optimize resources that face intertemporal constraints, such as gas generators with ratable gas contracts, thermal generators with annual emissions constraints, rechargeable energy storage resources, and demand response resources with time limits.

(4) Software supporting resource adequacy, both in facilitating the interconnection of generation and load and in modeling energy adequacy needs.

Presentation nominations must be submitted on or before March 18, 2026, through the Commission's website, again linked here. Speakers interested in presenting a paper or other work should provide an abstract and list of contributing authors for the proposed presentation. Proposed presentations should be related to the topics discussed above. Speakers and presentations will be selected to ensure relevance to those topics and to accommodate time constraints.

In previous years, Commission staff has received nominations for more presentations than could be accommodated, and we anticipate that will be the case this year. Presenters are encouraged to submit new findings and novel work to ensure that the conference reflects the latest research. Presentation proposals that involve many of the same co-authors and/or have similar content may be combined into a single proposal or panel for one presentation.

III. Additional Details

Supplemental notices with an agenda with additional details, including the list of panel discussions, and presentation dates and times for the selected speakers, will be issued at a later date. Further details on both participation and attendance, including a webcast, will be released prior to the conference. The conference will be transcribed, and a recording of the webcast will be made available after the conference.

There is an "eSubscription" link on the Commission's website that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email FERCOnlineSupport@ferc.gov, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

FERC conferences are accessible under section 508 of the Rehabilitation Act of 1973. For accessibility accommodations please send an email to accessibility@ferc.gov or call toll free (866) 208-3372 (voice) or (202) 502-8659 (TTY), or send a fax to (202) 208-2106 with the required accommodations.

Attendees must register through the Commission's website on or before June 12, 2026. Registration is free and is available to all members of the public, though we encourage foreign nationals to indicate interest as soon as possible to accommodate security screening. Access to the software conference (virtual or in-person) may not be available to those who do not register.

For further information about the software conference, please contact: Daniel Wagner, Office of Technical Reporting and Economics, (202) 502-8934, Daniel.Wagner@ferc.gov Paige Bradford, Office of Technical Reporting and Economics, (202) 502-8319, Paige.Bradford@ferc.gov

Dated: March 4, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026-04554 Filed 3-6-26; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

Combined Notice of Filings #1

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

Docket Numbers: EC26-68-000.

Applicants: CPV Maryland, LLC, CPV Three Rivers, LLC.

Description: Joint Application for Authorization Under Section 203 of the Federal Power Act of CPV Maryland, LLC, et al.

Filed Date: 3/3/26.

Accession Number: 20260303-5219.

Comment Date: 5 p.m. ET 3/24/26.

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

Docket Numbers: ER26-589-001.

Applicants: Niagara Mohawk Power Corporation, New York Independent System Operator, Inc.

Description: Compliance filing: New York Independent System Operator, Inc. submits tariff filing per 35: NMPCC Compliance: Conform Accepted TSC Revisions to be effective 1/24/2026.

Filed Date: 3/4/26.

Accession Number: 20260304-5089.

¹ See, generally, *Bldg. for the Future Through Elec. Reg'l Transmission Planning and Cost Allocation*, Order No. 1920, 89 FR 49280 (June 11, 2024), 187 FERC ¶ 61,068 (2024) at P 1198 (referencing a set of alternative transmission technologies); *Improvements to Generator Interconnection Procs. & Agreements*, Order No. 2023, 88 FR 61014 (Sept. 6, 2023), 184 FERC ¶ 61,054 (2023) at P 1578 (referencing a set of alternative transmission technologies).

² The Commission requires transmission providers to use ambient-adjusted ratings in calculating line ratings. *Managing Transmission Line Ratings*, Order No. 881, 87 FR 2244 (Jan. 13, 2022), 177 FERC ¶ 61,179 (2021).

Comment Date: 5 p.m. ET 3/25/26.
Docket Numbers: ER26–952–001.
Applicants: MidAmerican Energy Company, Western Area Power Administration.

Description: Tariff Amendment: MidAmerican Energy Company submits tariff filing per 35.17(b): Amendment to Amended Contract for Interconnection and Load Control Boundary Point to be effective 12/1/2025.

Filed Date: 3/4/26.

Accession Number: 20260304–5098.

Comment Date: 5 p.m. ET 3/25/26.

Docket Numbers: ER26–1127–001.

Applicants: Midcontinent Independent System Operator, Inc.

Description: ≤Tariff Amendment: 2026–03–04 SA 2395 MidAmerican-ITC Midwest Sub 5th Rev GIA (H021 J041) to be effective 1/16/2026.

Filed Date: 3/4/26.

Accession Number: 20260304–5167.

Comment Date: 5 p.m. ET 3/25/26.

Docket Numbers: ER26–1218–001.

Applicants: Southwest Power Pool, Inc.

Description: Tariff Amendment: 4618 Municipal Energy Agency of Nebraska NITSA and NOA Amended to be effective 4/1/2026.

Filed Date: 3/4/26.

Accession Number: 20260304–5103.

Comment Date: 5 p.m. ET 3/25/26.

Docket Numbers: ER26–1596–000.

Applicants: Puget Sound Energy, Inc.
Description: § 205(d) Rate Filing: Resubmission—Attachment O (EIM) Revisions to be effective 5/1/2026.

Filed Date: 3/3/26.

Accession Number: 20260303–5175.

Comment Date: 5 p.m. ET 3/24/26.

Docket Numbers: ER26–1597–000.

Applicants: The Connecticut Light and Power Company.

Description: § 205(d) Rate Filing: MDC Milford Associates, LLC—Viability Assessment Study Agreement to be effective 3/5/2026.

Filed Date: 3/4/26.

Accession Number: 20260304–5055.

Comment Date: 5 p.m. ET 3/25/26.

Docket Numbers: ER26–1598–000.

Applicants: PJM Interconnection, L.L.C.

Description: § 205(d) Rate Filing: Original GIA, Service Agreement No. 7900; Project Identifier No. AE2–156 to be effective 2/2/2026.

Filed Date: 3/4/26.

Accession Number: 20260304–5056.

Comment Date: 5 p.m. ET 3/25/26.

Docket Numbers: ER26–1599–000.

Applicants: PJM Interconnection, L.L.C.

Description: § 205(d) Rate Filing: Original GIA, SA No. 7899; Project

Identifier No. AG1–374 to be effective 2/2/2026.

Filed Date: 3/4/26.

Accession Number: 20260304–5059.

Comment Date: 5 p.m. ET 3/25/26.

Docket Numbers: ER26–1600–000.

Applicants: Midcontinent Independent System Operator, Inc.

Description: Tariff Amendment: 2026–03–04 SA 3554 Termination of Ameren IL-Lincoln Land E&P (J955) to be effective 3/5/2026.

Filed Date: 3/4/26.

Accession Number: 20260304–5060.

Comment Date: 5 p.m. ET 3/25/26.

Docket Numbers: ER26–1601–000.

Applicants: Midcontinent Independent System Operator, Inc.

Description: Tariff Amendment: 2026–03–04 SA 4286 Termination of Ameren Illinois-Geranium Solar E&P (J1712) to be effective 3/5/2026.

Filed Date: 3/4/26.

Accession Number: 20260304–5061.

Comment Date: 5 p.m. ET 3/25/26.

Docket Numbers: ER26–1602–000.

Applicants: Blossom Solar, LLC.

Description: Petition of Blossom Solar, LLC for Limited, Prospective Waiver and Request for Expedited Action.

Filed Date: 3/3/26.

Accession Number: 20260303–5217.

Comment Date: 5 p.m. ET 3/24/26.

Docket Numbers: ER26–1603–000.

Applicants: CPV Three Rivers, LLC, CPV Maryland, LLC.
Description: Request for Waiver and Expedited Action of CPV Maryland, LLC and CPV Three Rivers, LLC.

Filed Date: 3/3/26.

Accession Number: 20260303–5218.

Comment Date: 5 p.m. ET 3/24/26.

Docket Numbers: ER26–1605–000.

Applicants: Southwest Power Pool, Inc.

Description: § 205(d) Rate Filing: Revisions to Attachment C—Annual Flowgate Assessment Improvements to be effective 5/4/2026.

Filed Date: 3/4/26.

Accession Number: 20260304–5112.

Comment Date: 5 p.m. ET 3/25/26.

Docket Numbers: ER26–1606–000.

Applicants: ZPD-PT Solar Project 2017–040 LLC.

Description: Initial Rate Filing: Application for Market Based Rate to be effective 3/5/2026.

Filed Date: 3/4/26.

Accession Number: 20260304–5117.

Comment Date: 5 p.m. ET 3/25/26.

Docket Numbers: ER26–1607–000.

Applicants: Gridmatic Mays LLC.

Description: Initial Rate Filing: Application for Market Based Rate to be effective 3/5/2026.

Filed Date: 3/4/26.

Accession Number: 20260304–5123.

Comment Date: 5 p.m. ET 3/25/26.

Docket Numbers: ER26–1608–000.

Applicants: Gridmatic Nyssa LLC.

Description: Initial Rate Filing: Application for Market Based Rate to be effective 3/5/2026.

Filed Date: 3/4/26.

Accession Number: 20260304–5125.

Comment Date: 5 p.m. ET 3/25/26.

Docket Numbers: ER26–1609–000.

Applicants: Split Rail Solar Energy LLC.

Description: Tariff Amendment: Notice of Cancellation to be effective 3/5/2026.

Filed Date: 3/4/26.

Accession Number: 20260304–5135.

Comment Date: 5 p.m. ET 3/25/26.

Docket Numbers: ER26–1611–000.

Applicants: Gridmatic Isotria LLC.

Description: Initial Rate Filing: Application for Market Based Rate Authorization to be effective 3/5/2026.

Filed Date: 3/4/26.

Accession Number: 20260304–5141.

Comment Date: 5 p.m. ET 3/25/26.

Docket Numbers: ER26–1612–000.

Applicants: PJM Interconnection, L.L.C.

Description: § 205(d) Rate Filing: Original GIA, SA No. 7897; Project Identifier No. AF1–296 to be effective 2/2/2026.

Filed Date: 3/4/26.

Accession Number: 20260304–5170.

Comment Date: 5 p.m. ET 3/25/26.

Docket Numbers: ER26–1613–000.

Applicants: Duke Energy Carolinas, LLC.

Description: § 205(d) Rate Filing: DEC–DEC E&P Agmt Rate Schedule No. 739 to be effective 5/4/2026.

Filed Date: 3/4/26.

Accession Number: 20260304–5175.

Comment Date: 5 p.m. ET 3/25/26.

Docket Numbers: ER26–1614–000.

Applicants: Duke Energy Carolinas, LLC.

Description: Duke Energy Carolinas, LLC submits Notice of Cancellation of the Interchange Contract with Oglethorpe Power Corporation.

Filed Date: 3/3/26.

Accession Number: 20260303–5221.

Comment Date: 5 p.m. ET 3/24/26.

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

Docket Numbers: RD26–5–000.

Applicants: North American Electric Reliability Corporation, Western Electricity Coordinating Council.

Description: Joint Petition of the North American Electric Reliability Corporation and Western Electricity

Coordinating Council for Approval of Retirement of Regional Reliability Standard BAL-002-WECC-3.

Filed Date: 2/27/26.

Accession Number: 20260227-5463.

Comment Date: 5 p.m. ET 3/30/26.

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.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502-6595 or OPP@ferc.gov.

Dated: March 4, 2026.

Carlos D. Clay,

Deputy Secretary.

[FR Doc. 2026-04541 Filed 3-6-26; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 10934-035]

Sugar River Hydro II, LLC; Notice of Revised Schedule for Environmental Assessment

On June 22, 2023, and supplemented on January 24, 2024, June 20, 2025, and December 1, 2025, Sugar River Hydro II, LLC, licensee, filed an application for surrender of its license for the Sugar River II Hydroelectric Project No. 10934. The project is located on the Sugar River in Sullivan County, New Hampshire. The project does not occupy federal lands.

To surrender the project, the licensee proposes to disconnect all generator leads, remove all transformers and other project electrical equipment, remove all hydraulic and governor fluids and

reservoirs, remove project related operating equipment and monitors, such as impoundment sensors, from the dam, and secure the powerhouse.

Additionally, the licensee plans to close the penstock at its intake and intends to work with the US Fish and Wildlife Service and the New Hampshire Department of Environmental Services Dam Bureau to develop the formal penstock closure plan. The dam and its gates would remain in place, including the emergency backup system with a dedicated generator. The licensee does not anticipate any new ground disturbance activity while securing the powerhouse and closing the penstock intake.

On August 25, 2025, the Commission issued a Notice of Intent that informed the public that Commission staff plans to issue an Environmental Assessment (EA)¹ by March 2, 2026. On October 2, 2025, Commission staff requested additional information from the licensee in response to observations noted during the September 18, 2025 dam safety inspection. On December 1, 2025, the licensee filed an interim response to the October 2, 2025 letter and requested an extension until February 20, 2026, to allow for consultation with relevant agencies. On January 16, 2026, Commission staff granted the extension request and requested the licensee to provide additional clarifications regarding the surrender application.

Commission staff is revising the schedule to issue an EA by July 10, 2026. 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. Revisions to the schedule may be made as appropriate.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502-6595 or OPP@ferc.gov.

Any questions regarding this notice may be directed to Aneela Mousam, (202) 502-8357 or aneela.mousam@ferc.gov.

(Authority: 18 CFR 2.1)

Dated: March 4, 2026.

Debbie-Anne A. Reese,

Secretary.

[FR Doc. 2026-04551 Filed 3-6-26; 8:45 am]

BILLING CODE 6717-01-P

¹ The unique identification number for documents relating to this environmental review is EAXX-019-20-000-1756114888.

ENVIRONMENTAL PROTECTION AGENCY

[FRL-13218-01-OW]

National Drinking Water Advisory Council: Request for Nominations

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of request for nominations.

SUMMARY: The U.S. Environmental Protection Agency (EPA) invites nominations of qualified candidates to be considered for three-year appointments to the National Drinking Water Advisory Council (NDWAC or Council). The 15-member Council was established by the Safe Drinking Water Act (SDWA) to provide independent advice, consultation, and recommendations to the EPA Administrator on matters relating to activities, functions, policies, and regulations under the SDWA. This notice solicits nominations to fill existing vacancies with three-year appointments. EPA may also consider nominations received through this solicitation to fill any additional or anticipated vacancies on the Council through the end of 2026. To enable EPA to maintain the membership required by statute, the agency is seeking nominees who are from the general public; appropriate state and local agencies concerned with water hygiene and public water supply; and representatives of private organizations or groups demonstrating an active interest in the field of water hygiene and public water supply, including nominees associated with small, rural public water systems.

DATES: Nominations should be submitted in time to arrive no later than April 8, 2026.

ADDRESSES: Nominations should be sent to NDWAC@epa.gov. If you have concerns about submitting your nomination electronically, you may contact Joseph Tiago the Designated Federal Officer (DFO) for the NDWAC, by email at NDWAC@epa.gov, or by phone at (202) 564-0340, to discuss an alternative delivery method.

FOR FURTHER INFORMATION CONTACT: Any member of the public who wants further information concerning the nomination process may contact Joseph Tiago at NDWAC@epa.gov; or call (202) 564-0340. General information concerning the NDWAC can be found on EPA's website at <https://www.epa.gov/ndwac>.

SUPPLEMENTARY INFORMATION:

National Drinking Water Advisory Council: The Council was created by

Congress on December 16, 1974, as part of the Safe Drinking Water Act of 1974, Public Law 93–523, 42 U.S.C. 300j–5, and is operated in accordance with the provisions of the Federal Advisory Committee Act (FACA), 5 U.S.C. 10. The Council consists of 15 members, including the chairperson, all of whom are appointed by the EPA Administrator. Five members are from the general public; five are from appropriate state and local agencies concerned with water hygiene and public water supply; and five are from representatives of private organizations or groups demonstrating an active interest in the field of water hygiene and public water supply, of which two such members shall be associated with small, rural public water systems. The current list of members is available on EPA's NDWAC website at <https://www.epa.gov/ndwac> under “NDWAC roster.”

The Council will meet once each year and may hold additional meetings during the year. Meetings are typically one to two days and may be in-person or virtual. Members also may be asked to participate in ad hoc working groups to develop policy recommendations, advice letters, and reports that address specific program issues for the Council's consideration.

Member Nominations: Any interested person or organization may nominate qualified individuals to be considered for appointment to the NDWAC. Interested individuals may self-nominate.

All nominations will be fully considered and nominees should be aware of the specific membership requirements of the SDWA: five members from the general public; five members from state and local agencies concerned with water hygiene and public water supply; and five members from representatives of private organizations or groups demonstrating an active interest in the field of water hygiene and public water supply, of which two such members shall be associated with small, rural public water systems. The Council currently has vacancies in all of these categories. EPA may also consider nominations received through this solicitation to fill additional or anticipated vacancies in all categories through the end of 2026. Additional criteria used to evaluate nominees may include:

- Demonstrated experience with drinking water issues at the national, state, or local level;
- Demonstrated ability to work constructively on committees and/or in consensus-building processes;

- Availability and willingness to serve a three-year term as an active and contributing member; and

- Background and experience that would help members contribute to breadth and depth of necessary expertise on the Council (e.g., geographic, economic, educational backgrounds, professional affiliations, and other considerations).

Nominations must include (1) a resume or curriculum vitae, (2) a brief statement (one page or less) describing the nominee's interest in serving on the Council and addressing the criteria previously described, and (3) a short biography describing the qualifications of the nominee. Nominations should include the nominee's name, current business address or other mailing address, email address, and daytime telephone number. The DFO will use the email address provided for the nominee to acknowledge receipt of the nomination. If an email address is not available, the nomination should identify the nominee's preferred alternative means of contact. EPA may use other sources, in addition to this **Federal Register** announcement, in the solicitation of nominees. To help EPA evaluate the effectiveness of its outreach efforts, please include information on how you learned of this opportunity.

NDWAC members may receive travel and per diem allowances, where appropriate, and in accordance with Federal Travel Regulations. The members also may receive compensation, where appropriate, for time spent during travel and while attending meetings. All NDWAC members serve as Special Government Employees (SGEs). Candidates invited to serve on the NDWAC will be asked to submit the “Confidential Financial Disclosure Form for Environmental Protection Agency Special Government Employees” (EPA Form 3110–48). This confidential form provides information to EPA's ethics officials, to determine whether there is a statutory conflict between a person's public responsibilities as an SGE member and private interests and activities, or the appearance of a loss of impartiality, as defined by Federal laws and regulations. The form may be viewed at the link under “Ethics requirements” on EPA's NDWAC website at <https://www.epa.gov/ndwac>. This form should not be submitted as part of a nomination.

Thank you for your interest in submitting a nomination for

consideration to be part of the National Drinking Water Advisory Council.

Jennifer L. McLain,

Director, Office of Ground Water and Drinking Water.

[FR Doc. 2026–04590 Filed 3–6–26; 8:45 am]

BILLING CODE 6560–50–P

FEDERAL COMMUNICATIONS COMMISSION

[OMB 3060–0132; FR ID 334163]

Information Collection Being Reviewed by the Federal Communications Commission

AGENCY: Federal Communications Commission.

ACTION: Notice and request for comments.

SUMMARY: As part of its continuing effort to reduce paperwork burdens, and as required by the Paperwork Reduction Act (PRA) of 1995, the Federal Communications Commission (FCC or Commission) invites the general public and other Federal agencies to take this opportunity to comment on the following information collections. Comments are requested concerning: whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; the accuracy of the Commission's burden estimate; ways to enhance the quality, utility, and clarity of the information collected; ways to minimize the burden of the collection of information on the respondents, including the use of automated collection burden on small business concerns with fewer than 25 employees. The FCC may not conduct or sponsor a collection of information unless it displays a currently valid OMB control number. No person shall be subject to any penalty for failing to comply with a collection of information subject to the PRA that does not display a valid OMB control number.

DATES: Written PRA comments should be submitted on or before May 8, 2026. If you anticipate that you will be submitting comments but find it difficult to do so within the period of time allowed by this notice, you should advise the contact listed below as soon as possible.

ADDRESSES: Direct all PRA comments to Cathy Williams, FCC, via email PRA@fcc.gov and to Cathy.Williams@fcc.gov.

FOR FURTHER INFORMATION CONTACT: For additional information about the

information collection, contact Cathy Williams at (202) 418–2918.

SUPPLEMENTARY INFORMATION:

OMB Control No.: 3060–0132.

Title: Supplemental Information—72–76 MHz Operational Fixed Stations, FCC Form 1068A.

Form No.: FCC Form 1068A.

Type of Review: Extension of a currently approved collection.

Respondents: Individuals or household; state, local or tribal government; business or other for-profit entities; not-for-profit institutions.

Number of Respondents and Responses: 300 respondents and 300 responses.

Estimated Time per Response: 0.5 hours (30 minutes).

Frequency of Response: On occasion reporting requirement.

Obligation to Respond: Required to obtain or retain benefits. The statutory authority for this collection of information is contained in 47 CFR 90.257 of the Commission's rules and the Communications Act of 1934, as amended.

Total Annual Burden: 150 hours.

Total Annual Cost: No costs.

Needs and Uses: FCC rules require that the applicant agrees to eliminate any harmful Interference caused by the operation to TV reception on either channel 4 or 5 that might develop. This form is required by the Communications Act of 1934, as amended; International Treaties and FCC Rules 47 CFR 90.257. FCC staff will use the data to determine if the information submitted will meet the FCC Rule requirements for the assignment of frequencies in the 72–76 MHz band.

Federal Communications Commission.

Marlene Dortch,

Secretary, Office of the Secretary.

[FR Doc. 2026–04499 Filed 3–6–26; 8:45 am]

BILLING CODE 6712–01–P

FEDERAL COMMUNICATIONS COMMISSION

[OMB 3060–0400; FR ID 334195]

Information Collection Being Submitted for Review and Approval to Office of Management and Budget

AGENCY: Federal Communications Commission.

ACTION: Notice and request for comments.

SUMMARY: As part of its continuing effort to reduce paperwork burdens, as required by the Paperwork Reduction Act (PRA) of 1995, the Federal Communications Commission (FCC or

the Commission) invites the general public and other Federal Agencies to take this opportunity to comment on the following information collection.

Pursuant to the Small Business Paperwork Relief Act of 2002, the FCC seeks specific comment on how it might further reduce the information collection burden for small business concerns with fewer than 25 employees. The Commission may not conduct or sponsor a collection of information unless it displays a currently valid Office of Management and Budget (OMB) control number. No person shall be subject to any penalty for failing to comply with a collection of information subject to the PRA that does not display a valid OMB control number.

DATES: Written comments and recommendations for the proposed information collection should be submitted on or before April 8, 2026.

ADDRESSES: Comments should be sent 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. Your comment must be submitted into www.reginfo.gov per the above instructions for it to be considered. In addition to submitting in www.reginfo.gov also send a copy of your comment on the proposed information collection to Nicole Ongele, FCC, via email to PRA@fcc.gov and to Nicole.Ongele@fcc.gov. Include in the comments the OMB control number as shown in the **SUPPLEMENTARY INFORMATION** below.

FOR FURTHER INFORMATION CONTACT: For additional information or copies of the information collection, contact Nicole Ongele at (202) 418–2991. To view a copy of this information collection request (ICR) submitted to OMB: (1) go to the web page <http://www.reginfo.gov/public/do/PRAMain>, (2) look for the section of the web page called “Currently Under Review,” (3) click on the downward-pointing arrow in the “Select Agency” box below the “Currently Under Review” heading, (4) select “Federal Communications Commission” from the list of agencies presented in the “Select Agency” box, (5) click the “Submit” button to the right of the “Select Agency” box, (6) when the list of FCC ICRs currently under review appears, look for the Title of this ICR and then click on the ICR Reference Number. A copy of the FCC submission to OMB will be displayed.

SUPPLEMENTARY INFORMATION: As part of its continuing effort to reduce paperwork burdens, as required by the Paperwork Reduction Act (PRA) of 1995

(44 U.S.C. 3501–3520), the FCC invited the general public and other Federal Agencies to take this opportunity to comment on the following information collection. Comments are requested concerning: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's burden estimates; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on the respondents, including the use of automated collection techniques or other forms of information technology. Pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107–198, see 44 U.S.C. 3506(c)(4), the FCC seeks specific comment on how it might further reduce the information collection burden for small business concerns with fewer than 25 employees.

OMB Control Number: 3060–0400.

Title: Part 61, Tariff Review Plan (TRP).

Form Number: N/A.

Type of Review: Extension of a currently approved collection.

Respondents: Business or other for-profit.

Number of Respondents and Responses: 2,747 respondents; 3,948 responses.

Estimated Time per Response: 0.5–53 hours.

Frequency of Response: One-time, on occasion, annual or biennial reporting requirements, and certification requirement.

Obligation to Respond: Required to obtain or retain benefits. Statutory Authority for this information collection is contained in 47 U.S.C. 201, 202, 203, and 251(b)(5) of the Communications Act of 1934, as amended. See 47 U.S.C. 201, 202 and 203, and 251(b)(5).

Total Annual Burden: 60,476 hours.

Total Annual Cost: No cost.

Needs and Uses: The Commission has developed standardized Tariff Review Plans (TRPs) that set forth the summary material that incumbent LECs (ILECs) file to support revisions to the rates in their interstate access service tariffs. The TRPs display basic data on rate development in a consistent manner, thereby facilitating review of the ILEC rate revisions by the Commission and interested parties. The TRPs have served this purpose effectively in past years.

Federal Communications Commission.

Marlene Dortch,

Secretary, Office of the Secretary.

[FR Doc. 2026–04500 Filed 3–6–26; 8:45 am]

BILLING CODE 6712–01–P

FEDERAL RESERVE SYSTEM**Formations of, Acquisitions by, and Mergers of Bank Holding Companies**

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The public portions of the applications listed below, as well as other related filings required by the Board, if any, are available for immediate inspection at the Federal Reserve Bank(s) indicated below and at the offices of the Board of Governors. This information may also be obtained on an expedited basis, upon request, by contacting the appropriate Federal Reserve Bank and from the Board's Freedom of Information Office at <https://www.federalreserve.gov/foia/request.htm>. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)).

Comments received are subject to public disclosure. In general, comments received will be made available without change and will not be modified to remove personal or business information including confidential, contact, or other identifying information. Comments should not include any information such as confidential information that would not be appropriate for public disclosure.

Comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors, Benjamin W. McDonough, Deputy Secretary of the Board, 20th Street and Constitution Avenue NW, Washington, DC 20551–0001, not later than April 8, 2026.

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. *CMG Bancorp, Madison, Wisconsin*; to acquire Farmers Savings Bank, Mineral Point, Wisconsin.

Board of Governors of the Federal Reserve System.

Michele Taylor Fennell,

Associate Secretary of the Board.

[FR Doc. 2026–04572 Filed 3–6–26; 8:45 am]

BILLING CODE 6210–01–P

FEDERAL TRADE COMMISSION**Granting of Requests for Early Termination of the Waiting Period Under the Premerger Notification Rules**

Section 7A of the Clayton Act, 15 U.S.C. 18a, as added by Title II of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, requires persons contemplating certain mergers or acquisitions to give the Federal Trade Commission and the Assistant Attorney General advance notice and to wait designated periods before consummation of such plans. Section 7A(b)(2) of the Act permits the agencies, in individual cases, to terminate this waiting period prior to its expiration and requires that notice of this action be published in the **Federal Register**.

The following transactions were granted early termination—on the dates indicated—of the waiting period provided by law and the premerger notification rules. The listing for each transaction includes the transaction number and the parties to the transaction. The grants were made by the Federal Trade Commission and the Assistant Attorney General for the Antitrust Division of the Department of Justice. Neither agency intends to take any action with respect to these proposed acquisitions during the applicable waiting period.

EARLY TERMINATIONS GRANTED

[February 1, 2026, through February 28, 2026]

02/05/2026

20260345	G	Marvell Technology, Inc.; XConn Technologies Holdings, Ltd.; Marvell Technology, Inc.

02/09/2026

20260676	G	TRF Sagebrush, L.P.; StoneTurn Holdco LP; TRF Sagebrush, L.P.
20260678	G	Coursera, Inc.; Udemy, Inc.; Coursera, Inc.
20260694	G	Jefferies Financial Group Inc.; BTTF Capital, LLC; Jefferies Financial Group Inc.
20260695	G	Jefferies Financial Group Inc.; Brett R. Jefferson; Jefferies Financial Group Inc.
20260698	G	Rivet Topco Limited; Simon Galbraith; Rivet Topco Limited.
20260703	G	Cardinal Infrastructure Group, Inc.; Anthony L. Wood Jr.; Cardinal Infrastructure Group, Inc.
20260704	G	Cardinal Infrastructure Group, Inc.; Benjamin A. Wood; Cardinal Infrastructure Group, Inc.
20260707	G	The Rise Fund III, LP; Cambridge Mobile Telematics Inc.; The Rise Fund III, LP.
20260708	G	George W. LeMaitre; LeMaitre Vascular, Inc.; George W. LeMaitre.
20260709	G	Madan Mohan and Manju Mohanka; AIPCF VI Indirect Investor AIV LP; Madan Mohan and Manju Mohanka.
20260712	G	Haveli Investments Software Fund I, L.P.; SirionLabs Pte. Ltd.; Haveli Investments Software Fund I, L.P.
20260715	G	L Catterton Middle Market, L.P.; Blue Sea Capital Fund I, L.P.; L Catterton Middle Market, L.P.

02/10/2026

20260716	G	Altor Holding VI AB; Bridgepoint Europe V Investments S.a r.l.; Altor Holding VI AB.
20260718	G	Transformation Capital Fund III, L.P.; Grow Care, Inc.; Transformation Capital Fund III, L.P.
20260719	G	Transformation Capital Fund III–A, L.P.; Grow Care, Inc.; Transformation Capital Fund III–A, L.P.
20260720	G	GC Ferry Parent, L.P.; Diamond Hill Investment Group, Inc.; GC Ferry Parent, L.P.
20260723	G	Acrisure Holdings, Inc.; Canopus Group Limited; Acrisure Holdings, Inc.
20260725	G	Amrize Ltd; AB–LSV Partners II (Delaware), L.P.; Amrize Ltd.
20260726	G	Cable One, Inc.; Mega Broadband Investments Holdings LLC; Cable One, Inc.
20260728	G	FH EP Parent, L.P.; Waud Capital Partners QP IV, L.P.; FH EP Parent, L.P.
20260732	G	Katapult Holdings, Inc.; KMJ Group Holdings, LLC; Katapult Holdings, Inc.
20260733	G	Katapult Holdings, Inc.; CCF Holdings LLC; Katapult Holdings, Inc.

EARLY TERMINATIONS GRANTED—Continued

[February 1, 2026, through February 28, 2026]

20260736	G	Sanofi; Jian Peng; Sanofi.
20260744	G	Japan Petroleum Exploration Co., Ltd.; Verdad Resources Parent LLC; Japan Petroleum Exploration Co., Ltd.

02/11/2026

20260749	G	Hogan Lovells US LLP; Cadwalader, Wickersham & Taft LLP; Hogan Lovells US LLP.
20260752	G	Impala IGT NewCo Limited; Warburg Pincus Jovian GG, L.P.; Impala IGT NewCo Limited.
20260758	G	BioMarin Pharmaceutical Inc.; Amicus Therapeutics, Inc.; BioMarin Pharmaceutical Inc.
20260767	G	Eli Lilly and Company; Ventyx Biosciences, Inc.; Eli Lilly and Company.
20260771	G	American Water Works Company, Inc.; IIF US Holdings 2 LP; American Water Works Company, Inc.
20260775	G	New Mountain Partners VI, L.P.; New Mountain Partners VI Aggregator, L.P.
20260776	G	New Mountain Partners VI Aggregator, L.P.; New Mountain Partners VI, L.P.
20260784	G	Rite-Hite Holding Corporation Voting Trust; Randall L. Johnson; Rite-Hite Holding Corporation Voting Trust.

02/13/2026

20260714	G	Howard Hughes Holdings Inc.; Vantage Group Holdings Ltd.; Howard Hughes Holdings Inc.
20260730	G	Impact XM Holdings LLC; Omnicom Group Inc.; Impact XM Holdings LLC.
20260750	G	GT Silver Parent, LP; Clearwater Analytics Holdings, Inc.; GT Silver Parent, LP.
20260756	G	17567201 Canada Inc.; GDI Integrated Facility Services Inc.; 17567201 Canada Inc.
20260773	G	Sony Group Corporation; WildBrain Ltd.; Sony Group Corporation.
20260777	G	Boeing Employees' Credit Union; SAFE Credit Union; Boeing Employees' Credit Union.
20260793	G	Oracle Corporation; Applied Invention, LLC; Oracle Corporation.
20260799	G	Blackstone Capital Partners VIII L.P.; ON24, Inc.; Blackstone Capital Partners VIII L.P.
20260803	G	Ernesto Bertarelli; Ginger TopCo L.P.; Ernesto B.ertarelli
20260811	G	Kirin Holdings Company, Ltd.; Amgen Inc.; Kirin Holdings Company, Ltd.
20260813	G	U.S. Bancorp; Condor Trading, LP; U.S. Bancorp.
20260815	G	ISQ Global Infrastructure Fund IV, L.P.; Triton Fund IV L.P.; ISQ Global Infrastructure Fund IV, L.P.

02/24/2026

20260652	G	ProAmpac PPC Holdings LLC; Capinabel Inc.; ProAmpac PPC Holdings LLC.
20260822	G	TPG Partners VIII, L.P.; strongDM, Inc.; TPG Partners VIII, L.P.
20260830	G	AbbVie Inc.; RemeGen Co., Ltd.; AbbVie Inc.

FOR FURTHER INFORMATION CONTACT:

Theresa Kingsberry (phone: 202–326–3100), Program Support Specialist, Federal Trade Commission, Bureau of Competition, Premerger Notification Office, Room CC–5301, Washington, DC 20024.

By direction of the Commission.

Joel Christie,

Acting Secretary.

[FR Doc. 2026–04542 Filed 3–6–26; 8:45 am]

BILLING CODE 6750–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

[30Day–26–0770]

Agency Forms Undergoing Paperwork Reduction Act Review

In accordance with the Paperwork Reduction Act of 1995, the Centers for Disease Control and Prevention (CDC) has submitted the information collection request titled “National HIV Behavioral Surveillance System (NHBS)” to the Office of Management and Budget (OMB) for review and

approval. CDC previously published a “Proposed Data Collection Submitted for Public Comment and Recommendations” notice on November 21, 2025 to obtain comments from the public and affected agencies. CDC received 10 comments related to the previous notice. This notice serves to allow an additional 30 days for public and affected agency comments.

CDC will accept all comments for this proposed information collection project. The Office of Management and Budget is particularly interested in comments that:

(a) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(b) Evaluate the accuracy of the agencies estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

(c) Enhance the quality, utility, and clarity of the information to be collected;

(d) Minimize the burden of the collection of information on those who are to respond, including, through the use of appropriate automated,

electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses; and

(e) Assess information collection costs.

To request additional information on the proposed project or to obtain a copy of the information collection plan and instruments, call (404) 639–7570. Comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function. Direct written comments and/or suggestions regarding the items contained in this notice to the Attention: CDC Desk Officer, Office of Management and Budget, 725 17th Street NW, Washington, DC 20503 or by fax to (202) 395–5806. Provide written comments within 30 days of notice publication.

Proposed Project

National HIV Behavioral Surveillance System (NHBS) (OMB Control No. 0920–0770, Exp. 4/30/2026)—Revision—National Center for HIV, Viral Hepatitis, STD, and TB Prevention (NCHHSTP), Centers for Disease Control and Prevention (CDC).

Background and Brief Description

The purpose of this data collection is to monitor behaviors of persons at high risk for infections that are related to Human Immunodeficiency Virus (HIV) transmission and prevention in the United States. The primary objectives of the NHBS are to obtain data from samples of persons at risk to: (a) describe the prevalence and trends in risk behaviors; (b) describe the prevalence of and trends in HIV testing and HIV infection; (c) describe the prevalence of and trends in use of HIV prevention services; and (d) identify met and unmet needs for HIV prevention services in order to inform health departments, community-based organizations, community planning groups and other partners.

By describing and monitoring the HIV risk behaviors, HIV seroprevalence and

incidence, and HIV prevention experiences of persons at highest risk for HIV infection, NHBS provides an important data source for evaluating progress towards national public health initiatives, such as reducing new infections, increasing the use of condoms, and targeting populations at high risk. The Centers for Disease Control and Prevention (CDC) requests approval for a three-year Revision of this information collection. Data are collected through in-person interviews conducted with persons systematically selected from 21 Metropolitan Statistical Areas (MSAs) throughout the United States. These 21 MSAs are chosen based on highest number of HIV infections diagnosed. Persons at risk for HIV infection to be interviewed for NHBS include men who have sex with men (MSM), persons who inject drugs (PWID), and heterosexually active persons at increased risk of HIV infection (HET). A brief screening interview will be used to determine eligibility for participation in the behavioral assessment.

The data from the behavioral assessment will provide estimates of: (1) behavior related to the risk of HIV and

other sexually transmitted diseases; (2) prior testing for HIV; and (3) use of HIV prevention services. All persons interviewed will also be offered an HIV test and will participate in a pre-test counseling session. No other federal agency systematically collects this type of information from persons at risk for HIV infection. These data have substantial impact on prevention program development and monitoring at the local, state, and national levels.

CDC estimates that each year NHBS will involve, eligibility screening for 125 persons and eligibility screening plus the behavioral assessment with 500 eligible respondents, in each of the 21 MSAs. Data collection will rotate such that interviews will be conducted among one group per year: MSM in Year 1, PWID in Year 2, and HET in Year 3. The type of data collected for each group will vary slightly due to different sampling methods and risk characteristics of the group. CDC requests OMB approval for an estimated 3,399 annual burden hours. Participation of respondents is voluntary and there is no cost to the respondents other than their time.

ESTIMATED ANNUALIZED BURDEN HOURS

Type of respondents	Form name	Number of respondents	Number of responses per respondent	Average burden per response (in hours)
Persons Screened	Eligibility Screener	13,125	1	3/60
Eligible Participants	Behavioral Assessment MSM	3,500	1	13/60
Eligible Participants	Behavioral Assessment PWID	3,500	1	17/60
Eligible Participant	Behavioral Assessment HET	3,500	1	15/60
Peer Recruiters	Recruiter Debriefing	3,500	1	2/60

Jeffrey M. Zirger,

Lead, Information Collection Review Office, Office of Public Health Ethics and Regulations, Office of Science, Centers for Disease Control and Prevention.

[FR Doc. 2026–04561 Filed 3–6–26; 8:45 am]

BILLING CODE 4163–18–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES**Centers for Disease Control and Prevention**

[60Day–26–0222; Docket No. CDC–2026–0331]

Proposed Data Collection Submitted for Public Comment and Recommendations

AGENCY: Centers for Disease Control and Prevention (CDC), Department of Health and Human Services (HHS).

ACTION: Notice with comment period.

SUMMARY: The Centers for Disease Control and Prevention (CDC), as part of its continuing effort to reduce public burden and maximize the utility of government information, invites the general public and other federal agencies the opportunity to comment on a continuing information collection, as required by the Paperwork Reduction Act of 1995. This notice invites comment on a proposed information collection project titled the Collaborating Center for Questionnaire Design and Evaluation Research (CCQDER). This Generic Clearance request encompasses general questionnaire development, pre-testing, and measurement-error reduction activities to be carried out in 2026–2029.

DATES: CDC must receive written comments on or before May 8, 2026.

ADDRESSES: You may submit comments, identified by Docket No. CDC–2026–0331 by either of the following methods:

- **Federal eRulemaking Portal:** www.regulations.gov. Follow the instructions for submitting comments.
- **Mail:** Jeffrey M. Zirger, Information Collection Review Office, Centers for Disease Control and Prevention, 1600 Clifton Road NE, MS H21–8, Atlanta, Georgia 30329.

Instructions: All submissions received must include the agency name and Docket Number. CDC will post, without change, all relevant comments to www.regulations.gov.

Please note: Submit all comments through the Federal eRulemaking portal (www.regulations.gov) or by U.S. mail to the address listed above.

FOR FURTHER INFORMATION CONTACT: To request more information on the proposed project or to obtain a copy of the information collection plan and instruments, contact Jeffrey M. Zirger, Information Collection Review Office, Centers for Disease Control and Prevention, 1600 Clifton Road NE, MS H21-8, Atlanta, Georgia 30329; Telephone: 404-639-7570; Email: omb@cdc.gov.

SUPPLEMENTARY INFORMATION: Under the Paperwork Reduction Act of 1995 (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. In addition, the PRA also requires federal agencies to provide a 60-day notice in the **Federal Register** concerning each proposed collection of information, including each new proposed collection, each proposed extension of existing collection of information, and each reinstatement of previously approved information collection before submitting the collection to the OMB for approval. To comply with this requirement, we are publishing this notice of a proposed data collection as described below.

The OMB is particularly interested in comments that will help:

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;
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 submissions of responses; and

5. Assess information collection costs.

Proposed Project

The Collaborating Center for Questionnaire Design and Evaluation Research (CCQDER) (OMB Control No. 0920-0222)—Reinstatement—National Center for Health Statistics (NCHS), Centers for Disease Control and Prevention (CDC).

Background and Brief Description

The Collaborating Center for Questionnaire Design and Evaluation Research (CCQDER) Generic Clearance is designed to evaluate questions for optimal design as well as to provide documentation supporting the validity of NCHS and other agencies' information collections.

CCQDER obtains information about the interpretive processes used by respondents to formulate answers to survey questions. Findings are used to: (1) ensure question comparability across respondent groups; (2) correct any identified problematic questions, for example, those which are vague or ambiguous, cannot be answered readily or accurately by the respondent, or otherwise contribute to the non-sampling errors of the survey; and (3) provide data usage documentation regarding the phenomena considered by respondents, that is, the specific construct measured by individual questions. Individual data collections submitted under the CCQDER Generic Clearance include a mix of qualitative and quantitative methodologies, including cognitive interviewing, focus groups, usability testing, ethnography, and survey field tests/pilot interviews (in-person/telephone/web).

Section 306 of the Public Health Service (PHS) Act (42 U.S.C. 242k), as amended, authorizes that the Secretary of Health and Human Services (DHHS), acting through NCHS, shall undertake and support (by grant or contract) research, demonstrations, and evaluations respecting new or improved methods for obtaining current data to support statistical and epidemiological activities for the purpose of improving the effectiveness, efficiency, and quality of health services in the United States. CCQDER is the focal point within NCHS for questionnaire and survey development, pre-testing, and evaluation activities for CDC surveys such as; the National Survey of Family Growth (NSFG), the Research and Development Survey (RANDS) (including RANDS COVID), and other federally sponsored surveys. The CCQDER is requesting three years of OMB approval for this Generic Clearance submission to allow NCHS and its programs to conduct cognitive interviews, focus groups, in-depth or ethnographic interviews, usability tests, field tests/pilot interviews, and experimental research in laboratory and field settings, both for applied questionnaire development and evaluation as well as more basic research on measurement errors and survey response.

The CCQDER at NCHS is the only government entity that currently conducts testing and development of NCHS or other CDC questionnaires. An average of 55,900 respondents participate in CCQDER activities in a given year and the average annual respondent burden is estimated to be 14,100 burden hours. Annualized estimates of respondent burden for each of the questionnaire development studies over the course of the approval period are provided below.

ESTIMATED ANNUALIZED BURDEN TABLE

Types of respondents	Form name	Number of respondents	Number of responses per respondent	Average hours per response (hours)	Total burden hours
Individuals or households.	Eligibility Screeners	6,000	1	5/60	500
Individuals or households.	Developmental Questionnaires	1,000	1	55/60	917
Individuals or households.	Respondent Data Collection Sheet	1,000	1	5/60	83
Individuals or households.	Focus Group Respondents	100	1	90/60	150
Individuals or households.	RANDS (Methodological Survey)	49,800	1	15/60	12,450
Total .....	.....	.....	.....	.....	14,100

Jeffrey M. Zirger,

Lead, Information Collection Review Office,
Office of Public Health Ethics and
Regulations, Office of Science, Centers for
Disease Control and Prevention.

[FR Doc. 2026-04562 Filed 3-6-26; 8:45 am]

BILLING CODE 4163-18-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

[60Day-26-1291; Docket No. CDC-2026-
0430]

Proposed Data Collection Submitted for Public Comment and Recommendations

AGENCY: Centers for Disease Control and
Prevention (CDC), Department of Health
and Human Services (HHS).

ACTION: Notice with comment period.

SUMMARY: The Centers for Disease
Control and Prevention (CDC), as part of
its continuing effort to reduce public
burden and maximize the utility of
government information, invites the
general public and other federal
agencies the opportunity to comment on
a continuing information collection, as
required by the Paperwork Reduction
Act of 1995. This notice invites
comment on a proposed information
collection project titled Generic
Information Collection Request for
Cognitive Testing and Pilot Testing for
the National Center for Chronic Disease
Prevention and Health Promotion. This
Generic Clearance is designed to
support methodological studies that
improve information quality and the
efficiency of information collection.

DATES: CDC must receive written
comments on or before May 8, 2026.

ADDRESSES: You may submit comments,
identified by Docket No. CDC-2026-
0430 by either of the following methods:

- **Federal eRulemaking Portal:**
www.regulations.gov. Follow the
instructions for submitting comments.
- **Mail:** Jeffrey M. Zirger, Information
Collection Review Office, Centers for
Disease Control and Prevention, 1600
Clifton Road NE, MS H21-8, Atlanta,
Georgia 30329.

Instructions: All submissions received
must include the agency name and
Docket Number. CDC will post, without
change, all relevant comments to
www.regulations.gov.

Please note: Submit all comments
through the Federal eRulemaking portal
(www.regulations.gov) or by U.S. mail to
the address listed above.

FOR FURTHER INFORMATION CONTACT: To
request more information on the
proposed project or to obtain a copy of
the information collection plan and
instruments, contact Jeffrey M. Zirger,
Information Collection Review Office,
Centers for Disease Control and
Prevention, 1600 Clifton Road NE, MS
H21-8, Atlanta, Georgia 30329; phone:
404-639-7118; Email: omb@cdc.gov.

SUPPLEMENTARY INFORMATION: Under the
Paperwork Reduction Act of 1995 (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. In addition, the PRA also
requires federal agencies to provide a
60-day notice in the **Federal Register**
concerning each proposed collection of
information, including each new
proposed collection, each proposed
extension of existing collection of
information, and each reinstatement of
previously approved information
collection before submitting the
collection to the OMB for approval. To
comply with this requirement, we are
publishing this notice of a proposed
data collection as described below.

The OMB is particularly interested in
comments that will help:

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;
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 submissions
of responses; and
5. Assess information collection costs.

Proposed Project

Generic Information Collection
Request (ICR) for Cognitive Testing and
Pilot Testing for the National Center for
Chronic Disease Prevention and Health
Promotion (NCCDPHP) (OMB Control
No. 0921-1291, Exp. 05/31/2026)—
Extension—National Center for Chronic
Disease Prevention and Health
Promotion (NCCDPHP), Centers for
Disease Control and Prevention (CDC).

Background and Brief Description

CDC's National Center for Chronic
Disease Prevention and Health
Promotion (NCCDPHP) has previously
established a Generic Clearance to
support information collection for
cognitive testing and pilot testing
activities. Information collections that
support the Behavioral Risk Factor
Surveillance System (BRFSS) and other
NCCDPHP programs are expected to be
the major focus of activity under this
Generic Clearance. Additional
information collections may also be
considered for submission through this
Generic Clearance if they are relevant to
BRFSS and NCCDPHP programs or
collaborations.

Cognitive testing and pilot testing are
methodological procedures conducted
to prepare for a large scale or key
information collection. Cognitive and
pilot testing activities are designed to
improve information quality and the
efficiency of information collection by
addressing issues such as the use of new
or existing survey questions, question
formatting, survey protocols, data
collection software systems and other
related processes. Cognitive testing is a
technique used to clarify the meaning of
survey questions and/or the response
options for questions. Cognitive testing
contributes to the understanding of the
validity and reliability of questions used
for a variety of public health purposes.
Cognitive testing is conducted early in
the process of considering questions for
use in a survey or other information
collection activity. This type of testing
is usually conducted in a controlled
setting, such as an office setting.
Respondents participate in a discussion
or interview with a trained interviewer
and may respond individually or as
members of focus groups.

Questions may undergo cognitive
testing because they have not been used
in previous surveys; for example,
questions related to the emergence of a
new public health concern (such as e-
cigarettes). In addition, testing may be
conducted on previously used questions
to assess their use in a different
information collection mode; for
example, testing might be conducted to
convert questions developed for a paper
survey to an interview format or an
electronic survey format; or testing
might be conducted to identify issues
specific to a subpopulation or language
translation. Respondents are asked to
review questions and/or surveys to
discuss their impressions of the items
under consideration, the questions, the
response set, individual words within
the question, or the focus of the
questionnaire itself. Incentives may be

offered to respondents who participate in the in-person phase of cognitive testing since these activities involve additional burden and inconvenience.

Pilot testing is used to determine whether methods or modes of data collection (such as phone or mail surveys, in-person interviews or online data collection) are appropriate and efficient ways of collecting data. Pilot testing may include testing of changes in sampling or contacting potential respondents.

The majority of participants in cognitive and pilot testing activities are expected to be adults ≥ 18 years of age. Information may be collected during the recruitment process to assist in the selection of respondents. Respondents may be recruited to take part in testing

through online, mobile devices, mailings, or newspaper advertisements. If the participants are not recruited to be present at a physical location, they may be called and recruited by telephone. Cognitive and pilot testing are efficient means of identifying problems with questions and procedures prior to implementation of data collection. Thus, they are cost effective approaches to providing evidence on survey questionnaire performance. A consequence of cognitive and pilot testing is to maintain high levels of participation in the information collection process itself.

Initial response and burden estimates are based on anticipated information collection needs for the BRFSS, with an additional allocation for a variety of

NCCDPHP programs and collaborators. Each information collection activity conducted through this Generic Clearance will be submitted to OMB for approval in a project-specific information collection request that describes its purpose and methods.

Participation in cognitive and pilot testing is voluntary, but respondents will be encouraged to participate by explanations of the need for their input in the introduction of each survey. The cognitive and pilot testing associated with this Generic Clearance may be conducted in languages other than English. CDC requests OMB approval for an estimated 11,450 annualized burden hours. There are no costs to respondents other than their time.

ESTIMATED ANNUALIZED BURDEN HOURS

Type of respondent	Form name	Number of respondents	Number of responses per respondent	Average burden per response (in hours)	Total burden (in hrs.)
General U.S. Population or Selected Subpopulation.	Screening for cognitive testing	2,500	1	15/60	625
	Screening for pilot testing	2,400	1	15/60	600
	Cognitive testing in person	1,500	1	60/60	1,500
	Cognitive testing by phone	1,500	1	45/60	1,125
	Cognitive testing by ABS/mail/web ..	600	1	60/60	600
	Pilot testing in person	1,000	1	30/60	500
	Pilot testing by phone	3,000	1	30/60	1,500
	Pilot testing by ABS/mail/web	10,000	1	30/60	5,000
Total .....	.....	22,500	.....	.....	11,450

Jeffrey M. Zirger,

Lead, Information Collection Review Office, Office of Public Health Ethics and Regulations, Office of Science, Centers for Disease Control and Prevention.

[FR Doc. 2026-04569 Filed 3-6-26; 8:45 am]

BILLING CODE 4163-18-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

[30Day-26-1390]

Agency Forms Undergoing Paperwork Reduction Act Review

In accordance with the Paperwork Reduction Act of 1995, the Centers for Disease Control and Prevention (CDC) has submitted the information collection request titled "Evaluation Reporting Template for National and State Tobacco Control Program" to the Office of Management and Budget (OMB) for review and approval. CDC previously published a "Proposed Data Collection Submitted for Public Comment and Recommendations"

notice on September 30, 2025 to obtain comments from the public and affected agencies. CDC received one comment related to the previous notice. This notice serves to allow an additional 30 days for public and affected agency comments.

CDC will accept all comments for this proposed information collection project. The Office of Management and Budget is particularly interested in comments that:

(a) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(b) Evaluate the accuracy of the agencies estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

(c) Enhance the quality, utility, and clarity of the information to be collected;

(d) Minimize the burden of the collection of information on those who are to respond, including, through the use of appropriate automated,

electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.*, permitting electronic submission of responses; and

(e) Assess information collection costs.

To request additional information on the proposed project or to obtain a copy of the information collection plan and instruments, call (404) 639-7570. Comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function. Direct written comments and/or suggestions regarding the items contained in this notice to the Attention: CDC Desk Officer, Office of Management and Budget, 725 17th Street NW, Washington, DC 20503 or by fax to (202) 395-5806. Provide written comments within 30 days of notice publication.

Proposed Project

Evaluation Reporting Template for National and State Tobacco Control Program (OMB Control No. 0920–1390, Exp. 3/31/2026)—Extension—National Center for Chronic Disease Prevention and Health Promotion (NCCDPHP), Centers for Disease Control and Prevention (CDC).

Background and Brief Description

The National and State Tobacco Control Program (NTCP) was created in 1999 to encourage coordinated, national efforts to reduce tobacco-related diseases and deaths. The NTCP provides funding and technical support to state and territorial health departments. NTCP funds 50 states, Washington, DC, Puerto Rico, and Guam. NTCP-funded programs are working to eliminate exposure to secondhand smoke, promote quitting among adults and youth, prevent initiation among youth and young adults, and identify and eliminate tobacco-related disparities. To reach these goals, the programs implement state and community

interventions, mass-reach health communication interventions, tobacco use and dependence treatment interventions, and conduct surveillance and evaluation. This information collection project supports the NTCP tobacco program managers, administrators, and evaluators by specifying which information should be included in their annual evaluation reports. Furthermore, the information collected via this form will allow CDC to monitor and evaluate program performance; document facilitators and barriers, lessons learned, and promising practices; establish processes to support continuous program improvement and development; and assess the effectiveness and outcomes of the NTCP. This information collection request (ICR) pertains to the form titled “Evaluation Reporting Template for National and State Tobacco Control Program” (ERT). The collection of this information is part of a federal reporting requirement for funds received by NTCP recipients. The information collection form consolidates information necessary for evaluation of the NTCP. The data

collected through the Evaluation Reporting Template for National and State Tobacco Control Program (ERT) was compared to all other potential evaluation data sources and designed not to duplicate any information collected in other tools. By contrast, the ERT will collect process and outcome evaluation findings resulting from individual evaluations designed by each NTCP recipient; findings will include contextual factors, indicators, lessons learned, and information about health inequities and health disparities.

Recipients will use the Evaluation Reporting Template for National and State Tobacco Control Program to report information to CDC about their Tobacco Control Program evaluation findings. Each recipient will submit an Evaluation Report template annually. Intended respondents include 53 cooperative agreement recipients. The estimated burden per response is eight hours for each Annual Evaluation Report and the total estimated annualized burden is 424 hours. CDC requests a three-year approval.

ESTIMATED ANNUALIZED BURDEN HOURS

Type of respondents	Form name	Number of respondents	Number of responses per respondent	Average burden per response (in hours)
State and Territorial Health Department Tobacco Control Program Staff.	Evaluation Reporting Template for National and State Tobacco Control Program.	53	1	8

Jeffrey M. Zirger,

Lead, Information Collection Review Office, Office of Public Health Ethics and Regulations, Office of Science, Centers for Disease Control and Prevention.

[FR Doc. 2026–04564 Filed 3–6–26; 8:45 am]

BILLING CODE 4163–18–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES**Centers for Disease Control and Prevention**

[30Day–26–1391]

Agency Forms Undergoing Paperwork Reduction Act Review

In accordance with the Paperwork Reduction Act of 1995, the Centers for Disease Control and Prevention (CDC) has submitted the information collection request titled “Enhancing Data-driven Disease Detection in Newborns (ED3N)” to the Office of Management and Budget (OMB) for review and approval. CDC previously published a “Proposed Data Collection

Submitted for Public Comment and Recommendations” notice on July 18, 2025 to obtain comments from the public and affected agencies. CDC received 1,135 comments related to the previous notice. This notice serves to allow an additional 30 days for public and affected agency comments.

CDC will accept all comments for this proposed information collection project. The Office of Management and Budget is particularly interested in comments that:

(a) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(b) Evaluate the accuracy of the agencies estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

(c) Enhance the quality, utility, and clarity of the information to be collected;

(d) Minimize the burden of the collection of information on those who

are to respond, including, through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses; and

(e) Assess information collection costs.

To request additional information on the proposed project or to obtain a copy of the information collection plan and instruments, call (404) 639–7570. Comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function. Direct written comments and/or suggestions regarding the items contained in this notice to the Attention: CDC Desk Officer, Office of Management and Budget, 725 17th Street NW, Washington, DC 20503 or by fax to (202) 395–5806. Provide written

comments within 30 days of notice publication.

Proposed Project

Enhancing Data-driven Disease Detection in Newborns (ED3N) (OMB Control No. 0920–1391, Exp. 4/30/2026)—Extension—National Center for Environmental Health (NCEH), Centers for Disease Control and Prevention (CDC).

Background and Brief Description

The Newborn Screening and Molecular Biology Branch (NSMBB), in the National Center for Environmental Health (NCEH) Division of Laboratory Science (DLS), has the only laboratory in the world devoted to ensuring the accuracy of newborn screening (NBS) tests in every state and more than 78 countries. NSMBB supports NBS programs by conducting research, developing methods, and performing analyses by using complex, state-of-the-art molecular and biochemical techniques for identifying risk factors for diseases of public health importance. Both NSMBB and state NBS programs are experiencing increased data analytic challenges associated with continued expansion of the number of newborn screening diseases, increased complexity of disease detection, and difficulties in correlating disease markers with disease risk. Further, the addition of late-onset diseases to NBS panels necessitates a better way to routinely capture clinical information and outcomes so that NBS programs can fully appreciate the spectrum of disease they are detecting.

The NSMBB is requesting a three-year Paperwork Reduction Act (PRA)

clearance for Enhancing Data-driven Disease Detection in Newborns (ED3N), a national NBS data platform, that will address these analytic and post-analytic challenges and promote sharing of molecular, biochemical, and clinical information amongst NBS partners. The information will better equip NSMBB and newborn screening partners to assess disease risk and will help harmonize approaches for disease detection in newborns. Given the rarity of newborn screening diseases, it is imperative that data be collected and analyzed at a national level in order to glean useful insights and to analyze trends. The NSMBB is best suited to oversee this work given its role in providing technical assistance to NBS programs nationally.

Numerous studies along with presentations by NBS programs suggest that gaps in programmatic resources and expertise are hampering the ability to perform more complex data analytics resulting in low positive predictive values for a number of conditions (which subsequently results in higher false positive and negative rates and downstream burden to families and the medical system). Smaller-scale work on the use of post-analytical tools such as machine learning algorithms have shown that incorporation of these elements into newborn screening can improve detection rates, while reducing false positives. These studies, however, have been limited to single sites and have not been integrated into the daily workflow of high-throughput NBS programs. Without this project, NBS programs will continue to be unable to keep up with the increasing complexity

and future demands of screening, perpetuating inequities in screening across the nation. Since approval, the CDC’s ED3N project has worked with fourteen NBS programs to develop and pilot one of the modules, providing the needed platform to assist states in expanding their screening and interpretation capacity. Additional programs have been engaged in defining the other modules and in piloting data transfer mechanisms.

The estimated annualized burden hours were determined as follows. There are 53 domestic NBS programs in the United States. A “respondent” refers to a single NBS program. Given that data submission will ultimately be accomplished through automatic electronic data transfer, each respondent’s burden hours were split into two estimates: (1) the one-time need to set-up, test, and implement the electronic data transfer mechanism; and (2) the ongoing automatic electronic data transfer occurring after initial set-up. Initial set-up time burden was estimated based on analysis of similar data transfer projects embarked upon by NBS programs as well as brief discussions with NBS Program Laboratory Information Management System vendors. The one-time burden to set-up the data transfer interface was estimated to be 40 hours total, annualized to 14 hours per year per respondent. Ongoing daily data submission burden was estimated assuming one minute for each automatic transfer thereafter. CDC has estimated the total annualized burden for this project to be 1,064 hours per year.

ESTIMATED ANNUALIZED BURDEN HOURS

Type of respondent	Form name	Number of respondents	Number of responses per respondent	Average burden per response (in hr)
Newborn Screening Programs	Set-up and initial submission of ED3N Data Elements	53	1	14
	Ongoing transfer of ED3N Data Elements	53	365	1/60

Jeffrey M. Zirger,
*Lead, Information Collection Review Office,
Office of Public Health Ethics and
Regulations, Office of Science, Centers for
Disease Control and Prevention.*
[FR Doc. 2026–04560 Filed 3–6–26; 8:45 am]
BILLING CODE 4163–18–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

[30Day–26–1273]

Agency Forms Undergoing Paperwork Reduction Act Review

In accordance with the Paperwork Reduction Act of 1995, the Centers for Disease Control and Prevention (CDC) has submitted the information

collection request titled “Pregnancy Risk Assessment Monitoring System (PRAMS)” to the Office of Management and Budget (OMB) for review and approval. CDC previously published a “Proposed Data Collection Submitted for Public Comment and Recommendations” notice on November 21, 2025, to obtain comments from the public and affected agencies. CDC received 419 comments related to the previous notice. This notice serves to allow an additional 30 days for public and affected agency comments.

CDC will accept all comments for this proposed information collection project. The Office of Management and Budget is particularly interested in comments that:

(a) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(b) Evaluate the accuracy of the agencies estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

(c) Enhance the quality, utility, and clarity of the information to be collected;

(d) Minimize the burden of the collection of information on those who are to respond, including, through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.*, permitting electronic submission of responses; and

(e) Assess information collection costs.

To request additional information on the proposed project or to obtain a copy of the information collection plan and instruments, call (404) 639-7570. Comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function. Direct written comments and/or suggestions regarding the items contained in this notice to the Attention: CDC Desk Officer, Office of Management and Budget, 725 17th Street NW, Washington, DC 20503 or by fax to (202) 395-5806. Provide written comments within 30 days of notice publication.

Proposed Project

Pregnancy Risk Assessment Monitoring System (PRAMS) (OMB Control No. 0920-1273, Exp. 03/31/2026)—Revision—National Center for Chronic Disease Prevention and Health Promotion (NCCDPHP), Centers for Disease Control and Prevention (CDC).

Background and Brief Description

The Pregnancy Risk Assessment Monitoring System (PRAMS) is a project of the Centers for Disease Control and Prevention (CDC) and state, territorial, city, or local health departments. Developed in 1987, PRAMS collects jurisdiction-specific, population-based data on maternal attitudes and experiences before, during, and shortly after pregnancy. PRAMS provides data not available from other sources. These data can be used to identify groups of women and infants at high risk for health problems, to monitor changes in health status, and to measure progress towards goals in improving the health of mothers and infants. PRAMS data are used by researchers to investigate emerging issues in the field of reproductive health and by federal, state and local governments to plan and review programs and policies aimed at reducing health problems among mothers and babies.

PRAMS is a jurisdiction customized survey conducted in 50 sites and covers 81% of all live births in the United States. Information is collected 2–6 months after live birth or stillbirth by mail and web survey with telephone follow-up for non-responders. Because PRAMS uses standardized data collection methods, it allows data to be compared among sites. Jurisdictions can implement the survey on an ongoing basis or as a point-in-time survey. In participating jurisdictions, a sample of women who have recently given birth to a live born or stillborn infant is selected from birth certificates or fetal death files. The sample is stratified based on the site's population of interest to ensure high-risk populations are adequately represented in the data.

The PRAMS survey instrument for live births is based on a core set of questions common across all jurisdictions that remain the same throughout each phase of data collection. In addition, CDC provides optional standardized modules (pre-grouped questions on a select topic) that jurisdictions may use to customize survey content at the beginning of each phase of data collection. Topics for both the core and standard modules include demographic and background characteristics; health conditions

(which includes chronic conditions such as diabetes, hypertension, mental health, oral health, cancer, as well as pregnancy-induced health conditions) and family history of select conditions); health behaviors (including tobacco and alcohol use, substance use [licit and illicit], injury prevention and safety, nutrition, and physical activity); health care services (such as preconception care, prenatal care, postpartum care, contraceptive care, vaccinations, access to care, insurance coverage, receipt of recommended services, and provider counseling received); infant health and development; infant care practices (such as breastfeeding, safe sleep practices); social services received (such as WIC or home visiting); the social context of childbearing (such as intimate partner violence, social support, adverse childhood experiences, and stressful life experiences); and attitudes and feeling about the pregnancy including pregnancy intentions.

At times, jurisdictions may address emerging topics of interest with supplemental modules (pre-grouped questions on a selected topic). Supplemental modules available for site-specific data collection include disabilities, substance use, COVID-19 experiences, and social experiences. New supplemental modules may be developed to address other emergent issues as they arise.

The stillbirth survey may be administered in a smaller number of sites. It includes a single survey instrument.

CDC is seeking approval for a Revision of the PRAMS data collection which currently expires 03/31/2026. OMB approval is requested for three years. The total estimated annual burden is 29,773 hours which is a decrease of 1,495 hours. The change in overall burden results from removal of components already completed: (1) call back surveys (decrease of 1,395 hours), and (2) cognitive and field testing (decrease of 100 hours) since no new questions or supplemental modules are anticipated during the approval window. There are no costs to respondents other than their time.

ESTIMATED ANNUALIZED BURDEN HOURS

Type of respondents	Form name	Number of respondents	Number of responses per respondent	Average burden per response (in hours)
Women who recently delivered a live birth.	PRAMS Phase 9 Questionnaire (core questions plus site selected standard modules).	51,556	1	26/60

ESTIMATED ANNUALIZED BURDEN HOURS—Continued

Type of respondents	Form name	Number of respondents	Number of responses per respondent	Average burden per response (in hours)
Women who recently delivered a stillbirth. Jurisdictions	Supplemental Modules	52,984	1	8/60
	PRAMS Stillbirth Questionnaire	160	1	25/60
	Submission of data file to CDC	50	12	30/60

Jeffrey M. Zirger,

*Lead, Information Collection Review Office,
Office of Public Health Ethics and
Regulations, Office of Science, Centers for
Disease Control and Prevention.*

[FR Doc. 2026–04565 Filed 3–6–26; 8:45 am]

BILLING CODE 4163–18–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

[30Day–26–0765]

Agency Forms Undergoing Paperwork Reduction Act Review

In accordance with the Paperwork Reduction Act of 1995, the Centers for Disease Control and Prevention (CDC) has submitted the information collection request titled “Fellowship Management System” to the Office of Management and Budget (OMB) for review and approval. CDC previously published a “Proposed Data Collection Submitted for Public Comment and Recommendations” notice on December 5, 2025 to obtain comments from the public and affected agencies. CDC received four comments related to the previous notice; one was substantive. This notice serves to allow an additional 30 days for public and affected agency comments.

CDC will accept all comments for this proposed information collection project. The Office of Management and Budget is particularly interested in comments that:

(a) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(b) Evaluate the accuracy of the agencies estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

(c) Enhance the quality, utility, and clarity of the information to be collected;

(d) Minimize the burden of the collection of information on those who are to respond, including, through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses; and

(e) Assess information collection costs.

To request additional information on the proposed project or to obtain a copy of the information collection plan and instruments, call (404) 639–7570. Comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function. Direct written comments and/or suggestions regarding the items contained in this notice to the Attention: CDC Desk Officer, Office of Management and Budget, 725 17th Street NW, Washington, DC 20503 or by fax to (202) 395–5806. Provide written comments within 30 days of notice publication.

Proposed Project

Fellowship Management System (FMS) (OMB Control No. 0920–0765, Exp. 03/31/2026)—Revision—National Center for State, Tribal, Local, and Territorial Public Health Infrastructure and Workforce (NCSTLTPIHW), Centers for Disease Control and Prevention (CDC).

Background and Brief Description

The mission of CDC’s Division of Workforce Development (DWD) is to provide leadership in public health training and education and to manage innovative, evidence-based programs to prepare the health workforce to meet public health challenges of the 21st century. Professionals in public health, epidemiology, medicine, economics, information science, veterinary medicine, nursing, public policy, and other related disciplines seek opportunities, through CDC fellowships,

to broaden their knowledge and skills to improve the science and practice of public health. CDC fellows are assigned to state, tribal, local, and territorial public health agencies; federal government agencies, including CDC and Department of Health and Human Services’ (HHS) operating divisions; and, in some cases, non-governmental organizations.

CDC requests OMB approval to continue information collection through the electronic CDC Fellowship Management System (FMS), with changes. The FMS collects, processes, and manages data from nonfederal applicants who seek training or public health support services through CDC fellowships. The FMS has been used to receive fellowship applications, receive fellowship host site proposals, and, for some programs, track completion of fellowship activities. The FMS is a flexible, modern, secure, and robust electronic information system able to meet the unique needs of each CDC fellowship. The system is critical to efficient data and program management for CDC and essential for reducing burden and providing a high-quality user experience for respondents. FMS is key to CDC’s ability to protect the public’s health by facilitating training opportunities that strengthen the public health workforce.

In January 2026, CDC received OMB approval to implement changes to selected questions in the FMS Fellowship Applications module and the FMS Host Site module. These changes support CDC’s ability to effectively manage fellowship programs by collecting timely information that is customized to each fellowship program’s needs. In this Revision, CDC presents updated estimates for utilization of the FMS Fellowship Applications module, the FMS Host Site module, and the FMS Activity Tracking module. The revised estimates are based on a review of trends in participation in DWD fellowships and revised projections for participation in the next three years, feedback from former participants about response burden, and

testing which supports revised estimates for response burden.

Also, all functions related to fellowship alumni will be discontinued and the FMS Alumni Directory module will be deactivated. CDC also will discontinue activity tracking for the majority of fellowship programs. These functions are currently unnecessary, and in some cases, duplicative of other data management and collection processes. Embedding them in the current FMS platform was deemed not cost effective at this time. However, CDC will retain the activity tracking function for the EIS and LLS fellowship programs.

This Revision proposes a modest decrease in total time burden. This is the result of more comprehensive estimations for fellow and host site applicants' respondent and time burdens, including discontinuation of data collection for the Future Leaders in Infections and Global Health (FLIGHT) program and the Presidential Management Fellow (PMF) programs. Burden reduction also is achieved through the changes related to streamlining the functions housed in the system.

FMS Application Module

The estimated annual number of fellowship applicants is decreased in this request from 5,286 to 2,500 based on application submission trends from the most recent approval period. In accordance with a reduction in the number of applicants, a reduction in the number of reference letter requests is included as well. The number requested to conduct a writing assessment in FMS remains the same as previously approved. Based on the pilot test, in which CDC encouraged more comprehensive assessment of time needed to prepare and submit the information included in these applications, the average burden per response increased from 87 to 163 minutes.

FMS Host Site Module

As with the FMS Application Module, the revised number of host site applicants comes from FMS system reporting for the most recent approval period. The new estimated annual number of host site applicants is decreased from 970 to 560 responses. Previously, estimates for the FMS Host Site Module's burden per response were based on the time it would take to fill out the form itself, assuming that responses were largely prepared or

known ahead of time. The new estimate, created in part with feedback from former host site applicants, captures the true extent of burden imposed by discussing, drafting, reviewing, and submitting responses to these applications among various agency staff typically involved in that process. The estimated average burden per response is increased from 75 to 461 minutes.

FMS Activity Tracking Module

Given the significant reduction in the scope and use of this module, the estimated annual number of activity tracking respondents is decreased from 555 to 100, responding twice per year. No change to burden per response is requested, as CDC assessed the currently approved time burden to be a conservative, accurate estimate.

FMS Alumni Directory

The Alumni Module is proposed for deactivation and thus has no burden in this revision request.

Across these burden changes, compared to the currently approved burden of 13,477 hours annually, the new proposed burden is 12,555 hours. OMB approval is requested for three years. Applying for and participating in fellowship programs are voluntary for both fellows and host site supervisors.

ESTIMATED ANNUALIZED BURDEN HOURS

Type of respondents	Form name	Number of respondents	Number of responses per respondent	Average burden per response (in hours)
Fellowship Applicants	FMS Application Module	2,500	1	163/60
Reference Letter Writers	FMS Application Module	5,000	1	15/60
Subset of FMS Fellowship Applicants	FMS Application Module (Section 13.6)	220	1	30/60
Public Health Agency or Organization Staff ...	FMS Host Site Module	560	1	461/60
Public Health Agency or Organization Staff ...	FMS Activity Tracking Module	100	2	30/60

Jeffrey M. Zirger,

Lead, Information Collection Review Office,
Office of Public Health Ethics and
Regulations, Office of Science, Centers for
Disease Control and Prevention.

[FR Doc. 2026-04568 Filed 3-6-26; 8:45 am]

BILLING CODE 4163-18-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

[60Day-26-1208; Docket No. CDC-2026-0397]

Proposed Data Collection Submitted for Public Comment and Recommendations

AGENCY: Centers for Disease Control and Prevention (CDC), Department of Health and Human Services (HHS).

ACTION: Notice with comment period.

SUMMARY: The Centers for Disease Control and Prevention (CDC), as part of its continuing effort to reduce public burden and maximize the utility of

government information, invites the opportunity for the public and other federal agencies to comment on a continuing information collection, as required by the Paperwork Reduction Act of 1995. This notice invites comment on a proposed information collection project titled Developmental/Methodological Projects to Improve the National Health and Nutrition Examination Survey and Related Programs. The goal of these projects is to evaluate proposed survey designs, content, methods, and alternative approaches to activities such as outreach, screening, participant recruitment/retention, data collection, or other survey activities for NHANES or NCHS-wide projects.

DATES: CDC must receive written comments on or before May 8, 2026.

ADDRESSES: You may submit comments, identified by Docket No. CDC–2026–0397 by either of the following methods:

- *Federal eRulemaking Portal:* www.regulations.gov. Follow the instructions for submitting comments.
- *Mail:* Jeffrey M. Zirger, Information Collection Review Office, Centers for Disease Control and Prevention, 1600 Clifton Road NE, MS H21–8, Atlanta, Georgia 30329.

Instructions: All submissions received must include the agency name and Docket Number. CDC will post, without change, all relevant comments to www.regulations.gov.

Please note: Submit all comments through the Federal eRulemaking portal (www.regulations.gov) or by U.S. mail to the address listed above.

FOR FURTHER INFORMATION CONTACT: To request more information on the proposed project or to obtain a copy of the information collection plan and instruments, contact Jeffrey M. Zirger, Information Collection Review Office, Centers for Disease Control and Prevention, 1600 Clifton Road NE, MS H21–8, Atlanta, Georgia 30329; Telephone: 404–639–7570; Email: omb@cdc.gov.

SUPPLEMENTARY INFORMATION: Under the Paperwork Reduction Act of 1995 (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. In addition, the PRA also requires federal agencies to provide a 60-day notice in the **Federal Register** concerning each proposed collection of information, including each new proposed collection, each proposed extension of an existing collection of information, and each reinstatement of a previously approved information collection before submitting the collection to the OMB for approval. To comply with this requirement, we are publishing this notice of a proposed data collection as described below.

The OMB is particularly interested in comments that will help:

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;

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 submissions of responses; and
5. Assess information collection costs.

Proposed Project

Developmental/Methodological Projects to Improve the National Health and Nutrition Examination Survey and Related Programs, (OMB Control No. 0920–1208, Exp. 5/31/2026)—Extension—National Center for Health Statistics (NCHS), Centers for Disease Control and Prevention (CDC).

Background and Brief Description

Section 306 of the Public Health Service (PHS) Act (42 U.S.C. 242k) authorizes that the Secretary of Health and Human Services (DHHS), acting through National Center for Health Statistics (NCHS), collect statistics on subjects in the United States, such as the extent and nature of illness and disability; environmental, social, and other health hazards; determinants of health; health resources; and utilization of healthcare. The National Health and Nutrition Examination Survey (NHANES) has been conducted periodically between 1970 and 1994, and continuously since 1999 by the NCHS/CDC.

The mission of NHANES programs is to produce descriptive statistics which measure the health and nutritional status of the general population. The continuous operation of NHANES programs presents unique challenges in testing new survey content and activities, such as outreach or participant screening. This Generic Clearance request covers developmental projects to help evaluate and enhance NHANES existing and proposed data collection activities to increase research capacity and improve data quality. The information collected through this Generic Clearance will not be used to make generalizable statements about the population of interest or to inform public policy; however, methodological findings from these projects may be reported.

The purpose and use of projects under this NHANES Generic Clearance would include developmental projects necessary for activities such as testing new procedures, equipment, technology and approaches that are going to be folded into NHANES or other NCHS programs; designing and testing examination components or survey

questions; creating new studies including biomonitoring and clinical measures; creating new cohorts, including a pregnancy and/or a birth—24 month cohort; testing of the cognitive and interpretive aspects of survey methodology; feasibility testing of proposed new components or modifications to existing components; testing of human-computer interfaces/usability; assessing the acceptability of proposed NHANES components among likely participants; testing alternative approaches to existing NHANES procedures, including activities related to improving nonresponse; testing the use of, or variations/adjustments in, incentives; testing content of web-based surveys; testing the feasibility of obtaining bodily fluid specimens (blood, urine, semen, saliva, breastmilk) and tissue samples (swabs); testing digital imaging technology and related procedures (e.g., retinal scan, liver ultrasound, dual-energy X-ray absorptiometry (DEXA)), prescription and over-the-counter dietary supplement bottles; testing the feasibility of, and procedure/processes for, accessing participant's medical records from healthcare settings (e.g., hospitals and physician offices); testing the feasibility and protocols for home examination measurements; testing survey materials and procedures to improve response rates, including changes to advance materials and protocols, changes to the incentive structure, introduction of new and timely outreach and awareness procedures including the use of social media; conducting crossover studies; creating and testing digital survey materials; and conducting customer satisfaction assessments.

The types of participants covered by the NHANES Generic Clearance may include current or past NHANES participants; family or household members of NHANES participants; individuals eligible to be participants in NHANES, but who did not screen into the actual survey; convenience samples; volunteers; subject matter experts or consultants such as survey methodologists, academic researchers, clinicians or other health care providers; NHANES data or website users; members of the general public or individuals abroad who would be part of a collaborative development project or projects between NCHS and related public health agencies in the U.S. and/or abroad.

The type of participants involved in a given developmental project would be determined by the nature of the project. The details of each project will be included in the specific generic

clearance submission.. A three-year Extension for the Generic Clearance is

requested. CDC requests OMB approval for an estimated 59,465 annualized

burden hours. There is no cost to respondents other than their time

ESTIMATED ANNUALIZED BURDEN HOURS

Type of respondents	Form name	Number of respondents	Number of responses per respondent	Average burden per response (in hours)	Total burden (in hours)
Individuals or households	Developmental Projects & Focus Group documents.	35,000	1	1.5	52,500
Volunteers	Developmental Projects & Focus Group documents.	300	1	1.5	450
Individuals or households, Volunteers, NHANES Participants.	24-hour developmental projects	200	1	25	5,000
NHANES Participants	Developmental Projects	1,000	1	1.5	1,500
Subject Matter Experts	Focus Group/Developmental Project Documents.	15	1	1	15
Total					59,465

Jeffrey M. Zirger,

Lead, Information Collection Review Office, Office of Public Health Ethics and Regulations, Office of Science, Centers for Disease Control and Prevention.

[FR Doc. 2026-04566 Filed 3-6-26; 8:45 am]

BILLING CODE 4163-18-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[CMS-1862-NC]

Medicare and Medicaid Programs; Announcement of Applications From 12 Hospitals Requesting Waivers for Organ Procurement Service Area

AGENCY: Centers for Medicare & Medicaid Services (CMS), HHS.

ACTION: Notice with request for comment.

SUMMARY: This notice acknowledges the receipt of applications from 12 hospitals that have requested a waiver of statutory requirements that would otherwise require the hospitals to enter into an agreement with their designated organ procurement organization (OPO). This notice requests comments from OPOs and the general public for our consideration in determining whether we should grant the requested waivers.

DATES: To be assured consideration, comments must be received at one of the addresses provided below, by May 8, 2026.

ADDRESSES: In commenting, refer to file code CMS-1862-NC.

Comments, including mass comment submissions, must be submitted in one of the following three ways (please choose only one of the ways listed):

1. *Electronically.* You may submit electronic comments on this regulation to <https://www.regulations.gov>. Follow the “Submit a comment” instructions.

2. *By regular mail.* You may mail written comments to the following address ONLY: Centers for Medicare & Medicaid Services, Department of Health and Human Services, Attention: CMS-1862-NC, P.O. Box 8010, Baltimore, MD 21244-8010.

Please allow sufficient time for mailed comments to be received before the close of the comment period.

3. *By express or overnight mail.* You may send written comments to the following address ONLY: Centers for Medicare & Medicaid Services, Department of Health and Human Services, Attention: CMS-1862-NC, Mail Stop C4-26-05, 7500 Security Boulevard, Baltimore, MD 21244-1850.

For information on viewing public comments, see the beginning of the **SUPPLEMENTARY INFORMATION** section.

FOR FURTHER INFORMATION CONTACT: Lindsay Pulliam, (410) 786-8674.

SUPPLEMENTARY INFORMATION:

Inspection of Public Comments: All comments received before the close of the comment period are available for viewing by the public, including any personally identifiable or confidential business information that is included in a comment. We post all comments received before the close of the comment period on the following website as soon as possible after they have been received: <https://www.regulations.gov>. Follow the search instructions on that website to view public comments. CMS will not post on *Regulations.gov* public comments that make threats to individuals or institutions or suggest that the individual will take actions to harm the individual. CMS continues to encourage

individuals not to submit duplicative comments. We will post acceptable comments from multiple unique commenters even if the content is identical or nearly identical to other comments.

I. Background

Organ Procurement Organizations (OPOs) are not-for-profit organizations that are responsible for the procurement, preservation, and transport of organs to transplant centers throughout the country. Qualified OPOs are designated by the Centers for Medicare & Medicaid Services (CMS) to recover or procure organs in CMS-defined exclusive geographic service areas, under section 371(b)(1) of the Public Health Service Act (42 U.S.C. 273(b)(1)) and our regulations at 42 CFR 486.306. Once an OPO has been designated for an area, hospitals in that area that participate in Medicare and Medicaid are required to work with that OPO in providing organs for transplant, pursuant to section 1138(a)(1)(C) of the Social Security Act (the Act) and our regulations at 42 CFR 482.45.

Section 1138(a)(1)(A)(iii) of the Act provides that a hospital must establish protocols which require the hospital to notify the designated OPO (for the service area in which it is located) of potential organ donors. Under section 1138(a)(1)(C) of the Act, every hospital must have an agreement only with its designated OPO to identify potential donors.

Section 1138(a)(2)(A) of the Act provides that a hospital may submit a request to the Secretary of the Department of Health and Human Services (the Secretary) for a waiver of the above requirements. If the requested waiver meets certain conditions specified in section 1138(a)(2)(A) of the

Act, the Secretary shall grant the waiver and allow the hospital to have an agreement with an OPO other than the one designated by CMS. The Secretary may consider factors described in section 1138(a)(2)(B) of the Act when determining whether to grant the hospital's request for a waiver.

Section 1138(a)(2)(A) of the Act states that the Secretary shall grant a waiver if he determines that the waiver—(1) is expected to increase organ donations; and (2) will ensure equitable treatment of patients referred for transplants within the service area served by the designated OPO and within the service area served by the OPO with which the hospital seeks to enter into an agreement under the waiver. In making a waiver determination, section 1138(a)(2)(B) of the Act provides that the Secretary may consider factors that include but are not limited to: (1) cost effectiveness; (2) improvements in quality; (3) whether there has been any change in a hospital's designated OPO due to the changes made in definitions

for metropolitan statistical areas; and (4) the length and continuity of a hospital's relationship with an OPO other than the hospital's designated OPO. The regulations identifying the relevant considerations are codified in 42 CFR 486.308(e) and (f).

II. Solicitation of Public Comments

Section 1138(a)(2)(D) of the Act states the Secretary shall publish a public notice of any waiver application received from a hospital within 30 days of receiving such application and offer interested parties the opportunity to submit written comments to the Secretary during the 60-day period beginning on the date such notice is published. This notice applies to 12 separate requests by 12 hospitals to each enter into an agreement with an OPO other than the OPO designated for the service area in which each hospital is located. Commenters must clearly identify the specific hospital to which each comment applies. Commenters can identify specific hospitals using the information found in Table 1. If a

comment does not identify a specific hospital or hospitals, we will assume the comment applies to all 12 hospitals.

As part of the process of determining whether to grant a hospital's waiver request, we will review the applicable comments received. During the review process, we may consult with relevant parties, including but not limited to, the Health Resources and Services Administration's Division of Transplantation, the United Network for Organ Sharing, and our regional offices. If necessary, we may request clarifying information from the applying hospitals or others. We will then make a final determination on each waiver request and notify the hospitals and the designated and requested OPOs.

III. Hospital Waiver Requests

As permitted by § 486.308(e), each of the hospitals identified in Table 1 has requested a waiver to enter into an agreement with an OPO other than the OPO designated for the service area in which the hospital is located:

TABLE 1—HOSPITALS REQUESTING WAIVERS TO ENTER INTO AN AGREEMENT WITH AN OPO OTHER THAN THEIR DESIGNATED OPO

Name of hospital	City	State	Designated OPO	Requested OPO
Prisma Health-Upstate d/b/a Prisma Health Baptist Easley Hospital O/P Therapy Services.	Easley	SC	SCOP	NCCM
Prisma Health-Midlands d/b/a Prisma Health Baptist Hospital	Columbia	SC	SCOP	NCCM
Prisma Health-Midlands d/b/a Prisma Health Baptist Parkridge	Columbia	SC	SCOP	NCCM
Prisma Health-Upstate d/b/a Prisma Health Pediatrics Verdae	Greenville	SC	SCOP	NCCM
Prisma Health-Upstate d/b/a Prisma Health Greer Memorial Hospital.	Greer	SC	SCOP	NCCM
Prisma Health-Upstate d/b/a Prisma Health Hillcrest Hospital	Simpsonville	SC	SCOP	NCCM
Prisma Health-Upstate d/b/a Prisma Health Laurens County Hospital.	Clinton	SC	SCOP	NCCM
Prisma Health-Upstate d/b/a Prisma Health North Greenville LTACH	Travelers Rest	SC	SCOP	NCCM
Prisma Health-Upstate d/b/a Prisma Health Oconee Memorial Hospital.	Seneca	SC	SCOP	NCCM
Prisma Health-Upstate d/b/a Prisma Health Patewood Hospital	Greenville	SC	SCOP	NCCM
Prisma Health-Midlands d/b/a Prisma Health Richland Hospital	Columbia	SC	SCOP	NCCM
Prisma Health Tuomey d/b/a Prisma Health Tuomey Hospital	Sumter	SC	SCOP	NCCM

IV. Keys to the OPO Codes

The keys to the acronyms used in the listings to identify OPOs and their addresses are as follows:

SCOP We are Sharing Hope SC, 2215 Henry Tecklenburg Drive, Charleston, SC 29414

NCCM LifeShare Carolinas, 3621 Randolph Road, Suite 100, Charlotte, North Carolina 28211

V. Collection of Information Requirements

This document does not impose information collection requirements, that is, reporting, recordkeeping, or third-party disclosure requirements. Consequently, there is no need for

review by the Office of Management and Budget under the authority of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

VI. Response to Comments

We will consider all comments we receive by the date and time specified in the **DATES** section of this document.

The Administrator of the Centers for Medicare & Medicaid Services (CMS), Mehmet Oz, having reviewed and approved this document, authorizes Vanessa Garcia, who is the Federal Register Liaison, to electronically sign

this document for purposes of publication in the **Federal Register**.

Vanessa Garcia,

Federal Register Liaison, Centers for Medicare & Medicaid Services.

[FR Doc. 2026-04544 Filed 3-6-26; 8:45 am]

BILLING CODE 4120-01-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES**Centers for Medicare & Medicaid Services**

[Document Identifier: CMS–10439]

Agency Information Collection Activities: Submission for OMB Review; 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 a second opportunity for public comment on the notice. Interested persons are invited to send comments regarding the burden estimate 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 on the collection(s) of information must be received by the OMB desk officer by April 8, 2026.

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.

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 Parham at (410) 786–4669.

SUPPLEMENTARY INFORMATION: Under the Paperwork Reduction Act of 1995 (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 (44 U.S.C. 3506(c)(2)(A)) requires federal agencies to publish a 30-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 that summarizes the following proposed collection(s) of information for public comment.

1. *Type of Information Collection Request:* Extension of a currently approved collection; *Title of Information Collection:* Data Collection to Support Eligibility Determinations for Small Businesses in the Small Business Health Options Program; *Use:* On March 23, 2010, the President signed into law H.R. 3590, the Patient Protection and Affordable Care Act, Public Law 111–148, as amended by the Health Care and Education Reconciliation Act of 2010, Public Law 111–152. The Patient Protection and Affordable Care Act (PPACA) expands access to health insurance coverage through improvements to the Medicaid and Children's Health Insurance (CHIP) programs, the establishment of Affordable Insurance Exchanges (Exchanges), and the coordination between Medicaid, CHIP, and Exchanges. Small business employers may participate in and provide health coverage through the Small Business Health Options Program (SHOP), so long as the small business employer obtains a positive eligibility determination from SHOP. Employers will work with SHOP-registered agents/brokers or Issuers offering Qualified Health Plans (QHPs) and Qualified Dental Plans (SADPs), to enroll in SHOP coverage and to select coverage options to offer their employees. SHOP Exchanges became operational on October 1, 2013.

HHS has developed a single, streamlined form that employers use to obtain a SHOP eligibility determination, which is included as an appendix to

this Information Collection Request. 45 CFR 155.731 provides more detail about this "single employer application," which is used to determine employer eligibility. Since publication of the last package, no updates have been made in regulation concerning what information should be collected on the single employer application to determine employer eligibility under 45 CFR 155.731. When an employer completes the SHOP Eligibility Determination Form, the form and its results are retained by SHOP for future use, if needed (e.g., reconciliation with issuer records, SHOP employer appeals, etc.). *Form Number:* CMS–10439 (OMB control number: 0938–1193); *Frequency:* Annually; *Affected Public:* Private Sector—Business or other for-profits, Not-for-profit institutions; *Number of Respondents:* 2,100; *Number of Responses:* 2,100; *Total Annual Hours:* 336. (For questions regarding this collection, contact Mary Guy at 410–786–2772).

William N. Parham III,

Director, Division of Information Collections and Regulatory Impacts, Office of Strategic Operations and Regulatory Affairs.

[FR Doc. 2026–04518 Filed 3–6–26; 8:45 am]

BILLING CODE 4120–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES**Food and Drug Administration**

[Docket No. FDA–2026–N–1302]

Aspen Global Inc. c/o Lachman Consultant Services, Inc., et al.; Withdrawal of Approval of 46 New Drug Applications

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA or Agency) is withdrawing approval of 46 new drug applications (NDAs) from multiple applicants. The applicants notified the Agency in writing that the drug products were no longer marketed and requested that the approval of the applications be withdrawn.

DATES: Approval is withdrawn as of April 8, 2026.

FOR FURTHER INFORMATION CONTACT: Kimberly Lehrfeld, Center for Drug Evaluation and Research, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 51, Rm. 6226, Silver Spring, MD 20993–0002, 301–796–3137, Kimberly.Lehrfeld@fda.hhs.gov.

SUPPLEMENTARY INFORMATION: The applicants listed in table 1 have informed FDA that these drug products are no longer marketed and have requested that FDA withdraw approval

of the applications under the process in § 314.150(c) (21 CFR 314.150(c)). The applicants have also, by their requests, waived their opportunity for a hearing. Withdrawal of approval of an

application or abbreviated application under § 314.150(c) is without prejudice to refiling.

TABLE 1—NDAS FOR WHICH APPROVAL IS WITHDRAWN

Application No.	Drug	Applicant
NDA 000552	Liquaemin Sodium (heparin sodium) injectable, 1,000 units/milliliter (mL), 5,000 units/mL, 10,000 units/mL, 20,000 units/mL, and 40,000 units/mL. Liquaemin Sodium Preservative Free (heparin sodium) injectable, 1,000 units/mL, 5,000 units/mL, and 10,000 units/mL. Liquaemin Lock Flush (heparin sodium) injectable, 100 units/mL. Heparin Sodium (heparin sodium) injectable, 1,000 units/mL, 5,000 units/mL, and 10,000 units/mL.	Aspen Global Inc. c/o Lachman Consultant Services, Inc., 1600 Stewart Ave., Westbury, NY 11590.
NDA 008370	Bentyl (dicyclomine hydrochloride (HCl)) injectable, 10 milligrams (mg)/mL. Bentyl Preservative Free (dicyclomine HCl) injectable, 10 mg/mL.	AbbVie Inc., 1 N Waukegan Rd., North Chicago, IL 60064.
NDA 008943	Diamox (acetazolamide) tablets, 125 mg and 250 mg	Teva Branded Pharmaceutical Products R&D, Inc., 145 Brandywine Parkway, West Chester, PA 19380.
NDA 011600	Triamcinolone Acetonide (triamcinolone acetonide) ointment, 0.025% and 0.1%.	Extrovis AG c/o Masuu Global Solutions LLC, 2255 Glades Rd., Suite 324A, Boca Raton, FL 33431.
NDA 012250	Carbocaine (mepivacaine HCl) injectable, 1%, 1.5%, and 2%	Hospira, Inc., a Pfizer company, 275 North Field Dr., Lake Forest, IL 60045.
NDA 012623	Flagyl (metronidazole) tablets, 250 mg and 500 mg	Pfizer Inc., 66 Hudson Blvd. East, New York, NY 10001.
NDA 017498	Micronase (glyburide) tablets, 1.25 mg, 2.5 mg, and 5 mg	Do.
NDA 017630	Sodium Iodide I-123 (sodium iodide I-123) capsules, 100 microcurie (μCi), 200 μCi, and solution, 2 millicurie (mCi)/mL.	GE HealthCare, 3350 North Ridge Ave., Arlington Heights, IL 60004.
NDA 017741	Florone (diflorasone diacetate) cream, 0.05%	Pfizer Inc.
NDA 017802	Lo/Ovral-28 (ethinyl estradiol; norgestrel) tablets, 0.03 mg; 0.3 mg ...	Wyeth Pharmaceuticals LLC c/o Pfizer Inc., 66 Hudson Blvd. East, New York, NY 10001.
NDA 017948	Norminest Fe (tablets, ethinyl estradiol; norethindrone, 0.035 mg; 0.5 mg, and tablets, ferrous fumarate, 75 mg).	Pfizer Inc.
NDA 018647	Corzide (bendroflumethiazide; nadolol) tablets, 5 mg; 40 mg and 5 mg; 80 mg.	King Pharmaceuticals LLC, c/o Pfizer Inc., 66 Hudson Blvd. East, New York, NY 10001.
NDA 018799	Protopam (pralidoxime chloride) injectable, 300 mg/mL	Baxter Healthcare Corp., 25212 W Illinois Route 120, Round Lake, IL 60073.
NDA 018926	Norquest Fe (tablets, ethinyl estradiol; norethindrone, 0.035 mg; 1 mg, and tablets, ferrous fumarate, 75 mg).	Pfizer Inc.
NDA 018947	Sodium Lactate in Plastic Container (sodium lactate), injectable, 50 milliequivalents (mEq)/mL.	Hospira, Inc.
NDA 019190	Triphasil-28 (ethinyl estradiol; levonorgestrel) tablets, 0.03 mg; 0.05 mg, tablets, 0.04 mg; 0.075 mg, and tablets, 0.03 mg; 0.125 mg.	Wyeth Pharmaceuticals c/o Pfizer Inc.
NDA 019192	Triphasil-21 (ethinyl estradiol; levonorgestrel) tablets, 0.03 mg; 0.05 mg, tablets, 0.04 mg; 0.075 mg, and tablets, 0.03 mg; 0.125 mg.	Do.
NDA 019885	Accupril (quinapril HCl) tablets, equivalent to (EQ) 5 mg base, EQ 10 mg base, EQ 20 mg base, and EQ 40 mg base.	Pfizer Inc.
NDA 019941	Emla (lidocaine; prilocaine) cream, 2.5%; 2.5%	Teva Branded Pharmaceutical Products R&D Inc.
NDA 019966	Temovate (clobetasol propionate) solution, 0.05%	Fougera Pharmaceuticals Inc., c/o Sandoz (a subsidiary of Novartis), 100 College Rd., West, Princeton, NJ 08540.
NDA 020051	Glynase (glyburide) tablets, 1.5 mg, 3 mg, 4.5 mg, and 6 mg	Pfizer Inc.
NDA 020125	Accuretic (hydrochlorothiazide; quinapril HCl) tablets, 12.5 mg; EQ 10 mg base, 12.5 mg; EQ 20 mg base, and 25 mg; EQ 20 mg base.	Do.
NDA 020430	Orgaran (danaparoid sodium) injectable, 750 units/0.6 mL	Aspen Global Inc. c/o Lachman Consultant Services, Inc.
NDA 020682	Glyset (miglitol) tablets, 25 mg, 50 mg, and 100 mg	Pfizer Inc.
NDA 020859	Sonata (zaleplon) capsules, 5 mg and 10 mg	Do.
NDA 020862	Hectorol (doxercalciferol) capsules, 0.5 microgram (mcg), 1 mcg, and 2.5 mcg.	Genzyme Corp., a Sanofi company, 450 Water St., Cambridge, MA 02141.
NDA 020868	Flagyl ER (metronidazole) extended-release tablet, 750 mg	Pfizer Inc.
NDA 021350	Triglide (fenofibrate) tablets, 50 mg and 160 mg	Jagotec AG c/o. ICON, 731 Arbor Way, Suite 100, Blue Bell, PA 19422.
NDA 021520	Symbyax (fluoxetine HCl; olanzapine) capsules, EQ 25 mg base; EQ 3 mg base, EQ 25 mg base; EQ 6 mg base, EQ 25 mg base; EQ 12 mg base, EQ 50 mg base; EQ 6 mg base, and EQ 50 mg base; EQ 12 mg base.	Eli Lilly and Co., Lilly Corporate Center, Indianapolis, IN 46285.
NDA 021688	Sensipar (cinacalcet HCl) tablets, EQ 30 mg base, EQ 60 mg base, and EQ 90 mg base.	Amgen, Inc., 1 Amgen Center Dr., Thousand Oaks, CA 91320–1799.
NDA 022200	Bydureon (exenatide synthetic) extended-release injection for suspension, 2 mg/vial. Bydureon Pen (exenatide synthetic) extended-release injection for suspension, 2 mg.	AstraZeneca Pharmaceuticals LP, 1800 Concord Pike, Wilmington, DE 19803.
NDA 050168	Cortisporin (bacitracin zinc; hydrocortisone; neomycin sulfate; polymyxin B sulfate) ointment, 400 units/gram (g); 1%; EQ 3.5 mg base/g; 5,000 units/g.	Monarch Pharmaceuticals, LLC c/o Pfizer Inc., 66 Hudson Blvd. East, New York, NY 10001.
NDA 050218	Cortisporin (hydrocortisone acetate; neomycin sulfate; polymyxin B sulfate) cream, 0.5%; EQ 3.5 mg base/g; 10,000 units/g.	Do.
NDA 050420	Rifadin (rifampin) capsules, 150 mg and 300 mg	Sanofi-Aventis U.S. LLC, a Sanofi company, 55 Corporate Dr., Bridgewater, NJ 08807.
NDA 050479	Cortisporin (hydrocortisone; neomycin sulfate; polymyxin B sulfate) otic solution/drops, 1%; EQ 3.5 mg base/mL; 10,000 units/mL.	Monarch Pharmaceuticals, LLC c/o Pfizer Inc.

TABLE 1—NDAS FOR WHICH APPROVAL IS WITHDRAWN—Continued

Application No.	Drug	Applicant
NDA 050533	Vibra-Tabs (doxycycline hyclate) tablet, EQ 100 mg base	Pfizer Inc.
NDA 050661	Idamycin (idarubicin HCL) powder, 5 mg/vial, 10 mg/vial, and 20 mg/vial.	Pfizer Inc.
NDA 050705	Rifater (isoniazid; pyrazinamide; rifamin) tablets, 50 mg; 300 mg; 120 mg.	Sanofi-Aventis U.S. LLC, a Sanofi company, 100 Morris St., Morristown, NJ 07960.
NDA 201657	Paricalcitol (paricalcitol) solution, 0.002 mg/mL (0.002 mg/mL), 0.005 mg/mL (0.005 mg/mL), and 0.01 mg/2 mL (0.005 mg/mL).	Hospira, Inc.
NDA 204016	Zoledronic Acid (zoledronic acid) solution, EQ 4 mg base/100 mL (EQ 0.04 mg base/mL).	Do.
NDA 204300	Vazculep (phenylephrine HCL) solution, 10 mg/mL (10 mg/mL), 50 mg/5 mL (10 mg/mL), and 100 mg/10 mL (10 mg/mL).	Exela Pharma Sciences, LLC, P.O. Box 818, 1245 Blowing Rock Blvd., Lenoir, NC 28645.
NDA 207202	Abilify MyCite Kit (aripiprazole) tablets, 2 mg, 5 mg, 10 mg, 15 mg, 20 mg, and 30 mg.	Otsuka Pharmaceutical Co., Ltd., c/o Otsuka Pharmaceutical Development & Commercialization, Inc., 2440 Research Blvd., Rockville, MD 208500.
NDA 208614	Doxercalciferol (doxercalciferol) injectable, 4 mcg/2 mL (2 mcg/mL) and 10 mcg/5 mL (2 mcg/mL).	Hospira, Inc.
NDA 209210	Bydureon BCise (exenatide synthetic) extended-release injection suspension, 2 mg/0.85 mL.	AstraZeneca Pharmaceuticals LP.
NDA 209269	Minolira (minocycline HCl) extended-release tablets, EQ 105 mg base and EQ 135 mg base.	EPI Health, LLC, 174 Meeting St., Suite 200, Charleston, SC 29401.
NDA 209607	Azedra (lobenguane I-131) solution, 15 mCi/mL	Progenics Pharmaceuticals, Inc., a Lantheus company, 201 Burlington Rd., South Building, Bedford, MA 01730.

Therefore, approval of the applications listed in table 1, and all amendments and supplements thereto, is hereby withdrawn as of April 8, 2026. Approval of each entire application is withdrawn, including any strengths and dosage forms included in the application but inadvertently missing from table 1. Introduction or delivery for introduction into interstate commerce of products listed in table 1 without an approved NDA violates sections 505(a) and 301(d) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(a) and 331(d)). Drug products that are listed in table 1 that are in inventory on April 8, 2026 may continue to be dispensed until the inventories have been depleted or the drug products have reached their expiration dates or otherwise become violative, whichever occurs first.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026-04546 Filed 3-6-26; 8:45 am]

BILLING CODE 4164-01-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA-2026-N-1867]

Oncologic Drugs Advisory Committee; Notice of Meeting; Establishment of a Public Docket; Request for Comments—New Drug Application 220359, for Camizestrant Tablets; Supplemental New Drug Application (sNDA) 218197/S-004, for Truqap (Capivasertib) Tablets

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice; establishment of a public docket; request for comments.

SUMMARY: The Food and Drug Administration (FDA) announces a forthcoming public advisory committee meeting of the Oncologic Drugs Advisory Committee (the Committee). The general function of the Committee is to provide advice and recommendations to FDA on regulatory issues. The meeting will be open to the public. FDA is establishing a docket for public comment on this document.

DATES: The meeting will be held on April 30, 2026, from 8:00 a.m. to 5:00 p.m. Eastern Time.

ADDRESSES: FDA White Oak Campus, 10903 New Hampshire Ave., Bldg. 31 Conference Center, the Great Room (Rm. 1503), Silver Spring, MD 20993-0002. The public will also have the option to participate, and the advisory committee meeting will be heard, viewed, captioned, and recorded through an online teleconferencing and/or video conferencing platform.

Answers to commonly asked questions about FDA advisory committee meetings, including information regarding special accommodations due to a disability, visitor parking, and transportation may be accessed at: <https://www.fda.gov/AdvisoryCommittees/AboutAdvisoryCommittees/ucm408555.htm>.

FDA is establishing a docket for public comment on this meeting. The docket number is FDA-2026-N-1867. The docket will close on April 29, 2026. Please note that late, untimely filed comments will not be considered. The <https://www.regulations.gov> electronic filing system will accept comments until 11:59 p.m. Eastern Time at the end

of April 29, 2026. Comments received by mail/hand delivery/courier (for written/paper submissions) will be considered timely if they are received on or before that date.

Comments received on or before April 16, 2026, will be provided to the Committee. Comments received after that date will be taken into consideration by FDA. In the event that the meeting is cancelled, FDA will continue to evaluate any relevant applications or information, and consider any comments submitted to the docket, as appropriate.

You may submit comments as follows:

Electronic Submissions

Submit electronic comments in the following way:

- **Federal eRulemaking Portal:** <https://www.regulations.gov>. Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to <https://www.regulations.gov> will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else's Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on <https://www.regulations.gov>.

- If you want to submit a comment with confidential information that you do not wish to be made available to the

public, submit the comment as a written/paper submission and in the manner detailed (see “Written/Paper Submissions” and “Instructions”).

Written/Paper Submissions

Submit written/paper submissions as follows:

- *Mail/Hand Delivery/Courier (for written/paper submissions):* Dockets Management Staff (HFA-305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

- For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in “Instructions.”

Instructions: All submissions received must include the Docket No. FDA-2026-N-1867 for “Oncologic Drugs Advisory Committee; Notice of Meeting; Establishment of a Public Docket; Request for Comments.” Received comments, those filed in a timely manner (see **ADDRESSES**), will be placed in the docket and, except for those submitted as “Confidential Submissions,” publicly viewable at <https://www.regulations.gov> or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday, 240-402-7500.

- **Confidential Submissions**—To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states “THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION.” FDA will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on <https://www.regulations.gov>. Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify the information as “confidential.” Any information marked as “confidential” will not be disclosed except in accordance with 21 CFR 10.20 and other applicable disclosure law. For more information about FDA’s posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: <https://www.govinfo.gov/content/pkg/FR-2015-09-18/pdf/2015-23389.pdf>.

www.govinfo.gov/content/pkg/FR-2015-09-18/pdf/2015-23389.pdf.

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to <https://www.regulations.gov> and insert the docket number, found in brackets in the heading of this document, into the “Search” box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240-402-7500.

FOR FURTHER INFORMATION CONTACT:

Joyce Frimpong, Center for Drug Evaluation and Research, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 31, Rm. 2417, Silver Spring, MD 20993-0002, 301-796-7973, email: ODAC@fda.hhs.gov or FDA Advisory Committee Information Line, 1-800-741-8138 (301-443-0572 in the Washington, DC area). A notice in the **Federal Register** about last-minute modifications that impact a previously announced advisory committee meeting cannot always be published quickly enough to provide timely notice. Therefore, you should always check FDA’s website at <https://www.fda.gov/AdvisoryCommittees/default.htm> and scroll down to the appropriate advisory committee meeting link, or call the advisory committee information line to learn about possible modifications before the meeting.

SUPPLEMENTARY INFORMATION:

Agenda: The meeting presentations will be heard, viewed, captioned, and recorded through an online teleconferencing and/or video conferencing platform. On the morning of April 30, 2026, the Committee will discuss new drug application (NDA) 220359, for camizestrant tablets, submitted by AstraZeneca Pharmaceuticals LP. The proposed indication (use) is in combination with a CDK4/6 inhibitor (palbociclib, ribociclib or abemaciclib) for the treatment of adult patients with hormone receptor (HR)-positive, human epidermal growth factor receptor 2 (HER2)-negative, locally advanced or metastatic breast cancer upon emergence of ESR1 mutation during first-line endocrine-based therapy, based on an FDA approved test. On the afternoon of April 30, 2026, the Committee will discuss supplemental new drug application (sNDA) 218197/S-004, for Truqap (capivasertib) tablets, submitted by AstraZeneca Pharmaceuticals LP. The proposed indication (use) is in combination with abiraterone for the treatment of adult patients with metastatic hormone-sensitive prostate cancer (mHSPC) that

is PTEN-deficient as detected by an FDA-approved test.

FDA intends to make background materials available to the public no later than 2 business days before the meeting. If FDA is unable to post the background materials on its website prior to the meeting, the background materials will be made publicly available on FDA’s website at the time of the advisory committee meeting. Background materials and the link to the online teleconference and/or video conference meeting will be available at the location of the advisory committee meeting and at <https://www.fda.gov/AdvisoryCommittees/Calendar/default.htm>. Scroll down to the appropriate advisory committee meeting link. The online presentation of materials will include slide presentations with audio and video components to allow the presentation of materials in a manner that most closely resembles an in-person advisory committee meeting.

Procedure: Interested persons may present data, information, or views, orally or in writing, on issues pending before the Committee. All electronic and written submissions to the Docket (see **ADDRESSES**) on or before April 16, 2026, will be provided to the Committee. Oral presentations from the public will be scheduled between approximately 8:25 a.m. to 8:55 a.m. and 1:25 p.m. to 1:55 p.m. Eastern Time. Those individuals interested in making formal oral presentations should notify the contact person and submit a brief statement of the general nature of the evidence or arguments they wish to present, the names and addresses of proposed participants, whether they would like to present online or in-person, and an indication of the approximate time requested to make their presentation on or before April 8, 2026. Time allotted for each presentation may be limited. If the number of registrants requesting to speak is greater than can be reasonably accommodated during the scheduled open public hearing session, FDA may conduct a lottery to determine the speakers for the scheduled open public hearing session. Similarly, room for interested persons to participate in-person may be limited. If the number of registrants requesting to speak in-person during the open public hearing is greater than can be reasonably accommodated in the venue for the in-person portion of the advisory committee meeting, FDA may conduct a lottery to determine the speakers who will be invited to participate in-person. The contact person will notify interested persons regarding their request to speak by April 9, 2026.

Persons attending FDA's advisory committee meetings are advised that FDA is not responsible for providing access to electrical outlets.

For press inquiries, please contact the FDA Newsroom at <https://www.fda.gov/news-events/fda-newsroom>.

FDA welcomes the attendance of the public at its advisory committee meetings and will make every effort to accommodate persons with disabilities. If you require accommodations due to a disability, please contact Joyce Frimpong (see **FOR FURTHER INFORMATION CONTACT**) at least 7 days in advance of the meeting.

FDA is committed to the orderly conduct of its advisory committee meetings. Please visit our website at <https://www.fda.gov/AdvisoryCommittees/AboutAdvisoryCommittees/ucm111462.htm> for procedures on public conduct during advisory committee meetings.

Notice of this meeting is given under the Federal Advisory Committee Act (5 U.S.C. 1001 *et seq.*). This meeting notice also serves as notice that, pursuant to 21 CFR 10.19, the requirements in 21 CFR 14.22(b), (f), and (g) relating to the location of advisory committee meetings are hereby waived to allow for this meeting to take place using an online meeting platform in conjunction with the physical meeting room (see location). This waiver is in the interest of allowing greater transparency and opportunities for public participation, in addition to convenience for advisory committee members, speakers, and guest speakers. The conditions for issuance of a waiver under 21 CFR 10.19 are met.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026-04497 Filed 3-6-26; 8:45 am]

BILLING CODE 4164-01-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA-2025-D-1504]

Responding to FDA Form 483 Observations at the Conclusion of a Drug CGMP Inspection: Draft Guidance for Industry; Availability

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice of availability.

SUMMARY: The Food and Drug Administration (FDA, Agency, or we) is announcing the availability of a draft

guidance for industry entitled "Responding to FDA Form 483 Observations at the Conclusion of a Drug CGMP Inspection." This guidance is intended for foreign and domestic human and animal drug manufacturing establishments inspected by FDA whose drugs are regulated by the Center for Drug Evaluation and Research (CDER), the Center for Biologics Evaluation and Research (CBER), and the Center for Veterinary Medicine (CVM). The purpose of this guidance is to assist manufacturers who choose to respond to FDA when they receive an FDA Form 483 Inspectional Observations (FDA 483) at the conclusion of a drug inspection to assess conformity with current good manufacturing practice (CGMP) requirements.

DATES: Submit either electronic or written comments on the draft guidance by May 8, 2026 to ensure that the Agency considers your comment on this draft guidance before it begins work on the final version of the guidance.

ADDRESSES: You may submit comments on any guidance at any time as follows:

Electronic Submissions

Submit electronic comments in the following way:

- *Federal eRulemaking Portal:* <https://www.regulations.gov>. Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to <https://www.regulations.gov> will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else's Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on <https://www.regulations.gov>.

- If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see "Written/Paper Submissions" and "Instructions").

Written/Paper Submissions

Submit written/paper submissions as follows:

- *Mail/Hand Delivery/Courier (for written/paper submissions):* Dockets Management Staff (HFA-305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

- For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in "Instructions."

Instructions: All submissions received must include the Docket No. FDA-2025-D-1504 for "Responding to FDA Form 483 Observations at the Conclusion of a Drug CGMP Inspection." Received comments will be placed in the docket and, except for those submitted as "Confidential Submissions," publicly viewable at <https://www.regulations.gov> or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday, 240-402-7500.

- **Confidential Submissions**—To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states "THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION." The Agency will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on <https://www.regulations.gov>. Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as "confidential." Any information marked as "confidential" will not be disclosed except in accordance with 21 CFR 10.20 and other applicable disclosure law. For more information about FDA's posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: <https://www.govinfo.gov/content/pkg/FR-2015-09-18/pdf/2015-23389.pdf>.

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to <https://www.regulations.gov> and insert the docket number, found in brackets in the heading of this document, into the "Search" box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240-402-7500.

You may submit comments on any guidance at any time (see 21 CFR 10.115(g)(5)).

Submit written requests for single copies of the draft guidance to the Division of Drug Information, Center for Drug Evaluation and Research, Food and Drug Administration, 10001 New Hampshire Ave., Hillandale Building, 4th Floor, Silver Spring, MD 20993–0002; or the Office of Surveillance and Compliance, Center for Veterinary Medicine, Food and Drug Administration, 5001 Campus Dr., College Park, MD 20740. Send one self-addressed adhesive label to assist that office in processing your requests. See the **SUPPLEMENTARY INFORMATION** section for electronic access to the draft guidance document.

FOR FURTHER INFORMATION CONTACT: Tara Goen Bizjak, Center for Drug Evaluation and Research, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 51, Rm. 4330, Silver Spring, MD, 20993–0002, 301–796–3257; Phillip Kurs, Center for Biologics Evaluation and Research, Food and Drug Administration, 240–402–7911; John W. Diehl, Office of Inspections and Investigations, Food and Drug Administration, 1201 Main St., Ste. 7200, Dallas, TX 75202–3939, 214–253–5288, OIIPolicyStaffs@fda.hhs.gov; or Center for Veterinary Medicine, AskCVM@fda.hhs.gov.

SUPPLEMENTARY INFORMATION:

I. Background

FDA is announcing the availability of a draft guidance for industry entitled “Responding to FDA Form 483 Observations at the Conclusion of a Drug CGMP Inspection.” The guidance provides recommendations that manufacturing establishments should follow to prepare concise, factual, and effective corrective action responses to observations that FDA documents on an FDA 483 during an inspection. FDA has previously received inadequate responses to FDA 483 observations due to a lack or omission of relevant data, excessive amounts of data, and/or failure to address the root cause of observations in the FDA 483. Poor quality or incomplete responses make it difficult for FDA to ascertain what the establishment has corrected since the inspection and to evaluate remediation activities. This difficulty has ramifications for FDA’s ability to help firms achieve voluntary compliance, take appropriate enforcement action, and most importantly, minimize exposing patients and the public to risks.

Adherence to FDA’s CGMP requirements as set forth in 21 CFR parts 210, 211, and 212 for drug products is essential. FDA recommends a systematic approach to a risk-based analysis of a firm’s operation to resolve the deviations from CGMP requirements observed during FDA inspections. The procedures recommended in this draft guidance are intended to help firms understand the significance of the observations, identify root causes, determine risk to patients, and swiftly implement effective corrective actions. Section V of the draft guidance includes recommendations for resolving scientific or technical disagreements related to FDA 483 observations.

This draft guidance is being issued consistent with FDA’s good guidance practices regulation (21 CFR 10.115). The draft guidance, when finalized, will represent the current thinking of FDA on “Responding to FDA Form 483 Observations at the Conclusion of a Drug CGMP Inspection.” It does not establish any rights for any person and is not binding on FDA or the public. You can use an alternative approach if it satisfies the requirements of the applicable statutes and regulations.

As we develop final guidance on this topic, FDA will consider comments on costs or cost savings the guidance may generate, relevant for Executive Order 14192.

II. Paperwork Reduction Act of 1995

While this guidance contains no collection of information, it does refer to previously approved FDA collections of information. The previously approved collections of information are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501–3521). The collections of information in 21 CFR parts 210 and 211 (CGMPs) and 21 CFR part 212 (positron emission tomography CGMPs) have been approved under OMB control numbers 0910–0139 and 0910–0667, respectively. In addition, information collected by the Agency on a Form 483 is exempt from the PRA under 5 CFR 1320.3(h)(3) and 1320.4(a)(2); responses to a Form 483 from the subject of an ongoing inspection/investigation are exempt from the PRA under 44 U.S.C. 3518(c)(1)(B)(ii) and 5 CFR. 1320.4(a)(2).

III. Electronic Access

Persons with access to the internet may obtain the draft guidance at <https://www.fda.gov/drugs/guidance-compliance-regulatory-information/guidances-drugs>, <https://www.fda.gov/vaccines-blood-biologics/guidance-compliance-regulatory-information->

<https://www.fda.gov/biologics/biologics-guidances>, <https://www.fda.gov/AnimalVeterinary/GuidanceComplianceEnforcement/GuidanceforIndustry/default.htm>, or <https://www.regulations.gov>.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–04578 Filed 3–6–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

Agency Information Collection Activities: Submission to OMB for Review and Approval; Public Comment Request; HRSA Ryan White HIV/AIDS Program Part F National AIDS Education and Training Center Program Activities, OMB No. 0906–XXXX—New

AGENCY: Health Resources and Services Administration (HRSA), Department of Health and Human Services.

ACTION: Notice.

SUMMARY: In compliance with the Paperwork Reduction Act of 1995, HRSA submitted an Information Collection Request (ICR) to the Office of Management and Budget (OMB) for review and approval. Comments submitted during the first public review of this ICR will be provided to OMB. OMB will accept further comments from the public during the review and approval period. OMB may act on HRSA’s ICR only after the 30-day comment period for this notice has closed.

DATES: Comments on this ICR should be received no later than April 8, 2026.

ADDRESSES: Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. Find this information collection by selecting “Currently under Review—Open for Public Comments” or by using the search function.

FOR FURTHER INFORMATION CONTACT: To request a copy of the clearance requests submitted to OMB for review, email Samantha Miller, the HRSA Information Collection Clearance Officer, at paperwork@hrsa.gov or call (301) 443–3983.

SUPPLEMENTARY INFORMATION:

Information Collection Request Title: HRSA Ryan White HIV/AIDS Program Part F National AIDS Education and

Training Center Program Activities,
OMB No. 0906–XXXX New

Abstract: The Ryan White HIV/AIDS Program's (RWHAP) Part F AIDS Education and Training Center (AETC) Program, authorized under Title XXVI of the Public Health Service Act, supports a network of national and regional centers that conduct focused, multi-disciplinary education and training programs for health care providers. The RWHAP AETC Program provides health care providers with: (1) tailored education and training on HIV prevention, care, and treatment; (2) clinical consultation; and (3) technical assistance.

The national AETC Program currently has five distinct activities: (1) National AIDS Education and Training Center Support Center (NASC), (2) National Clinician Consultation Center (NCCC), (3) National HIV Curriculum (NHC) e-Learning Platform, (4) Integrating the National HIV Curriculum e-Learning Platform into Health Care Professions (NHC–IP) Programs, and (5) HIV Clinical Training Tracks for Primary Care Residents (HTR).

NASC supports workforce training and resource coordination for the AETC Program to enhance HIV care delivery. NCCC provides expert guidance to clinicians on HIV testing, prevention (e.g., pre- and post-exposure prophylaxis), HIV treatment, hepatitis coinfections, perinatal HIV care, and substance use management through a national toll-free call center staffed by HIV experts. NHC offers comprehensive e-learning modules and tools for HIV prevention, diagnosis, and care, while providing free continuing education credits and resources for healthcare providers. NHC–IP focuses on incorporating HIV training into graduate-level medical, nursing, and pharmacy curricula to prepare future healthcare professionals. The HTR initiative develops HIV-focused tracks within primary care residency programs.

The RWHAP National AETC Program recipients have extensive reach to the HIV workforce. For example, from 2023–2024, the NASC website had over 165,694 viewers; NASC also had 457 registrants for the RWHAP Clinical Conference; NCCC supported 9,407

health care provider consultation requests; NHC engaged 15,773 individuals through online curriculum and learning modules; and NHC–IP supported 4,932 students and 122 faculty. Data is not yet available for the HTR program. The RWHAP National AETC Program recipients are now required to report data on training activities and trainees to HRSA once a year; they were not required to report data to HRSA's HIV/AIDS Bureau previously.

HRSA is requesting the approval of new AETC data collection forms to obtain more accurate data relating to National AETC activities, participants, and site information for all National recipients (NASC, NCCC, NHC, NHC–IP, and HTR). In addition, these forms will capture National AETC involvement in the HIV care and treatment workforce (1-year post-participation in an HTR), knowledge gained through participating in an AETC activity, and satisfaction with that activity. Given the distinct functions of each Center, it is essential to develop tailored forms specific to each Center's respective activities and its participants. Each center will be required to submit no more than five forms (see table 1 below). Different forms are necessary to accommodate the distinct activities and focus areas of each center. To ensure accurate and comprehensive data collection, these forms must be customized to meet the specific needs of each national center. A brief description of each form follows.

- The National Individual Participant Record (National IND–PAR) is completed at least once every reporting period by participants actively engaging in NASC, NHC, and HTR AETC activities. This form includes NASC, NHC, and HTR AETC participant demographic, workplace, and client-served data for the respective recipient. The IND–PAR is broken up into sections (All and HTR) so that recipients can tailor the form to include the relevant questions (e.g., HTR would include questions from the All section as well as the HTR section).

- The NCCC IND–PAR is completed at least once every reporting period by NCCC callers. This form is shorter because it is only administered orally to those who call into NCCC.

- The Training Activity Record (National TAR) is completed at the end of each National AETC activity that takes place during the reporting period and is completed only by NASC, NHC, and NCCC national recipients. This form describes the activity in hours, modality, and topic(s).

- There are multiple Participant Post-Activity Surveys (PPA) to be answered by recipients and activity-specific participants. Specifically, the NASC–RWHAP–PPA is for participants of the RWHAP Clinical Conference to complete post-attendance; the HTR–SF–PPA is for students and faculty of HTR programs to complete post-participation in the HTR program; the NCCC–PPA will be administered via email and is for NCCC callers post call; the NHC–PPA is for registered learners of NHC after completing a self-study lesson or question bank topic from NHC; and the NHC–SF–PPA is for students and faculty of NHC–IPs to complete at the end of any course in which the NHC has been integrated. These forms collect information from participants immediately upon completion of an activity hosted by a national AETC.

- The NHC–IP Health Profession Program Characteristics/Outcomes Form (NHC–IP–HC) collects descriptive NHC Health Profession Program-level data for programs that integrate NHC into their curricula.

- The HTR Program Characteristics/Outcomes Form (HTR–PC) collects descriptive HTR-level data for all HTR programs, such as number of residents trained by profession/discipline during the reporting period.

- The HTR Long-Term form collects 1-year post-participation information only from HTR resident participants who engaged in an HTR program that trains primary care providers who are likely to practice in communities most impacted and at-risk for HIV.

- There are some forms that will be used to collect web-analytic information related to the NASC website (i.e., NASC Web Analytics Form, or NASC–Web), NHC website (i.e., NHC Training Utilization and Web Analytics Form, or NASC–TWeb), and related to consultation call topics discussed (i.e., NCCC Tele-Consultation Utilization Form).

TABLE 1—NATIONAL AETCS SUMMARY OF FORMS BY RECIPIENT

Form/tool name	NASC	NCCC	NHC	NHC–IP	HTR
National IND–PAR	X	.....	X	.....	X
NCCC IND–PAR .....	.....	X	.....	.....	.....
National TAR	X	X	X	.....	.....
NASC Web Analytics (NASC–Web)	X	.....	.....	.....	.....
NCCC Tele-consultation Utilization Form .....	.....	X	.....	.....	.....

TABLE 1—NATIONAL AETCS SUMMARY OF FORMS BY RECIPIENT—Continued

Form/tool name	NASC	NCCC	NHC	NHC-IP	HTR
NHC Training Utilization and Web Analytics (NHC-TWeb) .....	.....	.....	X	.....	.....
NHC-IP-HC .....	.....	.....	.....	X	.....
HTR-PC .....	.....	.....	.....	.....	X
HTR Long-Term .....	.....	.....	.....	.....	X
NASC-Web-PPA	X	.....	.....	.....	.....
NASC-RWHAP-PPA	X	.....	.....	.....	.....
NCCC PPA .....	.....	X	.....	.....	.....
NHC PPA .....	.....	.....	X	.....	.....
NHC-SF-PPA .....	.....	.....	.....	X	.....
HTR-SF-PPA .....	.....	.....	.....	.....	X
Total forms per National AETC Recipient	5	4	4	2	4

All forms for the national AETC package will be used by national center recipient; some forms may be used by multiple recipients.

A 60-day notice was published in the **Federal Register** on May 19, 2025, vol. 90, No. 95; pp. 21319–22. There were five public comments. The public comments provided feedback on the tools, including requests to clarify reporting periods and to revise questions; response options; and categories within specific data collection tools. Comments also recommended moving certain questions between tools to improve flow and accuracy, and one AETC provided input on instructions for collecting a unique identifier. In response, HRSA revised some of the information collection forms, when appropriate (e.g., moving questions from one form to the other, removing forms for some recipients because they were not applicable based on current data workflow between recipients).

Need and Proposed Use of the Information: HRSA uses the data collected when conducting RWHAP AETC programmatic assessments to determine future program needs and program progress towards its objectives. These data allow HRSA to identify where gaps exist in training HIV

professionals as well as to measure whether training activities are meeting the goals of the RWHAP statute.

Likely Respondents: RWHAP National AETC participants who attend activities hosted by NASC, NCCC, NHC, and HTR complete the Individual Participant Record at least once a reporting period (July 1–June 30). NASC and NCCC AETC recipients complete a Training Activity Record for each training activity they conduct during the reporting period. Participants who engage in recipient-specific activities will take the activity-specific Participant Post-Activity Survey (e.g., participants of the RWHAP Clinical Conference will take the NASC-RWHAP-PPA). Resident participants in the HTR program will complete the HTR Long-Term form 1-year post-participation in the program. Finally, the NHC-IP recipients will complete the NHC-IP Health Profession Program Characteristics/Outcomes form at least once per reporting period, and HTR recipients will complete the HTR Program Characteristics/Outcomes form at least once per reporting period.

Burden Statement: Burden in this context means the time expended by

persons to generate, maintain, retain, disclose, or provide the information requested. This includes the time needed to review instructions; to develop, acquire, install, and utilize technology and systems for the purpose of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; to train personnel and to be able to respond to a collection of information; to search data sources; to complete and review the collection of information; and to transmit or otherwise disclose the information. The total annual burden hours estimated for this ICR are summarized in the table below.

Due to the unique nature of the national AETCs, an additional column titled “Type of Respondent” was added to the table to indicate which national center respondent would be using the form in question. A form may be listed more than once because the form itself has recipient/respondent-specific sections. Providing this additional information allows the burden estimates to be more accurate to the respondent.

TABLE 2—TOTAL ESTIMATED ANNUALIZED BURDEN HOURS

Form/tool name	Type of respondent or recipient	Number of respondents/ rows	Number of responses per recipient	Total responses	Average burden per response (in hours)	Total burden hours
National-TAR	NASC	1	1	1	0.21	0.21
NASC-Web	NASC	1	1	1	2.00	2.00
National IND-PAR	NASC participants	60,000	1	60,000	0.27	16,200.00
NASC-Web-PPA	NASC participants	200	1	200	0.06	12.00
NASC-RWHAP-PPA	NASC attendants of RWHAP Clinical Conference.	400	1	400	0.06	24.00
Combined Data Set	NASC	1	1	1	64.00	64.00
NASC Subtotal .....	.....	60,603	.....	60,603	.....	16,302.21
National TAR	NCCC	50	1	50	0.21	10.50
NCCC Tele-Consultation Utilization Form.	NCCC	1	1	1	1.00	1.00
NCCC IND-PAR	NCCC Participants	10,000	1	10,000	0.15	1,500.00
NCCC-PPA	NCCC participant callers	10,000	1	10,000	0.06	600.00

TABLE 2—TOTAL ESTIMATED ANNUALIZED BURDEN HOURS—Continued

Form/tool name	Type of respondent or recipient	Number of respondents/ rows	Number of responses per recipient	Total responses	Average burden per response (in hours)	Total burden hours
Combined Data Set	NCCC	1	1	1	64.00	64.00
NCCC Subtotal .....	.....	20,052	.....	20,052	.....	2,175.50
NHC-TWeb	NHC	1	1	1	8.00	8.00
National TAR	NHC	1	1	1	0.21	0.21
National IND-PAR	NHC and NHC-IP participants.	16,000	1	16,000	0.27	4,320.00
NHC-PPA	NHC participants	16,000	35	560,000	0.06	33,600.00
Combined Data Set	NHC	1	1	1	64.00	64.00
NHC Subtotal .....	.....	32,003	.....	576,003	.....	37,992.21
NHC-IP-HC	NHC-IP	1	10	10	0.31	3.10
NHC-IP-SF-PPA	NHC-IP students and faculty.	25	10	250	0.06	15.00
Combined Data Set	NHC-IP	10	1	10	64.00	640.00
NHC-IP Subtotal .....	.....	36	.....	270	.....	658.10
HTR-PC	HTR	1	4	4	0.09	0.36
National IND-PAR	HTR residents	200	4	800	0.27	216.00
HTR-SF-PPA	HTR residents and faculty ..	200	4	800	0.06	48.00
Combined Data Set	HTR	4	1	4	64.00	256.00
HTR Subtotal .....	.....	405	.....	1,608	.....	520.36
Total .....	.....	113,099	.....	658,536	.....	57,648.38

Maria G. Button,

Director, Executive Secretariat.

[FR Doc. 2026-04535 Filed 3-6-26; 8:45 am]

BILLING CODE 4165-15-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Government-Owned Inventions; Availability for Licensing

AGENCY: National Institutes of Health, HHS.

ACTION: Notice.

SUMMARY: The National Institute of Allergy and Infectious Diseases (NIAID), an institute of the National Institutes of Health (NIH), Department of Health and Human Services (HHS), is giving notice of the invention listed below, which is owned by an agency of the U.S. Government and is available for licensing to achieve expeditious commercialization of results of federally funded research and development. Foreign patent applications are filed on selected inventions to extend market coverage for companies and may also be available for licensing.

FOR FURTHER INFORMATION CONTACT:

Inquiries related to this licensing opportunity should be directed to: Chris Kornak at 240-565-2632, or chris.kornak@nih.gov. Licensing

information may be obtained by communicating with the Technology Transfer and Intellectual Property Office, National Institute of Allergy and Infectious Diseases, 5601 Fishers Lane, Rockville, MD 20852; tel. 301-496-2644. A signed Confidential Disclosure Agreement will be required to receive copies of unpublished information related to the invention.

SUPPLEMENTARY INFORMATION:

Technology description follows:

Novel malaria vaccine candidates comprising engineered nanoparticles.

Description of Technology

Using proteins derived from the malaria *Plasmodium falciparum* parasite, NIAID has developed three different nanoparticle platforms to serve as scaffolds for displaying multiple copies of malaria antigens in an organized, repetitive manner to enhance vaccine effectiveness. The first platform uses the pyridoxal 5'-phosphate (PLP) synthase protein to form a nanoparticle displaying 48 copies of up to 4 different proteins. The second platform uses the chaperone 60 (Cpn60), which can display 28 copies of up to 2 different proteins. The third platform uses a caseinolytic protease (Clp) which can display 28 copies of up to two different proteins.

This technology is available for licensing for commercial development in accordance with 35 U.S.C. 209 and 37 CFR part 404, as well as for further

development and evaluation under a research collaboration.

Potential Commercial Applications:

- Malaria vaccinology.

Competitive Advantages:

- Pre-clinical data indicates that nanoparticles displaying the malaria circumsporozoite protein (CSP) confer 100% sterilizing immunity in mice.

Developmental Stage:

- Pre-Clinical.

Inventors: Dr. Niraj H. Tolia, Dr. Dashuang Shi, Mr. Vu Nguyen, and Dr. Thayne H. Dickey, all of NIAID.

Publications: Shi D, et al. A Plasmodium-derived nanoparticle vaccine elicits sterile protection against malaria in mice. *Nat Microbiol.* 2026;11(1):67-80. doi:10.1038/s41564-025-02209-y.

Intellectual Property: HHS Reference No. E-182-2024-0. U.S. Provisional Patent Application No. 63/695,288, filed on September 16, 2024, and PCT Patent Application No. PCT/US2025/046419, filed on September 15, 2025.

Licensing Contact: To license this technology, please contact Chris Kornak at 240-565-2632, or chris.kornak@nih.gov, and reference E-182-2024-0.

Collaborative Research Opportunity:

The National Institute of Allergy and Infectious Diseases is seeking statements of capability or interest from parties interested in collaborative research to further develop, evaluate, or commercialize this technology. For collaboration opportunities, please

contact Chris Kornak at 240-565-2632, or chris.kornak@nih.gov.

Dated: March 3, 2026.

Surekha Vathyam,

Director, Technology Transfer and Intellectual Property Office, National Institute of Allergy and Infectious Diseases.

[FR Doc. 2026-04532 Filed 3-6-26; 8:45 am]

BILLING CODE 4140-01-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Center for Scientific Review; Notice of Closed Meetings

Pursuant to section 1009 of the Federal Advisory Committee Act, as amended, notice is hereby given of the following meetings.

The meetings will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4) and 552b(c)(6), Title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: Center for Scientific Review Special Emphasis Panel; RFA Panel: Therapeutic approaches for central nervous system disorders.

Date: April 8, 2026.

Time: 9:00 a.m. to 5:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Sindhu Kizhakke Madathil, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 827-5702, sindhu.kizhakkemadathil@nih.gov.

Name of Committee: Molecular, Cellular and Developmental Neuroscience Integrated Review Group; Cellular and Molecular Biology of Glia Study Section.

Date: April 9-10, 2026.

Time: 9:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Sung-Wook Jang, Ph.D. Scientific Review Officer Center for Scientific Review National Institutes of Health 6701 Rockledge Drive, Room 812P Bethesda, MD 20892, (301) 435-1042 jangs2@csr.nih.gov.

Name of Committee: Social and Community Influences on Health Integrated Review Group; Psychosocial Development, Risk and Prevention Study Section.

Date: April 9, 2026.

Time: 9:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Anna L. Riley, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 3114, MSC 7759, Bethesda, MD 20892, 301-435-2889, rileyannc@csr.nih.gov.

Name of Committee: Aging and Neurodegeneration Integrated Review Group; Cognitive Disorders and Brain Aging Study Section.

Date: April 9-10, 2026.

Time: 9:00 a.m. to 5:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Simone Chebabo Weiner, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 1011K, Bethesda, MD 20892, (301) 435-1042, weinersc@csr.nih.gov.

Name of Committee: Center for Scientific Review Special Emphasis Panel; Fellowship Panel: Training and Career Development (K Awards).

Date: April 9-10, 2026.

Time: 9:30 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Steven G. Britt, MD Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 435-0000, steve.britt@nih.gov.

Name of Committee: Cell Biology Integrated Review Group; Maximizing Investigators' Research Award C Study Section.

Date: April 9-10, 2026.

Time: 10:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Ezgi Kunttas-Tatli, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 594-7047, ezgi.kunttas-tatli@nih.gov.

Name of Committee: Center for Scientific Review Special Emphasis Panel; PAR-23-124: Genomic Community Resources (U24).

Date: April 9, 2026.

Time: 10:00 a.m. to 2:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Maryam Rohani, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health 6701 Rockledge Drive, Bethesda, MD 20892, (301) 761-6656, maryam.rohani@nih.gov.

Name of Committee: Center for Scientific Review Special Emphasis Panel; Career Development Awards: Biobehavioral Processes.

Date: April 9-10, 2026.

Time: 10:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Rajasri Roy, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 496-6477, rajasri.roy@nih.gov.

Name of Committee: Center for Scientific Review Special Emphasis Panel; Special Topics in Instrumentation and Systems Development (ISD).

Date: April 10, 2026.

Time: 9:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Yoon-Young Jang, Ph.D., MD Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 201-9155, yoonyoung.jang@nih.gov.

Name of Committee: Center for Scientific Review Special Emphasis Panel; The Biology of Visual Science.

Date: April 10, 2026.

Time: 10:30 a.m. to 5:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Aiwu Cheng, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 594-4859 chengai@mail.nih.gov.

(Catalogue of Federal Domestic Assistance Program Nos. 93.306, Comparative Medicine; 93.333, Clinical Research, 93.306, 93.333, 93.337, 93.393-93.396, 93-837-93.844, 93.846-93.878, 93.892, 93.893, National Institutes of Health, HHS)

Dated: March 4, 2026.

Bruce A. George,

Program Analyst, Office of Federal Advisory
Committee Policy.

[FR Doc. 2026-04512 Filed 3-6-26; 8:45 am]

BILLING CODE 4140-01-P

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[FWS-R8-ES-2025-N032;
FXES11130800000-256-FF08E00000]

Endangered and Threatened Wildlife and Plants; Initiation of 5-Year Status Reviews for 56 Pacific Southwest Species

AGENCY: Fish and Wildlife Service,
Interior.

ACTION: Notice of initiation of reviews;
request for information.

SUMMARY: We, the U.S. Fish and
Wildlife Service, are initiating 5-year
status reviews under the Endangered
Species Act for 56 species. A 5-year
status review is based on the best
scientific and commercial data available
at the time of the review; therefore, we
are requesting submission of any new
information on these species that has
become available since the last reviews.

DATES: To ensure consideration of your
information in our reviews, we must
receive your comments or information
on or before May 8, 2026. However, we
will continue to accept new information
about any species at any time.

ADDRESSES: For instructions on how to
submit information for a species, see
table 1 in the **SUPPLEMENTARY
INFORMATION** section.

FOR FURTHER INFORMATION CONTACT: To
request information on specific species,

contact the appropriate person in the
table in the **SUPPLEMENTARY INFORMATION**
section or, for general information,
contact Bjorn Erickson, via phone at
(916) 414-6741, via email at peter_erickson@fws.gov, or via U.S. mail at
U.S. Fish and Wildlife Service, 2800
Cottage Way, Suite W-2606,
Sacramento, CA 95825. Individuals in
the United States who are deaf,
deafblind, hard of hearing, or have a
speech disability may dial 711 (TTY,
TDD, or TeleBraille) to access
telecommunications relay services.
Individuals outside the United States
should use the relay services offered
within their country to make
international calls to the point-of-
contact in the United States.

SUPPLEMENTARY INFORMATION: We, the
U.S. Fish and Wildlife Service, are
initiating 5-year status reviews under
the Endangered Species Act of 1973, as
amended (ESA; 16 U.S.C. 1531 *et seq.*),
for 22 animal species and 34 plant
species. A 5-year status review is based
on the best scientific and commercial
data available at the time of the review;
therefore, we are requesting submission
of any such information that has become
available since the last review for the
species, particularly information on the
status, threats, and recovery of the
species.

Why do we conduct a 5-year review?

Under the ESA, we maintain Lists of
Endangered and Threatened Wildlife
and Plants (which we collectively refer
to as the List) in title 50 of the Code of
Federal Regulations (CFR) at 50 CFR
17.11 (for wildlife) and 50 CFR 17.12
(for plants). Section 4(c)(2)(A) of the
ESA requires us to review each listed
species' status at least once every 5
years. Our regulation at 50 CFR 424.21

requires that we publish a notice in the
Federal Register announcing that a
species is under active review. For
additional information about 5-year
reviews, refer to our fact sheet at [https://
www.fws.gov/project/five-year-status-
reviews](https://www.fws.gov/project/five-year-status-reviews).

What information do we consider in our review?

A 5-year status review considers all
new information available at the time of
the review. In conducting these reviews,
we consider the best scientific and
commercial data that have become
available since the current listing
determination or most recent status
review of each species, such as:

A. Species biology, including but not
limited to population trends,
distribution, abundance, demographics,
and genetics;

B. Habitat conditions, including but
not limited to amount, distribution, and
suitability;

C. Conservation measures that have
been implemented that benefit the
species;

D. Threat status and trends in relation
to the five listing factors (as defined in
section 4(a)(1) of the ESA); and

E. Other new information, data, or
corrections, including but not limited to
taxonomic or nomenclatural changes,
identification of erroneous information
contained in the List, and improved
analytical methods.

Any new information will be
considered during the 5-year status
review and will also be useful in
evaluating the ongoing recovery
programs for the species.

Which species are under review?

This notice announces 5-year status
reviews for the species listed in table 1.

TABLE 1—SPECIES UNDER REVIEW

Common name	Scientific name	Listing status	Locations where the species is known to occur	Contact person, email, phone	Contact's mailing address (U.S. mail)
Animals					
Mammals					
Fox, Sierra Nevada red (Sierra Nevada DPS).	<i>Vulpes vulpes necator</i>	E	CA	Amber Aguilera, fw8sfwocomments@fws.gov , 916-414-6626.	USFWS, 2800 Cottage Way, Suite W-2605, Sacramento, CA 95825.
Mouse, salt marsh harvest	<i>Reithrodontomys raviventris</i>	E	CA	Erin Cole, erin_cole@fws.gov , 916-930-2653.	USFWS, 650 Capitol Mall, Suite 8-300, Sacramento, CA 95814.
Sheep, Peninsular bighorn	<i>Ovis canadensis nelsoni</i> ...	E	CA, Mexico	Bradd Bridges, bradd_bridges@fws.gov , 760-431-9440.	USFWS, 2177 Salk Avenue, Suite 250, Carlsbad, CA 92008.
Fishes					
Dace, Ash Meadows speckled	<i>Rhinichthys osculus nevadensis</i> .	E	NV	Kellie Berry, kellie_berry@fws.gov , 702-515-5459.	USFWS, 4701 North Torrey Pines Drive, Las Vegas, NV 89130.

TABLE 1—SPECIES UNDER REVIEW—Continued

Common name	Scientific name	Listing status	Locations where the species is known to occur	Contact person, email, phone	Contact's mailing address (U.S. mail)
Pupfish, Warm Springs	<i>Cyprinodon nevadensis mionectes</i> .	E	NV	Kellie Berry, kellie_berry@fws.gov , 702–515–5459.	USFWS, 4701 North Torrey Pines Drive, Las Vegas, NV 89130.
Spinedace, Big Spring	<i>Lepidomeda mollispinis pratensis</i> .	T	NV	Kellie Berry, kellie_berry@fws.gov , 702–515–5459.	USFWS, 4701 North Torrey Pines Drive, Las Vegas, NV 89130.
Spinedace, White River	<i>Lepidomeda albivallis</i>	E	NV	Kellie Berry, kellie_berry@fws.gov , 702–515–5459.	USFWS, 4701 North Torrey Pines Drive, Las Vegas, NV 89130.
Springfish, Railroad Valley	<i>Crenichthys nevadae</i>	T	NV	Anne Mankowski, RFWOMail@fws.gov , 775–861–6300.	USFWS, 1340 Financial Boulevard, Suite 234, Reno, NV 89502.
Stickleback, unarmored threespine	<i>Gasterosteus aculeatus williamsoni</i> .	E	CA	Samantha Lantz, samantha_lantz@fws.gov , 805–677–3314.	USFWS, 2493 Portola Road, Suite B, Ventura, CA 93003.
Amphibians					
Salamander, California tiger (Sonoma County DPS).	<i>Ambystoma californiense</i> ..	E	CA	Amber Aguilera, fw8sfwocomments@fws.gov ; 916–414–6626.	USFWS, 2800 Cottage Way, Suite W–2605, Sacramento, CA 95825.
Insects					
Butterfly, San Bruno elfin	<i>Callophrys mossii bayensis</i>	E	CA	Amber Aguilera, fw8sfwocomments@fws.gov ; 916–414–6626.	USFWS, 2800 Cottage Way, Suite W–2605, Sacramento, CA 95825.
Beetle, valley elderberry longhorn	<i>Desmocerus californicus dimorphus</i> .	T	CA	Amber Aguilera, fw8sfwocomments@fws.gov ; 916–414–6626.	USFWS, 2800 Cottage Way, Suite W–2605, Sacramento, CA 95825.
Beetle, delta green ground	<i>Elaphrus viridis</i>	T	CA	Amber Aguilera, fw8sfwocomments@fws.gov ; 916–414–6626.	USFWS, 2800 Cottage Way, Suite W–2605, Sacramento, CA 95825.
Butterfly, bay checkerspot	<i>Euphydryas editha bayensis</i> .	T	CA	Amber Aguilera, fw8sfwocomments@fws.gov ; 916–414–6626.	USFWS, 2800 Cottage Way, Suite W–2605, Sacramento, CA 95825.
Butterfly, El Segundo blue	<i>Euphilotes battoides allyni</i>	E	CA	Bradd Bridges, bradd_bridges@fws.gov , 760–431–9440.	USFWS, 2177 Salk Avenue, Suite 250, Carlsbad, CA 92008.
Butterfly, Smith's blue	<i>Euphilotes enoptes smithi</i>	E	CA	Samantha Lantz, samantha_lantz@fws.gov , 805–677–3314.	USFWS, 2493 Portola Road, Suite B, Ventura, CA 93003.
Butterfly, Palos Verdes blue	<i>Glaucopsyche lygdamus palosverdesensis</i> .	E	CA	Bradd Bridges, bradd_bridges@fws.gov , 760–431–9440.	USFWS, 2177 Salk Avenue, Suite 250, Carlsbad, CA 92008.
Butterfly, mission blue	<i>Icaricia icarioides missionensis</i> .	E	CA	Amber Aguilera, fw8sfwocomments@fws.gov ; 916–414–6626.	USFWS, 2800 Cottage Way, Suite W–2605, Sacramento, CA 95825.
Beetle, Mount Hermon June	<i>Polyphylla barbata</i>	E	CA	Samantha Lantz, samantha_lantz@fws.gov , 805–677–3314.	USFWS, 2493 Portola Road, Suite B, Ventura, CA 93003.
Fly, Delhi Sands flower-loving	<i>Rhaphiomidas terminatus abdominalis</i> .	E	CA	Bradd Bridges, bradd_bridges@fws.gov , 760–431–9440.	USFWS, 2177 Salk Avenue, Suite 250, Carlsbad, CA 92008.
Butterfly, Myrtle's silverspot	<i>Speyeria zerene myrtleae</i>	E	CA	Amber Aguilera, fw8sfwocomments@fws.gov ; 916–414–6626.	USFWS, 2800 Cottage Way, Suite W–2605, Sacramento, CA 95825.
Grasshopper, Zayante band-winged	<i>Trimerotropis infantilis</i>	E	CA	Samantha Lantz, samantha_lantz@fws.gov , 805–677–3314.	USFWS, 2493 Portola Road, Suite B, Ventura, CA 93003.
PLANTS					
Thornmint, San Mateo	<i>Acanthomintha obovata ssp. duttonii</i> .	E	CA	Amber Aguilera, fw8sfwocomments@fws.gov ; 916–414–6626.	USFWS, 2800 Cottage Way, Suite W–2605, Sacramento, CA 95825.
Ambrosia, San Diego	<i>Ambrosia pumila</i>	E	CA	Bradd Bridges, bradd_bridges@fws.gov , 760–431–9440.	USFWS, 2177 Salk Avenue, Suite 250, Carlsbad, CA 92008.
Fiddleneck, large-flowered	<i>Amsinckia grandiflora</i>	E	CA	Amber Aguilera, fw8sfwocomments@fws.gov ; 916–414–6626.	USFWS, 2800 Cottage Way, Suite W–2605, Sacramento, CA 95825.
Sandwort, Bear Valley	<i>Arenaria ursina</i>	T	CA	Bradd Bridges, bradd_bridges@fws.gov , 760–431–9440.	USFWS, 2177 Salk Avenue, Suite 250, Carlsbad, CA 92008.
Milk-vetch, Ventura Marsh	<i>Astragalus pycnostachyus</i> var. <i>lanosissimus</i> .	E	CA	Samantha Lantz, samantha_lantz@fws.gov , 805–677–3314.	USFWS, 2493 Portola Road, Suite B, Ventura, CA 93003.

TABLE 1—SPECIES UNDER REVIEW—Continued

Common name	Scientific name	Listing status	Locations where the species is known to occur	Contact person, email, phone	Contact's mailing address (U.S. mail)
Crownscale, San Jacinto Valley	<i>Atriplex coronata</i> var. <i>notator</i> .	E	CA	Bradd Bridges, <i>bradd_bridges@fws.gov</i> , 760–431–9440.	USFWS, 2177 Salk Avenue, Suite 250, Carlsbad, CA 92008.
Baccharis, Encinitas	<i>Baccharis vanessae</i>	T	CA	Bradd Bridges, <i>bradd_bridges@fws.gov</i> , 760–431–9440.	USFWS, 2177 Salk Avenue, Suite 250, Carlsbad, CA 92008.
Barberry, Nevin's	<i>Berberis nevinii</i>	E	CA	Bradd Bridges, <i>bradd_bridges@fws.gov</i> , 760–431–9440.	USFWS, 2177 Salk Avenue, Suite 250, Carlsbad, CA 92008.
Barberry, island	<i>Berberis pinnata</i> ssp. <i>insularis</i> .	E	CA	Samantha Lantz, <i>samantha_lantz@fws.gov</i> , 805–677–3314.	USFWS, 2493 Portola Road, Suite B, Ventura, CA 93003.
Mariposa lily, Tiburon	<i>Calochortus tiburonensis</i> ..	T	CA	Amber Aguilera, <i>fw8sfwocomments@fws.gov</i> , 916–414–6626.	USFWS, 2800 Cottage Way, Suite W–2605, Sacramento, CA 95825.
Paintbrush, Tiburon	<i>Caulanthus californicus</i>	E	CA	Amber Aguilera, <i>fw8sfwocomments@fws.gov</i> , 916–414–6626.	USFWS, 2800 Cottage Way, Suite W–2605, Sacramento, CA 95825.
Mountain-mahogany, Catalina Island	<i>Cercocarpus traskiae</i>	E	CA	Bradd Bridges, <i>bradd_bridges@fws.gov</i> , 760–431–9440.	USFWS, 2177 Salk Avenue, Suite 250, Carlsbad, CA 92008.
Amole, purple	<i>Chlorogalum purpureum</i> ...	T	CA	Samantha Lantz, <i>samantha_lantz@fws.gov</i> , 805–677–3314.	USFWS, 2493 Portola Road, Suite B, Ventura, CA 93003.
Spineflower, Orcutt's	<i>Chorizanthe orcuttiana</i>	E	CA	Bradd Bridges, <i>bradd_bridges@fws.gov</i> , 760–431–9440.	USFWS, 2177 Salk Avenue, Suite 250, Carlsbad, CA 92008.
Thistle, fountain	<i>Cirsium fontinale</i> var. <i>fontinale</i> .	E	CA	Amber Aguilera, <i>fw8sfwocomments@fws.gov</i> , 916–414–6626.	USFWS, 2800 Cottage Way, Suite W–2605, Sacramento, CA 95825.
Thistle, Suisun	<i>Cirsium hydrophilum</i> var. <i>hydrophilum</i> .	E	CA	Erin Cole, <i>erin_cole@fws.gov</i> , 916–930–2653.	USFWS, 650 Capitol Mall, Suite 8–300, Sacramento, CA 95814.
Cypress, Santa Cruz	<i>Hesperocyparis abramsiana</i> .	T	CA	Samantha Lantz, <i>samantha_lantz@fws.gov</i> , 805–677–3314.	USFWS, 2493 Portola Road, Suite B, Ventura, CA 93003.
Cypress, Gowen	<i>Hesperocyparis goveniana</i> (= <i>Cupressus goveniana</i> ssp. <i>goviana</i>).	T	CA	Samantha Lantz, <i>samantha_lantz@fws.gov</i> , 805–677–3314.	USFWS, 2493 Portola Road, Suite B, Ventura, CA 93003.
Monkeyflower, Vandenberg	<i>Diplacus vandenbergensis</i>	E	CA	Samantha Lantz, <i>samantha_lantz@fws.gov</i> , 805–677–3314.	USFWS, 2493 Portola Road, Suite B, Ventura, CA 93003.
Dudleya, Santa Clara Valley	<i>Dudleya setchellii</i>	E	CA	Amber Aguilera, <i>fw8sfwocomments@fws.gov</i> , 916–414–6626.	USFWS, 2800 Cottage Way, Suite W–2605, Sacramento, CA 95825.
Liveforever, Laguna Beach	<i>Dudleya stolonifera</i>	T	CA	Bradd Bridges, <i>bradd_bridges@fws.gov</i> , 760–431–9440.	USFWS, 2177 Salk Avenue, Suite 250, Carlsbad, CA 92008.
Yerba santa, Lompoc	<i>Eriodictyon capitatum</i>	E	CA	Samantha Lantz, <i>samantha_lantz@fws.gov</i> , 805–677–3314.	USFWS, 2493 Portola Road, Suite B, Ventura, CA 93003.
Sunflower, San Mateo woolly	<i>Eriophyllum latilobum</i>	E	CA	Amber Aguilera, <i>fw8sfwocomments@fws.gov</i> , 916–414–6626.	USFWS, 2800 Cottage Way, Suite W–2605, Sacramento, CA 95825.
Wallflower, Contra Costa	<i>Erysimum capitatum</i> var. <i>angustatum</i> .	E	CA	Erin Cole, <i>erin_cole@fws.gov</i> , 916–930–2653.	USFWS, 650 Capitol Mall, Suite 8–300, Sacramento, CA 95814.
Gilia, Hoffmann's slender-flowered	<i>Gilia tenuiflora</i> ssp. <i>hoffmannii</i> .	E	CA	Samantha Lantz, <i>samantha_lantz@fws.gov</i> , 805–677–3314.	USFWS, 2493 Portola Road, Suite B, Ventura, CA 93003.
Dwarf-flax, Marin	<i>Hesperolinon congestum</i> ..	T	CA	Amber Aguilera, <i>fw8sfwocomments@fws.gov</i> , 916–414–6626.	USFWS, 2800 Cottage Way, Suite W–2605, Sacramento, CA 95825.
Niterwort, Amargosa	<i>Nitrophila mohavensis</i>	E	CA	Kellie Berry, <i>kellie_berry@fws.gov</i> , 702–515–5459.	USFWS, 4701 North Torrey Pines Drive, Las Vegas, NV 89130.
Pentachaeta, white-rayed	<i>Pentachaeta bellidiflora</i>	E	CA	Amber Aguilera, <i>fw8sfwocomments@fws.gov</i> , 916–414–6626.	USFWS, 2800 Cottage Way, Suite W–2605, Sacramento, CA 95825.
Piperia, Yadon's	<i>Piperia yadonii</i>	E	CA	Samantha Lantz, <i>samantha_lantz@fws.gov</i> , 805–677–3314.	USFWS, 2493 Portola Road, Suite B, Ventura, CA 93003.
Checker-mallow, pedate	<i>Sidalcea pedata</i>	E	CA	Bradd Bridges, <i>bradd_bridges@fws.gov</i> , 760–431–9440.	USFWS, 2177 Salk Avenue, Suite 250, Carlsbad, CA 92008.
Jewelflower, Tiburon	<i>Streptanthus niger</i>	E	CA	Amber Aguilera, <i>fw8sfwocomments@fws.gov</i> , 916–414–6626.	USFWS, 2800 Cottage Way, Suite W–2605, Sacramento, CA 95825.

TABLE 1—SPECIES UNDER REVIEW—Continued

Common name	Scientific name	Listing status	Locations where the species is known to occur	Contact person, email, phone	Contact's mailing address (U.S. mail)
Taraxacum, California	<i>Taraxacum californicum</i>	E	CA	Bradd Bridges, <i>bradd_bridges@fws.gov</i> , 760–431–9440.	USFWS, 2177 Salk Avenue, Suite 250, Carlsbad, CA 92008.
Mustard, slender-petaled	<i>Thelypodium stenopetalum</i>	E	CA	Bradd Bridges, <i>bradd_bridges@fws.gov</i> , 760–431–9440.	USFWS, 2177 Salk Avenue, Suite 250, Carlsbad, CA 92008.
Fringepod, Santa Cruz Island	<i>Thysanocarpus conchuliferus</i> .	E	CA	Samantha Lantz, <i>samantha_lantz@fws.gov</i> , 805–677–3314.	USFWS, 2493 Portola Road, Suite B, Ventura CA 93003.

Request for New Information

To ensure that a 5-year status review is complete and based on the best available scientific and commercial information, we request new information from all sources. See What Information Do We Consider in Our Review? for specific criteria. If you submit information, please support it with documentation such as maps, references, methods used to gather and analyze the data, and/or copies of any pertinent publications, reports, or letters by knowledgeable sources.

How do I ask questions or provide information?

If you wish to provide information for any species in table 1, please submit your comments and materials to the appropriate contact in the table. You may also direct questions to those contacts (also see **FOR FURTHER INFORMATION CONTACT**).

Public Availability of Comments

Before including your address, phone number, email address, or other personal identifying information in your submission, you should be aware that your entire submission—including your personal identifying information—may be made publicly available at any time. Although you can request that personal information be withheld from public review, we cannot guarantee that we will be able to do so.

Completed and Active Reviews

A list of all completed and currently active 5-year status reviews can be found at <https://ecos.fws.gov/ecp/report/species-five-year-review>.

Authority

This document is published under the authority of the Endangered Species Act of 1973, as amended (16 U.S.C. 1531 *et seq.*).

Paul Souza,

Regional Director, Pacific Southwest Region,
U.S. Fish and Wildlife Service.

[FR Doc. 2026–04536 Filed 3–6–26; 8:45 am]

BILLING CODE 4333–15–P

DEPARTMENT OF THE INTERIOR

Geological Survey

[Docket No. USGS–2026–0100;
GX25GG009950000]

Notice of Public Meeting of Scientific Earthquake Studies Advisory Committee

AGENCY: U.S. Geological Survey, Interior.

ACTION: Notice of teleconference meeting.

SUMMARY: In accordance with the Federal Advisory Committee Act of 1972, the U.S. Geological Survey (USGS) is hereby giving notice that the Scientific Earthquake Studies Advisory Committee (SESAC) will meet as noted below.

DATES: The teleconference meetings will be held on Wednesday, March 18, 2025, from 11 a.m. to 5 p.m. Eastern Daylight Time (EDT); and on Thursday, March 19, 2025, from 11 a.m. to 5 p.m. EDT.

FOR FURTHER INFORMATION CONTACT: Dr. Gavin Hayes, USGS, by email at *ghayes@usgs.gov* or by telephone at 303–374–4449. Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States.

SUPPLEMENTARY INFORMATION: The teleconference meeting will be open to the public. The SESAC will review the current activities of the USGS Earthquake Hazards Program (EHP) and discuss future priorities. Agenda topics will include an EHP update, administration priorities and interactions, budget opportunities, the balance of activities supported by the EHP, external grants, the National Earthquake Hazards Reduction Program, the National Seismic Hazards Model,

the Advanced National Seismic System, ShakeAlert, reports from SESAC subcommittees, the annual SESAC report to the USGS Director, and EHP responses to committee recommendations.

Meeting Accessibility/Special Accommodations: Please make requests in advance for sign language interpreter services, assistive listening devices, or other reasonable accommodations. We ask that you contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section of this notice at least seven (7) business days prior to the meeting to give the Department of the Interior sufficient time to process your request. All reasonable accommodation requests are managed on a case-by-case basis.

Members of the public wishing to participate in the teleconference meeting should contact Dr. Gavin Hayes by email at *ghayes@usgs.gov* at least three (3) business days prior to the meeting. Teleconference meeting call-in information and any updates to the agenda will be provided via email to registered participants.

Time will be allowed at the public meeting for any individual or organization wishing to make formal oral comments. Depending on the number of people who wish to speak and the time available, the time for individual comments may be limited.

Written comments for the SESAC may be sent electronically in advance of the scheduled meeting to Dr. Gavin Hayes by email at *ghayes@usgs.gov* at least three (3) business days prior to the meeting. Any written comments received will be provided to the SESAC members.

Public Disclosure of Comments:

Before including your address, phone number, email address, or other personally identifiable information (PII) in your comment, you should be aware that your entire comment—including your PII—may be made publicly available at any time. While you may ask us in your comment to withhold your PII from public review, we cannot guarantee that we will be able to do so.

Detailed minutes of the meeting will be available for public inspection within 90 days of the meeting.

(Authority: 5 U.S.C. Ch. 10)

Marie Peppler,

*Acting Deputy Associate Director, Bureau
Emergency Management Coordinator, Natural
Hazards Mission Area, U.S. Geological
Survey.*

[FR Doc. 2026-04501 Filed 3-6-26; 8:45 am]

BILLING CODE 4338-11-P

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

[267A2100DD/AAKC001030/
A0A501010.000000]

Notice of Deadline for Submitting Completed Requests To Begin Participation in the Tribal Self- Governance Program in Fiscal Year 2027 or Calendar Year 2027

AGENCY: Bureau of Indian Affairs,
Interior.

ACTION: Notice of deadline for request to
participate.

SUMMARY: In this notice, the Office of
Self-Governance (OSG) establishes
deadlines for Indian Tribes/Consortia to
submit completed requests to begin
participation in the Tribal self-
governance program in fiscal year 2027
or calendar year 2027.

DATES: Completed fiscal year requests to
participation must be received by April
4, 2026, and completed calendar year
applications must be received by July 5,
2026. For a Tribe not presently
participating in self-governance to be
selected, the Tribe/Consortium may
submit a request to the Director at any
time, but no later than 180 days before
the proposed effective date of the
funding agreement (*e.g.*, October 1,
January 1, or such other date as the
parties agree).

ADDRESSES: Requests from a Tribe/
Consortium for participation in self-
governance should be sent to Jason
Bruno, Director, Office of Self-
Governance, Department of the Interior,
Mail Stop 4146-MIB, 1849 C Street NW,
Washington, DC 20240.

FOR FURTHER INFORMATION CONTACT:
Vickie Hanvey, Office of Self
Governance, Vickie.Hanvey@bia.gov;
(918) 931-0745. 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.

SUPPLEMENTARY INFORMATION: Under the
Tribal Self-Governance Act of 1994

(Pub. L. 103-413), as amended by the
Practical Reforms and Other Goals to
Reinforce the Effectiveness of Self-
Governance and Self-Determination Act
(PROGRESS Act) and 25 U.S.C. 5362(c)
of the PROGRESS Act, the Secretary,
acting through the Director of the Office
of Self-Governance, may select not more
than 50 new Indian Tribes per year from
those eligible tribes. The requests for
participation deadline listed in the
DATES section is predicated upon
providing the parties enough time to
complete funding agreement
negotiations in advance of the FY or CY
start date of the 2027 funding
agreement. The PROGRESS Act
mandates that copies of the funding
agreements be sent at least 90 days
before the proposed effective date to
each Tribe that is served by the Bureau
of Indian Affairs' agency that is serving
the Tribe that is a party to the funding
agreement. Initial negotiations with a
Tribe/Consortium located in a region
and/or agency which has not previously
been involved with self-governance
negotiations will take approximately 2
months from start to finish. Agreements
for an October 1 to September 30
funding year need to be signed and
submitted by July 3. Agreements for a
January 1 to December 31 need to be
signed and submitted by October 3.

Purpose of Notice

To be eligible to participate in self-
governance under 25 U.S.C. 5362(c), an
Indian Tribe shall:

(1) successfully complete the
planning phase described in subsection
(d);

(2) request participation in self-
governance by resolution or other
official action by the Tribal governing
body; and

(3) demonstrate for the 3 fiscal years
preceding the date on which the Tribe
requests participation, fiscal stability
and financial management capability as
evidenced by the Indian Tribe having no
uncorrected significant and internal
audit exceptions in the required annual
audit of its self-determination or self-
governance agreements with any
Federal agency.

An Indian Tribe seeking to begin
participation in self-governance shall
complete the planning phase. The
planning phase shall:

(A) be conducted to the satisfaction of
the Indian Tribe; and

(B) include:

(i) legal and budgetary research; and

(ii) internal Tribal governing
planning, training, and organizational
preparation.

The regulations at 25 CFR 1000.115 to
1000.200 will be used to govern the

request and selection process for Tribes/
Consortia to begin their participation in
the Tribal self-governance program in
fiscal year 2027 and calendar year 2027.
Tribes/Consortia submitting requests to
participate should be guided by the
referenced requirements when
preparing their requests to begin
participation in the Tribal self-
governance program. Copies of these
requirements may be obtained from the
information contact person identified in
this notice.

Tribes/Consortia wishing to be
considered for participation in the
Tribal self-governance program in fiscal
year 2027 or calendar year 2027 must
respond to this notice, except for those
tribes/consortia which are: (1) currently
involved in negotiations with the
Department; or (2) one of the 145 Tribal
entities with signed self-governance
agreements.

Information Collection

This information collection is
authorized by OMB Control Number
1076-0143, Tribal Self-Governance
Program, which expires December 31,
2028.

William Henry Kirkland III,

Assistant Secretary—Indian Affairs.

[FR Doc. 2026-04582 Filed 3-6-26; 8:45 am]

BILLING CODE 4337-15-P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[A2407-014-004-065516; #O2509-014-004-
125222; LLNM922000]

Notice of Proposed Reinstatement of BLM New Mexico Terminated Oil and Gas Lease: NMNM139349

AGENCY: Bureau of Land Management,
Interior.

ACTION: Notice of oil and gas lease
reinstatement.

SUMMARY: In accordance with the
Mineral Leasing Act of 1920, as
amended, the Bureau of Land
Management (BLM) received a petition
for reinstatement of terminated
competitive oil and gas lease
NMNM139349 from Earthstone Permian
LLC. The lessee timely filed a petition
for reinstatement of the competitive oil
and gas lease located in Eddy County,
New Mexico. The lessee paid the
required rental accruing from the date of
termination. No leases have been issued
that affect these lands. The BLM
proposes to reinstate the lease.

FOR FURTHER INFORMATION CONTACT: Ross
Klein, Natural Resource Specialist,

Branch of Fluid Minerals, Bureau of Land Management New Mexico State Office, 301 Dinosaur Trail, Santa Fe, New Mexico 87508, (505) 954-2143, rklein@blm.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 lessee agrees to new lease terms for rental of \$20 per acre, or fraction thereof, per year, and a royalty rate of 20 percent. The lessee agreed to amended lease notices. The lessee paid the required administration fee and has reimbursed the BLM for the cost of publishing this notice.

The lessee meets the requirements for reinstatement of the lease per Sec. 31(d) and (e) of the Mineral Leasing Act of 1920 (30 U.S.C. 188). The BLM is proposing to reinstate lease NMNM139349, effective November 1, 2022, for the remainder of the primary term, subject to: the original terms and conditions of the lease; amended lease notices; increased rental of \$20 per acre; and increased royalty of 20 percent.

Authority: 30 U.S.C. 188 (e)(4) and 43 CFR 3108.23.

Michael J. Gibson,

Deputy State Director, Minerals.

[FR Doc. 2026-04538 Filed 3-6-26; 8:45 am]

BILLING CODE 4331-23-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337-TA-1490]

Certain Off-Road Vehicles and Components Thereof; Notice of Institution of Investigation

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that a complaint was filed with the U.S. International Trade Commission on February 2, 2026, under section 337 of the Tariff Act of 1930, as amended, on behalf of Polaris Inc., Polaris Industries Inc., and Polaris Sales Inc., each of Medina, Minnesota. A letter supplementing the complaint was filed on February 11, 2026. The complaint, as supplemented, alleges violations of section 337 based upon the importation into the United States, the sale for

importation, and the sale within the United States after importation of certain off-road vehicles and components thereof by reason of the infringement of certain claims of U.S. Patent No. 7,819,220 (“the ‘220 patent”); U.S. Patent No. 7,950,486 (“the ‘486 patent”); U.S. Patent No. 8,613,337 (“the ‘337 patent”); U.S. Patent No. 9,217,501 (“the ‘501 patent”); and U.S. Patent No. 12,187,127 (“the ‘127 patent”). The complaint, as supplemented, further alleges that an industry in the United States exists as required by the applicable Federal Statute. The complainants request that the Commission institute an investigation and, after the investigation, issue a limited exclusion order and cease and desist orders.

ADDRESSES: The complaint, as supplemented, except for any confidential information contained therein, may be viewed on the Commission’s electronic docket (EDIS) at <https://edis.usitc.gov>. For help accessing EDIS, please email EDIS3Help@usitc.gov. Hearing impaired individuals are advised that information on this matter can be obtained by contacting the Commission’s TDD terminal on (202) 205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at (202) 205-2000. General information concerning the Commission may also be obtained by accessing its internet server at <https://www.usitc.gov>.

FOR FURTHER INFORMATION CONTACT: Susan Orndoff, The Office of the Secretary, Docket Services Division, U.S. International Trade Commission, telephone (202) 205-1802.

SUPPLEMENTARY INFORMATION:

Authority: The authority for institution of this investigation is contained in section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337, and in section 210.10 of the Commission’s Rules of Practice and Procedure, 19 CFR 210.10 (2025).

Scope of Investigation: Having considered the complaint, the U.S. International Trade Commission, on March 4, 2026, *ordered that—*

(1) Pursuant to subsection (b) of section 337 of the Tariff Act of 1930, as amended, an investigation be instituted to determine whether there is a violation of subsection (a)(1)(B) of section 337 in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain products identified in paragraph (2) by reason of infringement of one or more of claims

1-11, 13, and 14 of the ‘220 patent; claims 1-6, 8, 9, 13, 15-18, 20, 25-30, and 32-37 of the ‘486 patent; claims 1-9, 11-14, 16, and 18-20 of the ‘337 patent; claims 1-9 of the ‘501 patent; and claims 16, 20, and 21 of the ‘127 patent, and whether an industry in the United States exists as required by subsection (a)(2) of section 337;

(2) Pursuant to section 210.10(b)(1) of the Commission’s Rules of Practice and Procedure, 19 CFR 210.10(b)(1), the plain language description of the accused products or category of accused products, which defines the scope of the investigation, is “utility or recreational off-road vehicle[s], consisting of a chassis, suspension, powertrain, operator compartment, cargo system, and other features”;

(3) For the purpose of the investigation so instituted, the following are hereby named as parties upon which this notice of investigation shall be served:

(a) The complainants are:

Polaris Inc., 2100 Highway 55, Medina, Minnesota 55340-9100

Polaris Industries Inc., 2100 Highway 55, Medina, Minnesota 55340-9100

Polaris Sales Inc., 2100 Highway 55, Medina, Minnesota 55340-9100

(b) The respondents are the following entities alleged to be in violation of section 337, and are the parties upon which the complaint, as supplemented, is to be served:

Zhejiang CFMOTO Power Co., Ltd., No. 116, Wuzhou Road, Yuhang Economic Development Zone, Hangzhou, Zhejiang, 311100, China

CFMOTO Powersports, Inc., 5005 Nathan Lane North, Plymouth, Minnesota 55442-3208

(4) For the investigation so instituted, the Chief Administrative Law Judge, U.S. International Trade Commission, shall designate the presiding Administrative Law Judge.

The Office of Unfair Import Investigations will not participate as a party in this investigation.

Responses to the complaint, as supplemented, and the notice of investigation must be submitted by the named respondents in accordance with section 210.13 of the Commission’s Rules of Practice and Procedure, 19 CFR 210.13. Pursuant to 19 CFR 201.16(e) and 210.13(a), such responses will be considered by the Commission if received not later than 20 days after the date of service by the Commission of the complaint, as supplemented, and the notice of investigation. Extensions of time for submitting responses to the complaint, as supplemented, and the notice of investigation will not be

granted unless good cause therefor is shown.

Failure of a respondent to file a timely response to each allegation in the complaint, as supplemented, and in this notice may be deemed to constitute a waiver of the right to appear and contest the allegations of the complaint, as supplemented, and this notice, and to authorize the administrative law judge and the Commission, without further notice to the respondent, to find the facts to be as alleged in the complaint, as supplemented, and this notice and to enter an initial determination and a final determination containing such findings, and may result in the issuance of an exclusion order or a cease and desist order or both directed against the respondent.

By order of the Commission.

Issued: March 4, 2026.

Susan Orndoff,

Supervisory Attorney.

[FR Doc. 2026–04521 Filed 3–6–26; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701–TA–759 and 731–TA–1741 (Final)]

Multifunctional Acrylate and Methacrylate Monomers and Oligomers (MAMMOs) From Taiwan; Determinations

On the basis of the record¹ developed in the subject investigations, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that an industry in the United States is materially injured by reason of imports of multifunctional acrylate and methacrylate monomers and oligomers (“MAMMOs”) from Taiwan, provided for in subheadings 2916.12.50, 2916.14.20, 3824.99.29, 3907.29.00 and 3907.30.00 of the Harmonized Tariff Schedule of the United States, that have been found by the U.S. Department of Commerce (“Commerce”) to be sold in the United States at less than fair value (“LTFV”), and imports of the subject merchandise from Taiwan that have been found to be subsidized by the government of Taiwan.^{2 3}

¹ The record is defined in § 207.2(f) of the Commission’s Rules of Practice and Procedure (19 CFR 207.2(f)).

² 91 FR 3114, January 26, 2026; 91 FR 4866, February 3, 2026.

³ The Commission also finds that imports subject to Commerce’s affirmative critical circumstances determination are not likely to undermine seriously the remedial effect of the countervailing and

Background

The Commission instituted these investigations effective March 27, 2025, following receipt of petitions filed with the Commission and Commerce by Arkema, Inc. (King of Prussia, Pennsylvania). The final phase of the investigations was scheduled by the Commission following notification of preliminary determinations by Commerce that imports of MAMMOs from Taiwan were subsidized within the meaning of section 703(b) of the Act (19 U.S.C. 1671b(b)) and sold at LTFV within the meaning of 733(b) of the Act (19 U.S.C. 1673b(b)). Notice of the scheduling of the final phase of the Commission’s investigations and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the **Federal Register** on September 5, 2025 (90 FR 42984).⁴ The Commission conducted its hearing on January 13, 2026. All persons who requested the opportunity were permitted to participate.

The Commission made these determinations pursuant to §§ 705(b) and 735(b) of the Act (19 U.S.C. 1671d(b) and 19 U.S.C. 1673d(b)). It completed and filed its determinations in these investigations on March 4, 2026. The views of the Commission are contained in USITC Publication 5707 (March 2026), entitled *Multifunctional Acrylate and Methacrylate Monomers and Oligomers from Taiwan: Investigation Nos. 701–TA–759 and 731–TA–1741 (Final)*.

By order of the Commission.

Issued: March 4, 2026.

Susan Orndoff,

Supervisory Attorney.

[FR Doc. 2026–04522 Filed 3–6–26; 8:45 am]

BILLING CODE 7020–02–P

antidumping duty orders on MAMMOs from Taiwan.

⁴ Due to the lapse in appropriations and ensuing cessation of Commission operations, the Commission tolled its schedule for this proceeding. The schedule was revised in a subsequent notice published in the **Federal Register** on December 1, 2025 (90 FR 55175). Due to additional tolling of 21 days by Commerce, the Commission again revised its schedule, which was published in the **Federal Register** on December 16, 2025 (90 FR 58307).

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

[NARA–26–0133; NARA–2026–011]

Records Schedules; Availability and Request for Comments

AGENCY: National Archives and Records Administration (NARA).

ACTION: Notice of availability of proposed records schedules; request for comments.

SUMMARY: The National Archives and Records Administration (NARA) publishes notice of certain Federal agency requests for records disposition authority (records schedules). We publish notice in the **Federal Register** and on *regulations.gov* for records schedules in which agencies propose to dispose of records they no longer need to conduct agency business. We invite public comments on such records schedules.

DATES: We must receive responses on the schedules listed in this notice by April 23, 2026.

ADDRESSES: To view a records schedule in this notice, or submit a comment on one, use the following address: <https://www.regulations.gov/docket/NARA-26-0133/document> This is a direct link to the schedules posted in the docket for this notice on *regulations.gov*. You may submit comments by the following method:

- **Federal eRulemaking Portal:** <https://www.regulations.gov>. On the website, enter either of the numbers cited at the top of this notice into the search field. This will bring you to the docket for this notice, in which we have posted the records schedules open for comment. Each schedule has a ‘comment’ button so you can comment on that specific schedule. For more information on *regulations.gov* and on submitting comments, see their FAQs at <https://www.regulations.gov/faq>. If you are unable to comment via *regulations.gov*, you may email us at request.schedule@nara.gov for instructions on submitting your comment. You must cite the control number of the schedule you wish to comment on. You can find the control number for each schedule in parentheses at the end of each schedule’s entry in the list at the end of this notice.

FOR FURTHER INFORMATION CONTACT: Matthew Eidson, Records Management Operations, by email at matthew.eidson@nara.gov or at 301–837–3109. For information about records schedules, contact Records Management Operations by email at

request.schedule@nara.gov or by phone at 301-837-3109.

SUPPLEMENTARY INFORMATION:

Public Comment Procedures

We are publishing notice of records schedules in which agencies propose to dispose of records they no longer need to conduct agency business. We invite public comments on these records schedules, as required by 44 U.S.C. 3303a(a), and list the schedules at the end of this notice by agency and subdivision requesting disposition authority.

In addition, this notice lists the organizational unit(s) accumulating the records or states that the schedule has agency-wide applicability. It also provides the control number assigned to each schedule, which you will need if you submit comments on that schedule. We have uploaded the records schedules and accompanying appraisal memoranda to the *regulations.gov* docket for this notice as “other” documents. Each records schedule contains a full description of the records at the file unit level as well as their proposed disposition. The appraisal memorandum for the schedule includes information about the records.

We will post comments, including any personal information and attachments, to the public docket unchanged. Because comments are public, you are responsible for ensuring that you do not include any confidential or other information that you or a third party may not wish to be publicly posted. If you want to submit a comment with confidential information or cannot otherwise use the *regulations.gov* portal, you may contact request.schedule@nara.gov for instructions on submitting your comment.

We will consider all comments submitted by the posted deadline and consult as needed with the Federal agency seeking the disposition authority. After considering comments, we may or may not make changes to the proposed records schedule. The schedule is then sent for final approval by the Archivist of the United States. After the schedule is approved, we will post on *regulations.gov* a “Consolidated Reply” summarizing the comments, responding to them, and noting any changes we made to the proposed schedule. You may elect at *regulations.gov* to receive updates on the docket, including an alert when we post the Consolidated Reply, whether or not you submit a comment. If you have a question, you can submit it as a comment, and can also submit any concerns or comments you would have

to a possible response to the question. We will address these items in consolidated replies along with any other comments submitted on that schedule.

We will post schedules on our website in the Records Control Schedule (RCS) Repository, at <https://www.archives.gov/records-mgmt/rcs>, after the Archivist approves them. The RCS contains all schedules approved since 1973.

Background

Each year, Federal agencies create billions of records. To control this accumulation, agency records managers prepare schedules proposing retention periods for records and submit these schedules for NARA’s approval. Once approved by NARA, records schedules provide mandatory instructions on what happens to records when no longer needed for current Government business. The records schedules authorize agencies to preserve records of continuing value in the National Archives or to destroy, after a specified period, records lacking continuing administrative, legal, research, or other value. Some schedules are comprehensive and cover all the records of an agency or one of its major subdivisions. Most schedules, however, cover records of only one office or program or a few series of records. Many of these update previously approved schedules, and some include records proposed as permanent.

Agencies may not destroy Federal records without the approval of the Archivist of the United States. The Archivist grants this approval only after thorough consideration of the records’ administrative use by the agency of origin, the rights of the Government and of private people directly affected by the Government’s activities, and whether or not the records have historical or other value. Public review and comment on these records schedules is part of the Archivist’s consideration process.

Schedules Pending:

1. Department of Justice, Private Trustee Oversight Records (DAA-0060-2025-0002).
2. Administration for Children and Families, Office of Child Support Enforcement (OCSE) Debtor File and Related Systems (DAA-0292-2026-0001).
3. Drug Enforcement Administration, Polygraph Examiner’s Records (DAA-0170-2025-0006).
4. Office of Personnel Management, Official Personnel Folders (DAA-0478-2026-0001).
5. United States Capitol Police, Policy Records (DAA-0603-2024-0003).

6. Veterans Health Administration, Non-Health Professional Trainees Digital Recordings (DAA-0015-2025-0002).

William P. Fischer,

Acting Chief Records Officer for the U.S. Government.

[FR Doc. 2026-04574 Filed 3-6-26; 8:45 am]

BILLING CODE 7515-01-P

NATIONAL COUNCIL ON DISABILITY

Request for Information; Creation of a State, Local, Territory and Tribal Emergency Management Toolkit

AGENCY: National Council on Disability (NCD).

ACTION: Notice; request for information.

SUMMARY: NCD is requesting information to inform the creation of a state, local, territory and tribal (SLTT) emergency management toolkit. The toolkit will provide promising practices and guidance on how to create an emergency management plan inclusive of people with disabilities and update our 2009 report *Effective Emergency Management: Making Improvements for Communities and People with Disabilities*.

DATES: Electronic comments must be submitted by 11:59 DST on April 3, 2026.

ADDRESSES: You may submit comments and information via email to anicholas@ncd.gov. Please note that late, untimely filed comments will not be considered.

FOR FURTHER INFORMATION CONTACT: Amy Nicholas, Senior Attorney Advisor, National Council on Disability, anicholas@ncd.gov.

SUPPLEMENTARY INFORMATION:

I. Background

Despite NCD’s multiple reports, spanning decades, inclusive of recommendations and findings to federal agencies, people with disabilities continue to be disproportionately impacted before, during, and after disasters. Natural disasters have increased in incidence and severity and people with disabilities are still disproportionately impacted. People with disabilities are more likely to be displaced, injured, or die during and after a major disaster. No geographic region is insulated from the risk of a natural disaster. A factor that contributes to the disproportionate impact is the lack of inclusive planning of people with disabilities unique needs in a state, local, tribal, and territorial, government organization (SLTT)

emergency management plans. As was painfully apparent in 2024 when hurricane Helene and Milton devastated Asheville, North Carolina, a city touted as “safe” from natural disasters. Every SLTT should have a robust emergency management plan inclusive of people with disabilities to ensure the safety of everyone in their community in the event of a natural disaster.

NCD’s upcoming report will create a toolkit to assist SLTTs in creating an emergency management plan inclusive of the unique needs of people with disabilities in their community. The toolkit will include: promising practices from SLTTs who have successfully incorporated people with disabilities in their emergency management planning; explain the importance of inclusive emergency management planning; highlight federal programs available to SLTTs available to incorporate into SLTTs emergency management plans; and provide examples and templates by SLTTs to incorporate.

II. Issues for Consideration and Request for Information

NCD invites comments based on the questions below. Please explain your answers and provide references and data, if possible.

1. What challenges and obstacles do SLTTs encounter when creating an emergency management plan inclusive of people with disabilities?
2. How have SLTTs successfully incorporated the unique needs of people with disabilities in their emergency management plan?
3. Describe promising practices SLTTs have implemented to ensure incorporation of people with disabilities and its emergency management plan?
4. Provide community testimony of successful emergency management plan practices and/or failures which should be addressed in the toolkit?
5. Provide successful collaboration between the disability community and SLTTs in the creation of an emergency management plan.

Disclaimer

This Request for Information is for information gathering purposes only and does not constitute a commitment by NCD to take any specific action based on the responses received.

Further, this Request for Information is not an invitation to apply for funding or a Request for Proposals.

Authority: The Rehabilitation Act of 1973 (29 U.S.C. 780 *et seq.*) Dated: March 4, 2026

Anne C. Sommers McIntosh,
Director of Legislative Affairs and Outreach.
[FR Doc. 2026–04513 Filed 3–6–26; 8:45 am]
BILLING CODE 8421–02–P

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

Institute of Museum and Library Services

Notice of Proposed Information Collection Request: Guidelines for IMLS Grants to States Five-Year Evaluation

AGENCY: Institute of Museum and Library Services, National Foundation on the Arts and Humanities.

ACTION: Notice, request for comments on this collection of information.

SUMMARY: The Institute of Museum and Library Services (IMLS), as part of its continuing effort to reduce paperwork and respondent burden, conducts a pre-clearance consultation program to provide the general public and Federal agencies with an opportunity to comment on proposed and/or continuing collections of information in accordance with the Paperwork Reduction Act. This pre-clearance consultation program helps to ensure that requested data can be provided in the desired format, reporting burden (time and financial resources) is minimized, collection instruments are clearly understood, and the impact of collection requirements on respondents can be properly assessed. The purpose of this Notice is to solicit comments related to the Guidelines for IMLS Grants to States Five-Year Evaluation. A copy of the proposed information collection request can be obtained by contacting the individual listed below in the **ADDRESSES** section of this notice.

DATES: Written comments must be submitted to the office listed in the addressee section below on or before May 09, 2026.

ADDRESSES: Send comments to Sandra Narva, Acting Director of Grants Management, Office of Grants Policy and Management, Institute of Museum and Library Services, 200 Constitution Ave. NW, Suite N–3627, Washington, DC 20210. Ms. Narva can be reached by telephone: 202–653–4634, or by email at snarva@imls.gov. Office hours are from 8:30 a.m. to 5 p.m., E.T., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Teri DeVoe, Associate Deputy Director for Grants to States, Office of Library Services, Institute of Museum and Library Services, 200 Constitution Ave. NW, Suite N–3627, Washington, DC 20210. Ms. DeVoe can be reached by telephone at 202–653–4778, or by email at tdevoe@imls.gov.

SUPPLEMENTARY INFORMATION: IMLS is particularly interested in comments that help the agency to:

- Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
- Evaluate the accuracy of the agency’s estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- Enhance the quality, utility, and clarity of the information to be collected; and
- Minimize the burden of the collection of information on those who 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 submissions of responses.

I. Background

The Institute of Museum and Library Services is the primary source of Federal support for the Nation’s libraries and museums. The agency advances, supports, and empowers America’s museums, libraries, and related organizations through grant making, research, and policy development. To learn more, visit www.imls.gov.

II. Current Actions

This Notice proposes the clearance of the Guidelines for IMLS Grants to States Five-Year Evaluation. The Grants to States program is the largest source of Federal funding support for library services in the U.S. Using a population-based formula, approximately \$180 million is distributed among the State Library Administrative Agencies (SLAAs) every year. SLAAs are official agencies charged by the Library Services and Technology Act (20 U.S.C. 9121 and 20 U.S.C. 9141) with the extension and development of library services, and they are located in:

- Each of the 50 States of the United States, and the District of Columbia;
- The territories (Guam, American Samoa, the Commonwealth of Puerto Rico, the Commonwealth of the

Northern Mariana Islands, and the U.S. Virgin Islands); and

- The Freely Associated States (the Federated States of Micronesia, the Republic of Palau, and the Republic of the Marshall Islands).

IMLS authorizing legislation at 20 U.S.C. 9134 directs State Library Administrative Agencies (SLAAs) to “independently evaluate, and report to the Director regarding, the activities assisted under this subchapter, prior to the end of the Five-Year Plan.” This evaluation provides SLAAs an opportunity to measure progress in meeting the goals set in their approved Five-Year Plans with a framework to synthesize information across all state reports in telling a national story.

Agency: Institute of Museum and Library Services.

Title: Guidelines for IMLS Grants to States Five-Year Evaluation.

OMB Number: 3137–0090.

Agency Number: 3137.

Respondents/Affected Public: State and Territory Library Administrative Agencies.

Total Estimated Number of Annual Respondents: 12.

Frequency of Response: Once every five years.

Estimated Average Burden per Response: 18 hours.

Total Estimated Number of Annual Burden Hours: 1,062 hours.

Total Annual Cost Burden: \$35,322.12.

Total Annual Federal Costs: \$2,164.

Public Comments Invited: Comments submitted in response to this Notice will be summarized and/or included in the request for OMB’s clearance of this information collection.

Dated: March 4, 2026.

Suzanne Mbollo,

Grants Management Specialist, Institute of Museum and Library Services.

[FR Doc. 2026–04509 Filed 3–6–26; 8:45 am]

BILLING CODE 7036–01–P

NATIONAL SCIENCE FOUNDATION

Agency Information Collection Activities: Comment Request; Survey of Graduate Students and Postdoctorates in Science and Engineering

AGENCY: National Center for Science and Engineering Statistics, National Science Foundation.

ACTION: Notice and request for comments.

SUMMARY: The National Center for Science and Engineering Statistics (NCSES) within the U.S. National Science Foundation (NSF) is

announcing plans to request renewal of the Survey of Graduate Students and Postdoctorates in Science and Engineering (OMB Control Number 3145–0062). In accordance with the requirements of the Paperwork Reduction Act of 1995, NSF is providing opportunity for public comment on this action. After obtaining and considering public comments, NSF will prepare the submission requesting that OMB approve clearance of this collection for three years.

DATES: Written comments on this notice must be received by May 8, 2026 to be assured consideration. Comments received after that date will be considered to the extent practicable. Send comments to address below.

ADDRESSES: Contact Suzanne H. Plimpton, Reports Clearance Officer, U.S. National Science Foundation, Randolph Building, 401 Dulany Street, Alexandria, VA 22314; telephone (703) 292–7556; or send email to splimpto@nsf.gov. Individuals who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1–800–877–8339, between 8:00a.m. and 8:00 p.m., Eastern Time, Monday through Friday. You also may obtain a copy of the data collection instrument and instructions from Ms. Plimpton.

SUPPLEMENTARY INFORMATION:

Title of Collection: Survey of Graduate Students and Postdoctorates in Science and Engineering.

OMB Control Number: 3145–0062.

Expiration Date of Current Approval: September 30, 2026.

Type of Request: Intent to seek approval to extend an information collection for three years.

Abstract: Established within NSF by the America COMPETES Reauthorization Act of 2010 § 505, codified in the National Science Foundation Act of 1950, as amended, the National Center for Science and Engineering Statistics (NCSES) serves as a central Federal clearinghouse for the collection, interpretation, analysis, and dissemination of objective data on science, engineering, technology, and research and development for use by practitioners, researchers, policymakers, and the public.

The Survey of Graduate Students and Postdoctorates in Science and Engineering (GSS), sponsored by the NCSES within NSF and the National Institutes of Health, is designed to comply with legislative mandates by providing information on the characteristics of academic graduate enrollments in science, engineering, and health fields. The GSS, which originated

in 1966 and has been conducted annually since 1972, is a census of all departments in science, engineering, and health (SEH) fields within academic institutions with graduate programs in the United States. This request to extend the information collection for three years is to cover the 2026, 2027, and 2028 GSS survey cycles. The information collected by the GSS is solicited under the authority of the National Science Foundation Act of 1950, as amended and the America COMPETES Reauthorization Act of 2010. Data collection starts each fall in October and data are obtained primarily through a Web survey. All information will be used for statistical purposes only. Participation in the survey is voluntary.

The expected frame for the 2026 GSS includes 645 institutions comprising 725 schools with 793 total Coordinators. The GSS is the only national survey that collects information on the characteristics of graduate enrollment and postdoctoral appointees (postdocs) for specific SEH disciplines at the department level. It collects information on:

(1) Master’s and doctoral students’ ethnicity and race, citizenship, gender, source and mechanism of financial support (e.g., fellowships, traineeships, assistantships) and enrollment status.

(2) Postdocs’ ethnicity and race, citizenship, gender, source and mechanism of financial support, type of doctoral degree, and degree origin (U.S. or foreign); and

(3) Other doctorate-holding non-faculty researchers’ gender and type of doctoral degree.

To improve coverage of postdocs, the GSS periodically collects information on postdocs employed in Federally Funded Research and Development Centers (FFRDCs) by ethnicity and race, gender, citizenship, source and mechanism of financial support, and field of research. This survey of postdocs at FFRDCs will be conducted as part of the 2027 GSS survey cycle. In this year, there will be an additional 41 coordinators contacted to respond to the GSS.

The initial GSS data request is sent to a designated respondent, the School Coordinator, at each academic institution in the fall. The School Coordinators gather the data for all of the reporting units at the institution. Reporting units are comprised of the departments, programs, research centers, and health care facilities at each institution. The School Coordinator may upload a file with the requested data on the GSS website, which will automatically aggregate the data and

populate the cells of the Web survey instrument for each of the reporting units. This method of data provision is called Electronic Data Interchange (EDI). The School Coordinator also may upload partial data (e.g., student enrollment information) and delegate the provision of other data (e.g., financial support information) to the appropriate reporting units at their institution (unit respondents). Institutions that do not want to use EDI will be able to complete the survey through manual entry of data (i.e., typing the data for each response item on every unit) in the Web survey instrument as in the past.

Data are disseminated annually on the NCSES website (<https://nces.nsf.gov/surveys/graduate-students-postdoctorates-s-e>) in the form of approximately 100 data tables, and approximately 60 supplemental tables available on the NCSES table builder (<https://ncesdata.nsf.gov/builder/gss>), a 3 to 5 page InfoBrief, and public use files (<https://nces.nsf.gov/explore-data/microdata/graduate-students-postdoctorates-s-e>). In addition, current and historical data are available via the NCSES Data Tools (<https://nces.nsf.gov/explore-data>). These data tools combine GSS data with academic sector data from both NCSES and the National Center of Education Statistics and allow for custom querying.

Use of the Information: The GSS data are routinely provided to Congress and other Federal agencies. GSS data are also used in two congressionally mandated NCSES publications: *Characteristics of Scientists and Engineers (CES)* (required under 42 U.S.C. 1885(d)) and the National Science Board's *Science and Engineering Indicators* (<https://nces.nsf.gov/indicators>) (42 U.S.C. 1863(j)(1)). The GSS institutions themselves are major users of the GSS data. Professional societies such as the American Association of Universities, the Association of American Medical Colleges, and the Carnegie Foundation are also major users. Graduate enrollment and postdoc data are often used in reports by the national media. With the help of the aforementioned NCSES Data Tools, NSF reviews changing enrollment levels to assess the effects of NSF initiatives, track graduate student support patterns, and analyze participation in science and engineering fields for targeted groups by discipline and for selected groups of institutions. In addition, the National Institutes of Health (NIH) publish GSS data annually in the NIH Data Book (<https://report.nih.gov/nihdatabook/>).

Expected Respondents: The GSS is an annual census of all eligible academic institutions in the U.S. with graduate programs in SEH fields. The response rate is calculated based on the number of reporting units (departments, programs, research centers, and health care facilities) that respond to the survey. For reference, in 2024, the GSS population consisted of 23,121 reporting units at 635 academic institutions. Based on recent cycles, NCSES expects the annual response rate to be around 98 percent.

Estimate of Burden: For each GSS survey cycle, both School Coordinators and reporting-unit respondents (URs) are asked to provide an estimate of how long it took them to complete the data collection. Coordinators at FFRDCs are also asked about the hours required to complete the Web instrument. In the past three GSS cycles (2022–2024 data collections), the average burden per

coordinator was 20.8 hours per cycle. However, burden varies considerably across respondents. The amount of time it takes to complete the GSS data depends to a large degree on the extent to which the school's records are centrally stored and computerized. It also depends on whether the institution uses manual data entry or EDI to provide the GSS data, the number of SEH reporting units that need to be reported by the institution, and the degree to which URs within the institution are used to collect and report data.

To estimate burden for the next three GSS data collection survey cycles (2026, 2027, and 2028), the GSS frame is split by response method (EDI or manual entry) and the number of reporting units reported by the institution (more than 15 units are large reporters and 15 or fewer units are small reporters). Table 1 presents burden estimates based on the observed size of the institution and burden estimates collected from the 2022–2024 GSS survey cycles. Average burden is weighted by year and the proportion of institutions that utilize URs in reporting data to GSS.

The use of URs has a large impact on GSS burden as it requires multiple individuals at the school to respond to the survey. To address the variance between schools that use URs and those that do not, UR burden was calculated and included with the coordinator's burden when applicable. This calculation is necessary because when a school utilizes URs, the coordinators' burden is minimal while the response burden falls to individual URs. Average UR burden was applied to all units at schools utilizing URs and was then added to the coordinator's burden.

TABLE 1—GSS 2022–2024 TOTAL BURDEN BY INSTITUTIONAL REPORTING SIZE, DATA PROVISION METHOD, AND UNIT RESPONDENT STATUS

Institution type	Do not use URs		Uses URs		All coordinators	
	Avg. coordinators per year	Year-weighted avg. burden (hours)	Avg. coordinators per year	Year-weighted avg. burden (hours)	Avg. coordinators per year	Year-weighted avg. burden (hours)
More than 15 units, EDI	332	32.2	10	171.1	342	36.1
More than 15 units, Manual data entry ..	20	25.8	8	78.5	28	40.3
15 or fewer units, EDI	320	8.2	3	30.2	322	8.3
15 or fewer units, Manual data entry	125	6.8	8	16.1	133	7.4
Average Estimated Total	798	18.4	28	88.9	825	20.8

The expected frame for the 2026 GSS includes 645 institutions comprising 725 schools with 793 total School Coordinators (some institutions utilize multiple School Coordinators based on how they are organized). To estimate the

burden for the 2026–2028 GSS survey cycles, we assume a steady state in terms of the use of EDI but based on recent cycles we expect the number of School Coordinators to increase by five each cycle. Because newly eligible

schools tend to have small numbers of eligible units and students, we have added five coordinators to the small school manual data entry category. Thus, we expect to have 793 coordinators in 2026, 798 in 2027, and

803 in 2028. The estimated burden per respondent is approximately 21 hours per School Coordinator; the exact number is based on the distributions shown in Table 1, adjusted for the additional coordinators. Given the

historically high levels of participation, a 100 percent school response rate is used in these estimates. Since the FFRDC postdoc data collection will take place in 2027, the estimated burden for those years will increase by 86 hours

from 41 FFRDCs (based on 100 percent response rate in the 2023 survey with the average burden of 2.1 hours per FFRDC).

TABLE 2—GSS ESTIMATED RESPONSE BURDEN

Category	Respondents (# of school coordinators)	Total burden (hours)
Total burden for 2026	793	16,886
Total burden for 2027	839	17,009
GSS institutions	798	16,923
FFRDCs	41	86
Total burden for 2028	803	16,960
Potential future methodological studies (across all 3 survey cycles) .....	.....	2,000
Total estimated burden	2,435	52,855
Estimated average annual burden	812	17,618

The total estimated respondent burden of the GSS, including 2,000 hours for potential methodological studies to improve the survey procedures, will be 52,855 hours over the three-cycle survey clearance period. NCSES may review and revise this burden estimate based on completion time data collected during the 2025 GSS survey cycle, which is currently in the field.

Comments: Comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of NSF, including whether the information shall have practical utility; (b) the accuracy of NSF's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, use, and clarity of the information on respondents, including through the use of automated collection techniques or other forms of information technology; 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.

Dated: March 5, 2026.

Suzanne H. Plimpton,

Reports Clearance Officer, National Science Foundation.

[FR Doc. 2026–04579 Filed 3–6–26; 8:45 am]

BILLING CODE 7555–01–P

NATIONAL SCIENCE FOUNDATION

Agency Information Collection Activities: Comment Request; Grantee Reporting Requirements for the Emerging Frontiers in Research and Innovation Program

AGENCY: National Science Foundation.

ACTION: Notice.

SUMMARY: The National Science Foundation (NSF) is announcing plans to renew this collection. In accordance with the requirements of the Paperwork Reduction Act of 1995, we are providing opportunity for public comment on this action. After obtaining and considering public comment, NSF will prepare the submission requesting Office of Management and Budget (OMB) clearance of this collection for no longer than 3 years.

DATES: Written comments on this notice must be received by May 8, 2026 to be assured consideration. Comments received after that date will be considered to the extent practicable. Send comments to address below.

FOR FURTHER INFORMATION CONTACT:

Suzanne H. Plimpton, Reports Clearance Officer, National Science Foundation, Randolph Building, 401 Dulany Street, Alexandria, Virginia 22314; telephone (703) 292–7556; or send email to splimpto@nsf.gov. Individuals who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1–800–877–8339, which is accessible 24 hours a day, 7 days a week, 365 days a year (including Federal holidays).

SUPPLEMENTARY INFORMATION:

Title of Collection: Grantee Reporting Requirements for the Emerging Frontiers in Research and Innovation Program.

OMB Number: 3145–0233.

Expiration Date of Approval: June 30, 2026.

Type of Request: Revision to and extension of approval of an information collection.

Proposed Project

The Emerging Frontiers in Research and Innovation (EFRI) program recommends, prioritizes, and funds interdisciplinary initiatives at the emerging frontier of engineering research and education. These investments represent transformative opportunities, potentially leading to: new research areas for NSF, ENG, and other agencies; new industries or capabilities that result in a leadership position for the country; and/or significant progress on a recognized national need or grand challenge.

Established in 2007, EFRI supports cutting-edge research that is difficult to fund through other NSF programs, such as single-investigator grants or large research centers. EFRI seeks high-risk opportunities with the potential for a large payoff where researchers are encouraged to stretch beyond their ongoing activities. Based on input from workshops, advisory committees, technical meetings, professional societies, research proposals, and suggestions from the research community, the EFRI program identifies those emerging opportunities and manages a formal process for funding their research. The emerging ideas tackled by EFRI are “frontier” because they not only push the understood limits of engineering but actually overlap multiple fields. The EFRI funding process inspires investigators with different expertise to work together on one emerging concept.

EFRI awards require multi-disciplinary teams of at least one Principal Investigator and two Co-Principal Investigators. The anticipated duration of all awards is 4-years. With respect to the anticipated funding level, each project team may receive support of up to a total of \$2,000,000 spread over four years, pending the availability of funds. In this respect, EFRI awards are above the average single-investigator award amounts.

EFRI-funded projects could include research opportunities and mentoring for educators, scholars, and university students, as well as outreach programs that help stir the imagination of K–12 students.

We are seeking to collect additional information from the grantees about the outcomes of their research that goes above and beyond the standard reporting requirements used by the NSF and spans over a period of 5 years after the award. This data collection effort will enable program officers to longitudinally monitor outputs and outcomes given the unique goals and purpose of the program. This is very important to enable appropriate and accurate evidence-based management of the program and to determine whether or not the specific goals of the program are being met.

Grantees will be requested to submit this information on an annual basis to support performance review and the management of EFRI grants by EFRI officers. EFRI grantees will be requested to submit these indicators to NSF via a data collection website that will be embedded in NSF's IT infrastructure. These indicators are both quantitative and descriptive and may include, for example, the characteristics of project personnel and students; sources of complementary funding and in-kind support to the EFRI project; characteristics of industrial and/or other sector participation; research activities; education activities; knowledge transfer activities; patents, licenses; publications; descriptions of significant advances and other outcomes of the EFRI effort.

Each submission will address the following major categories of activities: (1) knowledge transfer across disciplines, (2) innovation of ideas in areas of great opportunity, (3) potential for translational research, (4) project results that advance the frontier/creation of new fields of study, (5) introduction to the classroom of innovative research methods or discoveries, (6) fostering participation and retention of individuals across the nation in science, and (7) impacting student career trajectory. For each of the

categories, the report will enumerate specific outputs and outcomes.

Use of the Information: The data collected will be used for NSF internal reports, historical data, and performance review by peer site visit teams, program level studies and evaluations, and for securing future funding for continued EFRI program maintenance and growth.

Estimate of Burden: Approximately 7 hours per report for approximately 100 reports per year for a total of 700 hours per year.

Respondents: Principal Investigators who lead the EFRI grants, and co-Principal Investigators and trainees involved in EFRI-funded research.

Estimated Number of Responses per Report: PIs are responsible for preparing and submitting reports for each covered grant. Co-PI and trainee researcher contributions to reporting requirements are included in the annual burden estimate of 700 hours."

Dated: March 5, 2026.

Suzanne H. Plimpton,

Reports Clearance Officer, National Science Foundation.

[FR Doc. 2026-04588 Filed 3-6-26; 8:45 am]

BILLING CODE 7555-01-P

NATIONAL SCIENCE FOUNDATION

Agency Information Collection Activities: Comment Request; Grantee Reporting Requirements for Materials Research Science and Engineering Centers (MRSECs)

AGENCY: National Science Foundation.

ACTION: Notice.

SUMMARY: The U.S. National Science Foundation (NSF) is announcing plans to renew this collection. In accordance with the requirements of the Paperwork Reduction Act of 1995, we are providing opportunity for public comments on this action. After obtaining and considering public comment, NSF will prepare the submission requesting Office of Management and Budget (OMB) clearance of this collection for no longer than 3 years.

DATES: Written comments on this notice must be received by May 8, 2026 to be assured consideration. Comments received after that date will be considered to the extent practicable. Send comments to address below.

FOR FURTHER INFORMATION CONTACT:

Suzanne H. Plimpton, Reports Clearance Officer, National Science Foundation, Randolph Building, 401 Dulany Street, Alexandria, Virginia 22314; telephone (703) 292-7556; or send email to splimpto@nsf.gov. Individuals who use a telecommunications device for the

deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1-800-877-8339, which is accessible 24 hours a day, 7 days a week, 365 days a year (including Federal holidays).

SUPPLEMENTARY INFORMATION:

Title of Collection: Grantee Reporting Requirements for Materials Research Science and Engineering Centers (MRSECs)

OMB Number: 3145-0230.

Expiration Date of Approval: June 30, 2026.

Type of Request: Intent to seek approval to renew an information collection.

Overview of This Information Collection

The Materials Research Science and Engineering Centers (MRSECs) Program provides sustained support of materials science and education of the highest quality while addressing fundamental problems in science and engineering. The MRSECs support materials research infrastructure in the United States, promote active collaboration between universities and other sectors, including industry, national laboratories, and international organizations. They contribute to the development of national university-based centers in materials research, education, and facilities. By supporting innovation in interdisciplinary research, education, and knowledge transfer, MRSECs build intellectual and physical infrastructure within and between disciplines, and weave together knowledge creation, knowledge integration, and knowledge transfer. New knowledge thus created is meaningfully linked to society.

MRSECs enable and foster excellent education, integrate research and education, and create bonds between learning and inquiry so that discovery and creativity more fully support the learning process.

MRSECs are required to submit annual reports on progress and plans, which are used as a basis for performance review and determining the level of continued funding. To support this review and the management of a Center, MRSECs will be required to develop a set of management and performance indicators for submission annually to NSF via the Research Performance Project Reporting module in [Research.gov](https://www.research.gov) and an external technical assistance contractor that collects programmatic data electronically. These indicators are both quantitative and descriptive and may include, for example, the characteristics of center personnel and students; sources of financial support and in-kind support;

expenditures by operational component; characteristics of industrial and/or other sector participation; research activities; education activities; knowledge transfer activities; patents, licenses; publications; degrees granted to students involved in Center activities; descriptions of significant advances and other outcomes of the MRSEC effort. Such reporting requirements are included in the cooperative agreement that is binding between the academic institution and NSF.

Each Center's annual report will address the following categories of activities: (1) research, (2) shared experimental facilities, (3) education, (4) knowledge transfer, (5) partnerships, (6) management, and (7) budget issues.

For each of the categories the report will describe overall objectives for the year, specific outputs and outcomes of the reporting period, challenges that the Center has encountered in making progress towards goals and remedies, and plans for the following year.

MRSECs are required to file a final annual report through the RPPR and external technical assistance contractor. Final annual reports contain similar information and metrics as annual reports, effectively they constitute the last annual report; the Program Officer maintains a cumulative database with all relevant achievements and metrics.

Use of the Information: NSF will use the information to continue funding of the Centers, and to evaluate the progress of the program.

Estimate of Burden: 80 hours per annual report for each of 20 centers for a total of 1600 hours per year.

Respondents: Non-profit institutions.

Estimated Number of Responses per Report: One from each of the 20 MRSECs.

Comments: 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 shall have practical utility; (b) the accuracy of the Agency's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information on respondents, including through the use of automated collection techniques or other forms of information technology; 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.

Dated: March 5, 2026.

Suzanne H. Plimpton,

Reports Clearance Officer, National Science Foundation.

[FR Doc. 2026-04577 Filed 3-6-26; 8:45 am]

BILLING CODE 7555-01-P

NUCLEAR REGULATORY COMMISSION

[NRC-2025-0014]

Information Collection: NRC Form 1121, Bankruptcy Information Request, Post Filing

AGENCY: Nuclear Regulatory Commission.

ACTION: Notice of submission to the Office of Management and Budget; request for comment.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) has recently submitted a proposed collection of information to the Office of Management and Budget (OMB) for review. The information collection is entitled, NRC Form 1121, "Bankruptcy Information Request, Post Filing."

DATES: Submit comments by April 8, 2026. Comments received after this date will be considered if it is practical to do so, but the Commission is able to ensure consideration only for comments received on or before this date.

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 Review—Open for Public Comments" or by using the search function.

FOR FURTHER INFORMATION CONTACT: Heather Dempsey, Acting NRC Clearance Officer, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; telephone: 301415-0856; email: Infocollects.Resource@nrc.gov.

SUPPLEMENTARY INFORMATION:

I. Obtaining Information and Submitting Comments

A. Obtaining Information

Please refer to Docket ID NRC-2025-0014 when contacting the NRC about the availability of information for this action. You may obtain publicly available information related to this action by any of the following methods:

- *Federal Rulemaking Website:* Go to <https://www.regulations.gov> and search for Docket ID NRC-2025-0014.

- *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 ADAMS Public 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. A copy of the collection of information and related instructions may be obtained without charge by accessing ADAMS Accession ML25196A028. The supporting statement is available in ADAMS under Accession Nos. ML25196A029.

- *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.

- *NRC's Clearance Officer:* A copy of the collection of information and related instructions may be obtained without charge by contacting the NRC's Acting Clearance Officer, Heather Dempsey, Office of the Chief Information Officer, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; telephone: 301-415-0856; email: Infocollects.Resource@nrc.gov.

B. Submitting Comments

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 Review—Open for Public Comments" or by using the search function.

The NRC cautions you not to include identifying or contact information in comment submissions that you do not want to be publicly disclosed in your comment submission. All comment submissions are posted at <https://www.regulations.gov> and entered into ADAMS. Comment submissions are not routinely edited to remove identifying or contact information.

If you are requesting or aggregating comments from other persons for submission to the OMB, then you should inform those persons not to include identifying or contact information that they do not want to be publicly disclosed in their comment submission. Your request should state

that comment submissions are not routinely edited to remove such information before making the comment submissions available to the public or entering the comment into ADAMS.

II. Background

Under the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35), the NRC recently submitted a proposed collection of information to OMB for review entitled NRC Form 1121, "Bankruptcy Information Request, Post Filing." The NRC hereby informs potential respondents that an agency may not conduct or sponsor, and that a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The NRC published a **Federal Register** notice with a 60-day comment period on this information collection on June 23, 2025, 90 FR 26622.

1. *The title of the information collection:* NRC Form 1121, Bankruptcy Information Request, Post Filing.

2. *OMB approval number:* An OMB control number has not yet been assigned to this proposed information collection.

3. *Type of submission:* New.

4. *The form number, if applicable:* NRC Form 1121.

5. *How often the collection is required or requested:* Once per bankruptcy filing.

6. *Who will be required or asked to respond:* All NRC licensees (i.e., all license categories) who seek bankruptcy protection will be asked to voluntarily respond through NRC Form 1121 submission.

7. *The estimated number of annual responses:* 4.

8. *The estimated number of annual respondents:* 4.

9. *The estimated number of hours needed annually to comply with the information collection requirement or request:* 20.

10. *Abstract:* The NRC intends to collect information regarding radioactive material source security and radiation protection program continuance, as required by license condition and regulation, during the licensee's bankruptcy proceeding duration. This information is being collected to gain assurance that the licensee can comply to source security, license maintenance and other regulatory obligations during the bankruptcy process.

Dated: March 4, 2026.

For the Nuclear Regulatory Commission.

Heather Dempsey,

Acting NRC Clearance Officer, Office of the Chief Information Officer.

[FR Doc. 2026-04527 Filed 3-6-26; 8:45 am]

BILLING CODE 7590-01-P

NUCLEAR REGULATORY COMMISSION

[NRC-2025-0022]

Information Collection: Collection of Research Code Non-Disclosure Agreement Information

AGENCY: Nuclear Regulatory Commission.

ACTION: Notice of submission to the Office of Management and Budget; request for comment.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) has recently submitted a request for renewal of an existing collection of information to the Office of Management and Budget (OMB) for review. The information collection is entitled, "Collection of Research Code Non-Disclosure Agreement Information."

DATES: Submit comments by April 8, 2026. Comments received after this date will be considered if it is practical to do so, but the Commission is able to ensure consideration only for comments received on or before this date.

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 Review—Open for Public Comments" or by using the search function.

FOR FURTHER INFORMATION CONTACT:

Heather Dempsey, Acting NRC Clearance Officer, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; telephone: 301-415-0856; email: Infocollects.Resource@nrc.gov.

SUPPLEMENTARY INFORMATION:

I. Obtaining Information and Submitting Comments

A. Obtaining Information

Please refer to Docket ID NRC-2025-0022 when contacting the NRC about the availability of information for this action. You may obtain publicly available information related to this action by any of the following methods:

- *Federal Rulemaking Website:* Go to <https://www.regulations.gov> and search for Docket ID NRC-2025-0022.

- *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 ADAMS Public 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. A copy of the collection of information and related instructions may be obtained without charge by accessing ADAMS Accession Nos. ML25248A334 and ML25160A298. The supporting statement is available in ADAMS under Accession Nos. ML26036A021.

- *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.

- *NRC's Clearance Officer:* A copy of the collection of information and related instructions may be obtained without charge by contacting the NRC's Acting Clearance Officer, Heather Dempsey, Office of the Chief Information Officer, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; telephone: 301-415-0856; email: Infocollects.Resource@nrc.gov.

B. Submitting Comments

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 Review—Open for Public Comments" or by using the search function.

The NRC cautions you not to include identifying or contact information in comment submissions that you do not want to be publicly disclosed in your comment submission. All comment submissions are posted at <https://www.regulations.gov> and entered into ADAMS. Comment submissions are not routinely edited to remove identifying or contact information.

If you are requesting or aggregating comments from other persons for submission to the OMB, then you should inform those persons not to include identifying or contact information that they do not want to be publicly disclosed in their comment

submission. Your request should state that comment submissions are not routinely edited to remove such information before making the comment submissions available to the public or entering the comment into ADAMS.

II. Background

Under the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35), the NRC recently submitted a request for renewal of an existing collection of information to OMB for review entitled, "Collection of Research Code Non-Disclosure Agreement Information." The NRC hereby informs potential respondents that an agency may not conduct or sponsor, and that a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The NRC published a **Federal Register** notice with a 60-day comment period on this information collection on November 26, 2025, 90 FR 54404.

1. *The title of the information collection:* Collection of Research Code Non-Disclosure Agreement Information.

2. *OMB approval number:* 3150-0240.

3. *Type of submission:* Extension.

4. *The form number, if applicable:*

Not Applicable.

5. *How often the collection is required or requested:* The collection is required every time an NRC developed code is requested by users.

6. *Who will be required or asked to respond:* Users of the code from domestic and foreign licensees, universities, corporations, and members of the public, as well as foreign technical support organizations.

7. *The estimated number of annual responses:* 962.

8. *The estimated number of annual respondents:* 962.

9. *The estimated number of hours needed annually to comply with the information collection requirement or request:* 962.

10. *Abstract:* This information collection request is a non-disclosure agreement (NDA) used for domestic and foreign entities to obtain and use the NRC's nuclear safety analytical computer codes. NRC develops and uses computer codes to independently model and evaluate safety issues associated with the licensed use of radioactive materials. As a global leader in nuclear regulatory research and safety assessment, NRC is frequently approached by domestic and international organizations requesting copies of NRC computer codes. In general, to obtain an NRC code an individual or organization first agrees to not redistribute the code (*i.e.*, non-

disclosure) through an NDA. The NDA also imposes terms and conditions for code use, and requires notification to NRC of code errors, code modifications, and updated user information. An officially signed and executed NDA of users agreeing to the terms and conditions is current NRC practice for access to NRC-developed computer codes. Once the NDA has been signed, received, reviewed, and accepted, the requesting individual or organization is given access to the requested code. The information collection enables the NRC to ensure that proper procedures and agreements are in place to guide the distribution and use of these codes according to NRC and U.S. Government policies and international agreements such as import-export restrictions and intellectual property rights. Further information collection on code errors and modifications by code users permits NRC to maintain control and quality of its codes in a timely and efficient manner.

Dated: March 4, 2026.

For the Nuclear Regulatory Commission.

Heather Dempsey,

Acting NRC Clearance Officer, Office of the Chief Information Officer.

[FR Doc. 2026-04528 Filed 3-6-26; 8:45 am]

BILLING CODE 7590-01-P

NUCLEAR REGULATORY COMMISSION

[NRC-2026-0001]

Sunshine Act Meetings

TIME AND DATE: Weeks of March 9, 16, 23, and 30 and April 6 and 13, 2026. 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 contact the Reasonable Accommodations Resource by email at Reasonable_Accommodations.Resource@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 March 9, 2026

There are no meetings scheduled for the week of March 9, 2026.

Week of March 16, 2026—Tentative

There are no meetings scheduled for the week of March 16, 2026.

Week of March 23, 2026—Tentative

There are no meetings scheduled for the week of March 23, 2026.

Week of March 30, 2026—Tentative

There are no meetings scheduled for the week of March 30, 2026.

Week of April 6, 2026—Tentative

There are no meetings scheduled for the week of April 6, 2026.

Week of April 13, 2026—Tentative

There are no meetings scheduled for the week of April 13, 2026.

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: March 5, 2026.

For the Nuclear Regulatory Commission.

Wesley W. Held,

Policy Coordinator, Office of the Secretary.

[FR Doc. 2026-04601 Filed 3-5-26; 4:15 pm]

BILLING CODE 7590-01-P

NUCLEAR REGULATORY COMMISSION

[NRC-2025-0012]

Information Collection: NRC Form 398, Personal Qualification Statement-Licensee

AGENCY: Nuclear Regulatory Commission.

ACTION: Notice of submission to the Office of Management and Budget; request for comment.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) has recently submitted a request for renewal of an existing collection of information to the Office of Management and Budget (OMB) for review. The information collection is entitled, NRC Form 398,

“Personal Qualification Statement-Licensee.”

DATES: Submit comments by April 8, 2026. Comments received after this date will be considered if it is practical to do so, but the Commission is able to ensure consideration only for comments received on or before this date.

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 Review—Open for Public Comments” or by using the search function.

FOR FURTHER INFORMATION CONTACT: Heather Dempsey, Acting NRC Clearance Officer, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; telephone: 301-415-0856; email: Infocollects.Resource@nrc.gov.

SUPPLEMENTARY INFORMATION:

I. Obtaining Information and Submitting Comments

A. Obtaining Information

Please refer to Docket ID NRC-2025-0012 when contacting the NRC about the availability of information for this action. You may obtain publicly available information related to this action by any of the following methods:

- **Federal Rulemaking Website:** Go to <https://www.regulations.gov> and search for Docket ID NRC-2025-0012.
- **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 ADAMS Public 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. A copy of the collection of information and related instructions may be obtained without charge by accessing ADAMS Accession Nos. ML25014A340 and ML25217A465. The supporting statement is available in ADAMS under Accession No. ML25325A183.

- **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.

- **NRC's Clearance Officer:** A copy of the collection of information and related instructions may be obtained without charge by contacting the NRC's Acting Clearance Officer, Heather Dempsey, Office of the Chief Information Officer, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; telephone: 301-415-0856; email: Infocollects.Resource@nrc.gov.

B. Submitting Comments

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 Review—Open for Public Comments” or by using the search function.

The NRC cautions you not to include identifying or contact information in comment submissions that you do not want to be publicly disclosed in your comment submission. All comment submissions are posted at <https://www.regulations.gov> and entered into ADAMS. Comment submissions are not routinely edited to remove identifying or contact information.

If you are requesting or aggregating comments from other persons for submission to the OMB, then you should inform those persons not to include identifying or contact information that they do not want to be publicly disclosed in their comment submission. Your request should state that comment submissions are not routinely edited to remove such information before making the comment submissions available to the public or entering the comment into ADAMS.

II. Background

Under the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35), the NRC recently submitted a request for renewal of an existing collection of information to OMB for review entitled, NRC Form 398, “Personal Qualification Statement-Licensee.” The NRC hereby informs potential respondents that an agency may not conduct or sponsor, and that a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The NRC published a **Federal Register** notice with a 60-day comment period on this information collection on November 20, 2025, 90 FR 52449.

1. *The title of the information collection:* NRC Form 398, Personal Qualification Statement-Licensee.
2. *OMB approval number:* 3150-0090.
3. *Type of submission:* Revision.
4. *The form number, if applicable:* NRC Form 398.

5. *How often the collection is required or requested:* Upon application for an initial or upgrade operator license and every 6 years for the renewal of operator or senior operator licenses.

6. *Who will be required or asked to respond:* Facility licensees who are tasked with certifying that the applicants and renewal operators are qualified to be licensed as reactor operators and senior reactor operators.

7. *The estimated number of annual responses:* 1,062.

8. *The estimated number of annual respondents:* 1,062.

9. *The estimated number of hours needed annually to comply with the information collection requirement or request:* 5,613.

10. *Abstract:* NRC Form 398 is used to transmit detailed information required to be submitted to the NRC by a facility licensee on each applicant applying for new and upgraded licenses or license renewals to operate the controls at a nuclear reactor facility. This information is used to determine that each applicant or renewal operator seeking a license or renewal of a license is qualified to be issued a license and that the licensed operator would not be expected to cause operational errors and endanger public health and safety.

Dated: March 4, 2026.

For the Nuclear Regulatory Commission.

Heather Dempsey,

Acting NRC Clearance Officer, Office of the Chief Information Officer.

[FR Doc. 2026-04529 Filed 3-6-26; 8:45 am]

BILLING CODE 7590-01-P

OFFICE OF PERSONNEL MANAGEMENT

Submission for Review: 3206-0162, Report of Medical Examination of Person Electing Survivor Benefits, OPM 1530

AGENCY: Office of Personnel Management.

ACTION: 60-Day notice and request for comments.

SUMMARY: Office of Personnel Management (OPM) offers the general public and other federal agencies the opportunity to comment on an expiring information collection request (ICR), Report of Medical Examination of

Person Electing Survivor Benefits, OPM 1530.

DATES: Comments are encouraged and will be accepted until May 8, 2026.

ADDRESSES: You may submit comments on the Federal Rulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments. The general policy for comments and other submissions from members of the public is to make these submissions available for public viewing at <http://www.regulations.gov> as they are received without change, including any personal identifiers or contact information.

FOR FURTHER INFORMATION CONTACT: A copy of this ICR with applicable supporting documentation, may be obtained by contacting the Retirement Services Publications Team, Office of Personnel Management, 1900 E Street NW, Room 3316-BD, Washington, DC 20415, Attention: Cyrus S. Benson, or sent via electronic mail to RSPublicationsTeam@opm.gov.

SUPPLEMENTARY INFORMATION: As required by the Paperwork Reduction Act of 1995, as amended (44 U.S.C. chapter 35), OPM is soliciting comments for this collection (OMB No. 3206–0162). OPM is particularly interested in comments that:

1. Evaluate whether the proposed collection of information is necessary for the proper performance of 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 submissions of responses.

At the time of retirement, an employee or Member in good health may elect an insurable interest survivor annuity benefit on behalf of an eligible beneficiary. OPM Form 1530 is used to collect the information necessary to determine whether the employee or Member is in good health so that OPM can determine whether the applicant is eligible to elect an insurable interest survivor annuity benefit.

Analysis

Agency: Retirement Operations, Retirement Services, Office of Personnel Management.

Title: Report of Medical Examination of Person Electing Survivor Benefits.

OMB Number: 3206–0162.

Frequency: On occasion.

Affected Public: Individuals or Households.

Number of Respondents: 500.

Estimated Time per Respondent: 90 minutes.

Total Burden Hours: 750.

U.S. Office of Personnel Management.

Alexys Stanley,

Federal Register Liaison.

[FR Doc. 2026–04524 Filed 3–6–26; 8:45 am]

BILLING CODE 6325–38–P

OFFICE OF PERSONNEL MANAGEMENT

Submission for Review: 3206–0194, Annuity Supplement Earnings Report, RI 92–22

AGENCY: U.S. Office of Personnel Management.

ACTION: 60-Day notice and request for comments.

SUMMARY: Office of Personnel Management (OPM), Retirement Services offers the general public and other federal agencies the opportunity to comment on the review of an expiring information collection request (ICR), Annuity Supplement Earnings Report, RI 92–22.

DATES: Comments are encouraged and will be accepted until May 8, 2026.

ADDRESSES: You may submit comments, identified by docket number and title, by the following method:

- *Federal Rulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments.

All submissions received must include the agency name and docket number for this document. The general policy for comments and other submissions from members of the public is to make these submissions available for public viewing at <http://www.regulations.gov> as they are received without change, including any personal identifiers or contact information.

FOR FURTHER INFORMATION CONTACT: A copy of this ICR with applicable supporting documentation may be obtained by contacting the Retirement Services Publications Team, Office of Personnel Management, 1900 E Street NW, Room 3316-BD, Washington, DC 20415, Attention: Cyrus S. Benson, or

sent by email to RSPublicationsTeam@opm.gov.

SUPPLEMENTARY INFORMATION: FERS annuitants who are not retired on disability and are not yet age 62 may be eligible for a supplement to the FERS annuity. The supplement approximates the portion of full career Social Security benefits earned while under FERS and ends at age 62. Like Social Security benefits, the annuity supplement is subject to an earnings limitation. Accordingly, RI 92–22 is used to obtain the annual earned income of certain Federal Employees' Retirement System (FERS) annuitants to determine each annuitant's eligibility to continue receiving an annuity supplement.

As required by the Paperwork Reduction Act of 1995, as amended (44 U.S.C. chapter 35), OPM is soliciting comments for this collection (OMB No. 3206–0194). The Office of Personnel Management is particularly interested in comments that:

1. Evaluate whether the proposed collection of information is necessary for the proper performance of 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 submissions of responses.

Analysis

Agency: Office of Personnel Management, Retirement Services.

Title: Annuity Supplement Earnings Report.

OMB Number: 3206–0194.

Frequency: On occasion.

Affected Public: Individuals or Households.

Number of Respondents: 13,000.

Estimated Time per Respondent: 15 minutes.

Total Burden Hours: 3,250.

U.S. Office of Personnel Management.

Alexys Stanley,

Federal Register Liaison.

[FR Doc. 2026–04547 Filed 3–6–26; 8:45 am]

BILLING CODE 6325–38–P

**OFFICE OF PERSONNEL
MANAGEMENT****Submission for Review: Initial
Certification of Full-Time School
Attendance, RI 25–41, 3206–0099 and
3206–0215, Verification of Full-Time
School Attendance, RI 25–49**

AGENCY: Office of Personnel
Management.

ACTION: 60-Day notice and request for
comments.

SUMMARY: OPM is soliciting comments
regarding the renewal of two currently
approved collections: Initial
Certification of Full-Time School
Attendance, RI 25–41 (3206–0099) and
Verification of Full-Time School
Attendance, RI 25–49 (3206–0215).
OPM is considering consolidation of the
information collections and combining
the two forms into a single form.

DATES: Comments are encouraged and
will be accepted until May 8, 2026.

ADDRESSES: You may submit comments
on the Federal eRulemaking Portal at
<http://www.regulations.gov>. Follow the
instructions for submitting comments.
The general policy for comments and
other submissions from members of the
public is to make these submissions
available for public viewing on the
internet at <http://www.regulations.gov>
as they are received without change,
including any personal identifiers or
contact information.

FOR FURTHER INFORMATION CONTACT: A
copy of this ICR with applicable
supporting documentation may be
obtained by contacting the Retirement
Services Publications Team, Office of
Personnel Management, 1900 E Street
NW, Room 3316–BD, Washington, DC
20415, Attention: Cyrus S. Benson, or
via email at RSPublicationsTeam@opm.gov.

SUPPLEMENTARY INFORMATION: As
required by the Paperwork Reduction
Act, as amended (44 U.S.C. chapter 35),
OPM is soliciting comments for two
currently approved collections: Initial
Certification of Full-Time School
Attendance, RI 25–41 (3206–0099) and
Verification of Full-Time School
Attendance, RI 25–49 (3206–0215).

A surviving adult child (between 18
and 22 years of age) must be unmarried
and a full-time student in a recognized
school to receive survivor benefits. RI
25–41, Initial Certification of Full-Time
School Attendance is used to make an
initial determination of whether a
surviving adult child is eligible to
receive survivor benefits. RI 25–49 is
used to verify that a surviving adult
student annuitant remains entitled to

payment. OPM must determine this in
order to pay survivor annuity benefits to
children who are age 18 or older under
title 5, U.S.C. 8341(a)(4)(C) and
8441(4)(C).

OPM is considering consolidating the
RI 25–41 form and the RI 25–49 form,
by revising the RI 25–41 form so that it
can be used for initial certifications and
annual verifications. OPM welcomes
comments on combining the forms and
the information collections, whether
consolidation would reduce the burden
on respondents, and if so, what the
burden estimate should be.

The Office of Personnel Management
is particularly interested in comments
that:

1. Evaluate whether each of the
collections of information is necessary
for the proper performance of 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 each
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
collections 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 submissions
of responses.

Analysis

Agency: Retirement Operations,
Retirement Services, Office of Personnel
Management.

Title: Initial Certification of Full-Time
School Attendance, Verification of Full-
Time School Attendance.

OMB Control Nos.: 3206–0099 and
3206–0215.

Frequency: On occasion.

Affected Public: Individuals or
Households.

Number of Respondents: 3206–0099:
1,200 and 3206–0215: 10,000.

Estimated Time per Respondent:
3206–0099: 90 minutes and 3206–0215:
60 minutes.

Total Burden Hours: 3206–0099:
1,800 and 3206–0215: 10,000.

Office of Personnel Management.

Alexys Stanley,
Federal Register Liaison.

[FR Doc. 2026–04525 Filed 3–6–26; 8:45 am]

BILLING CODE 6325–38–P

**SECURITIES AND EXCHANGE
COMMISSION**

[Release No. 34–104923; File No. SR–FICC–
2026–004]

**Self-Regulatory Organizations; Fixed
Income Clearing Corporation; Notice of
Filing and Immediate Effectiveness of
a Proposed Rule Change To Amend
the Clearing Agency Stress Testing
Framework**

March 4, 2026.

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 February
25, 2026, Fixed Income Clearing
Corporation ("FICC") filed with the
Securities and Exchange Commission
("Commission") the proposed rule
change as described in Items I, II and III
below, which Items have been prepared
by the clearing agency. FICC filed the
proposed rule change pursuant to
Section 19(b)(3)(A) of the Act³ and Rule
19b–4(f)(6) thereunder.⁴ The
Commission is publishing this notice to
solicit comments on the proposed rule
change from interested persons.

**I. Clearing Agency's Statement of the
Terms of Substance of the Proposed
Rule Change**

The proposed rule change consists of
amendments to the Clearing Agency
Stress Testing Framework
("Framework") of FICC and its affiliates,
The Depository Trust Company ("DTC")
and National Securities Clearing
Corporation ("NSCC," and together with
FICC and DTC, the "Clearing
Agencies").⁵

**II. Clearing Agency's Statement of the
Purpose of, and Statutory Basis for, the
Proposed Rule Change**

In its filing with the Commission, the
clearing agency included statements
concerning the purpose of and basis for
the proposed rule change and discussed
any comments it received on the
proposed rule change. The text of these
statements may be examined at the
places specified in Item IV below. The
clearing agency has prepared
summaries, set forth in sections A, B,
and C below, of the most significant
aspects of such statements.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b–4(f)(6).

⁵ Capitalized terms not defined herein shall have
the meaning assigned to such terms in each of the
Clearing Agencies' respective rules, available at
www.dtcc.com/legal/rules-and-procedures.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Background

Rules 17ad-22(e)(4) and (7) under the Act require the Clearing Agencies to establish, implement, maintain and enforce written policies and procedures reasonably designed to manage their credit and liquidity risks, including through the use of stress testing.⁶ The Clearing Agencies adopted the Framework to set forth the manner in which they identify, measure, monitor, and manage their respective credit exposures to participants and those arising from their respective payment, clearing, and settlement processes by, for example, maintaining sufficient prefunded financial resources to cover their credit exposures to each participant fully with a high degree of confidence and testing the sufficiency of those prefunded financial resources through stress testing.⁷ In this way, the Framework describes the stress testing activities of each of the Clearing Agencies and how the Clearing Agencies meet the applicable requirements of Rules 17ad-22(e)(4) and (7) under the Act.

Rule 17ad-22(e)(3)(ii) under the Act requires the Clearing Agencies to, in short, establish, implement and maintain 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.⁸ The Clearing Agencies' plans for recovery and orderly wind-down ("Recovery & Wind-down Plans" or "RWPs") are intended to be used by the respective Boards of Directors and management in the event a Clearing Agency encounters scenarios that could potentially prevent it from being able to provide its core services as a going concern. The RWPs are managed by the Office of Recovery & Resolution Planning (referred to in the RWPs as the "R&R Team") of the Clearing Agencies' parent company, The Depository Trust & Clearing Corporation ("DTCC"),⁹ on behalf of each Clearing Agency, with

review and oversight by the DTCC Executive Committee and the Clearing Agencies' respective Boards of Directors.

In November 2024, the Commission adopted new Rule 17ad-26 under the Act ("Rule 17ad-26"),¹⁰ which sets forth additional standards for the Recovery & Wind-down Plans required to be maintained by Rule 17ad-22(e)(3)(ii) under the Act. Rule 17ad-26(a)(3) specifically requires that the RWPs identify and describe scenarios that may potentially prevent the covered clearing agency from being able to provide its core services as a going concern, including uncovered credit losses, uncovered liquidity shortfalls, and general business losses.¹¹

On June 10, 2025, the Commission approved proposed rule changes by the Clearing Agencies to amend their respective RWPs to, among other things, identify and describe scenarios that may potentially prevent each Clearing Agency from being able to provide its core services as a going concern.¹² Such scenarios include uncovered credit losses, uncovered liquidity shortfalls and general business losses as required by Rule 17ad-26(a)(3). The scenarios identified in the RWPs ("RWP Scenarios") primarily leverage the Clearing Agencies' existing stress testing methodology.

Proposed Changes

Proposed Changes Related to RWP Scenarios

The Clearing Agencies propose to amend the Framework to provide additional clarity regarding the role of the Framework and stress testing team ("Stress Testing Team") in supporting the R&R Team in identifying and describing scenarios that may potentially prevent the covered clearing agency from being able to provide its core services, as required under Rule 17ad-26.

The Clearing Agencies propose to revise the Executive Summary of the Framework to provide that the Framework sets forth the manner in which the Stress Testing Team supports the Recovery & Wind-down Plans in identifying and describing scenarios that may potentially prevent the covered clearing agency from being able to

provide its core services, as required under Rule 17ad-26. The Executive Summary would also be revised to note the applicability of Rule 17ad-26(a)(3) and RWP Scenarios to various sections of the Framework.

The Clearing Agencies would also revise the Market Risk Stress Testing Requirements section of the Framework (which would be renamed to Stress Testing Requirements) to summarize the newly applicable requirements under Rule 17ad-26(a)(3) for each Clearing Agency to identify and describe scenarios that may potentially prevent the covered clearing agency from being able to provide its core services. The proposed rule change would further provide that the Framework describes (i) the manner in which the Clearing Agencies determine inputs and assumptions and associated loss amounts for the uncovered credit loss and uncovered liquidity shortfall scenarios identified and described in the RWPs and (ii) the role of the Stress Testing Team in supporting the R&R Team in identifying and describing the general business loss scenarios used in the RWPs.¹³ The proposed rule change would also clarify that the remaining elements of Rule 17ad-26 as they relate to RWPs are out of scope for the Framework as they identify additional requirements unrelated to scenarios that are described in each Clearing Agency's RWP.

The Clearing Agencies also propose to add a new section to the Framework titled Recovery and Wind-down to provide background context on the RWPs. For example, the proposed rule change would explain how the RWPs are intended to be used by the Boards of Directors and management of the Clearing Agencies in the event that a Clearing Agency encounters scenarios that could potentially prevent it from being able to provide its core services as identified in compliance with Rule 17ad-26(a)(1) as a going concern, and that each RWP is designed as a roadmap that collects and organizes, in one place, the tools and related actions available to the Clearing Agency to address events that may lead to recovery and/or wind-down.

The proposed new section would also reiterate the requirements of Rule 17ad-26(a)(3) and describe how the Framework supports the RWPs in identifying and describing scenarios that may potentially prevent the covered clearing agency from being able to

¹³ As described below, the Stress Testing Team leverages the Clearing Agencies' existing stress testing methodologies to identify scenario assumptions and inputs to be used in the RWP Scenarios.

⁶ See 17 CFR 240.17ad-22(e)(4) and (7).

⁷ See Securities Exchange Act Release No. 82368 (Dec. 19, 2017), 82 FR 61082 (Dec. 26, 2017) (SR-DTC-2017-005, SR-FICC-2017-009, SR-NSCC-2017-006).

⁸ See 17 CFR 240.17ad-22(e)(3)(ii).

⁹ DTCC operates on a shared service model with respect to FICC and its other affiliated clearing agencies, DTC and NSCC. Most corporate functions are established and managed on an enterprise-wide basis pursuant to intercompany agreements under which it is generally DTCC that provides relevant services to the Clearing Agencies.

¹⁰ 17 CFR 240.17ad-26. See Covered Clearing Agency Resilience and Recovery and Orderly Wind-down Plans, Securities Exchange Act Release No. 101446 (Oct. 25, 2024), 89 FR 91000 (Nov. 18, 2024) (S7-10-23).

¹¹ See 17 CFR 240.17ad-26(a)(3).

¹² See Securities Exchange Act Release No. 103221 (June 10, 2025), 90 FR 25414 (June 16, 2025) (File Nos. SR-DTC-2025-007, SR-FICC-2025-010, SR-NSCC-2025-007).

provide its core services. Specifically, the proposed rule change would clarify that (i) the Stress Testing Team is responsible for identifying, developing and maintaining the assumptions and inputs that will be used to determine uncovered credit loss and uncovered liquidity shortfall amounts that may prevent each Clearing Agency from providing their core services as a going concern; (ii) the Stress Testing Team will leverage existing stress testing methodologies, as described in the Framework, to identify scenario assumptions that may potentially prevent the covered clearing agency from being able to provide its core services in uncovered credit loss and uncovered liquidity shortfall scenarios; and (iii) the loss amounts generated by the Stress Testing Team will be provided to the R&R Team. The proposed rule change would further clarify how the Stress Testing Team collaborates with the R&R Team and other stakeholders in identifying and describing the general business loss scenarios used in the RWPs and maintains such scenarios within its inventory of informational stress scenarios. The proposed rule change would also clarify that the tools and steps available to the Clearing Agencies to address the losses sustained are subject to the Recovery & Wind-down Plans and their subservient documentation.

The Clearing Agencies also propose to modify the Stress Testing Methodologies section of the Framework to clarify that scenario development for informational stress scenarios under the Framework also includes those used for recovery and wind-down purposes. For example, the proposed rule change would provide that the recovery and wind-down scenarios are a subset of the Clearing Agencies' informational stress scenarios and would include narratives to describe underlying events and stresses generated by those events that could lead a Clearing Agency to experience recovery and wind-down. The proposed rule change would further clarify that the available financial and liquidity resources are defined in the RWP of each Clearing Agency, and that the R&R Team, in conjunction with other stakeholders, would be responsible for identifying within the scenario the steps that the Clearing Agency would be expected to take to address any losses sustained.

The Clearing Agencies would also update the Stress Testing Methodologies section of the Framework to include general business losses as an area of risk identification. The proposed rule

change would describe the term "general business loss" as being any other type of loss event that is not a default loss (e.g., fraud, natural disaster, cyber event, etc.) and is not separately covered by financial resources held for the purposes of managing credit and liquidity risk. The proposed rule change would further clarify that specific business risks are identified through collaboration with the R&R Team, along with other teams within the Clearing Agencies as needed.

Finally, the Clearing Agencies would modify the Stress Testing Governance And Escalation Procedures section of the Framework to clarify that the usage of the RWP Scenarios as part of the RWP is governed by each of the Clearing Agencies' respective RWPs.

Other Clarifying, Cleanup and Organizational Changes

In addition to the proposed changes described above, the Clearing Agencies propose other clarifying, conforming, cleanup and organizational changes to the Framework to improve the accuracy and clarity of the document. First, the proposed rule change would update the Glossary of Key Terms in the Framework. Specifically, the proposed rule change would modify the definition of the Enterprise Stress Testing Committee ("ESTC") to clarify that the ESTC's responsibilities for stress testing-related issues, matters and/or concerns at DTC, NSCC, and FICC are described in the ESTC's charter. The Clearing Agencies would also add a defined term for "Recovery & Wind-down Plan" to mean the plan for the recovery and orderly wind-down of each Clearing Agency necessitated by credit losses, liquidity shortfalls, losses from general business risk or any other losses, adopted by each Clearing Agency pursuant to Rule 17ad-22(e)(3)(ii) under the Act. The Clearing Agencies would also add a defined term for "General Business Losses" that would be aligned with the proposed description of general business losses discussed above.

The Clearing Agencies also propose to remove a reference to the DTCC Systemic Risk Office's role in designing hypothetical macroeconomic scenarios for stress testing to reflect this team's more limited role in the design process.

In addition, the proposed rule change would update the Framework to include relevant citations to various rules under the Act and to reflect their current numbering conventions. The proposed rule change would also update references to the Framework within the document to remove "Market Risk" from the title to reflect that the Framework discusses more than just

market risk scenarios and would update references to various DTCC teams to more accurately reflect current naming conventions and/or responsibilities. Finally, the proposed rule change would make a number of non-substantive drafting clarifications throughout the Framework to improve drafting, clarity and organization of the document.

2. Statutory Basis

The Clearing Agencies believe that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a registered clearing agency. In particular, the Clearing Agencies believe that the proposed changes are consistent with Section 17A(b)(3)(F) of the Act¹⁴ and Rule 17ad-26 under the Act¹⁵ for the reasons set forth below.

Section 17A(b)(3)(F) of the Act¹⁶ requires, in part, that the rules of a registered clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions, to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible, and, in general, to protect investors and the public interest. As described above, the RWPs are used by the Boards of Directors and management of the Clearing Agencies in the event the Clearing Agencies encounter scenarios that could potentially prevent them from being able to provide core services to the marketplace as a going concern. As part of recovery and wind-down planning, the RWPs must identify and describe scenarios that may potentially prevent the covered clearing agency from being able to provide its core services as a going concern, which include uncovered credit losses, uncovered liquidity shortfalls and general business losses. The proposed rule change would update the Framework to provide additional clarity regarding how the Framework and DTCC Stress Testing Team support the development and maintenance of the RWP Scenarios that are included in the Clearing Agencies' RWPs. The identification and maintenance of RWP Scenarios are essential aspects of recovery and wind-down planning in that they enable the Clearing Agencies to (i) evaluate what is necessary to achieve a recovery and, in the event that recovery fails, ensuring the orderly wind-down of the Clearing Agency and transfer of core services to a new entity

¹⁴ 15 U.S.C. 78q-1(b)(3)(F).

¹⁵ 17 CFR 240.17ad-26.

¹⁶ 15 U.S.C. 78q-1(b)(3)(F).

and (ii) make reasonable and appropriate preparations to achieve a recovery or orderly wind-down. By facilitating the continuity of the Clearing Agencies' core clearance and settlement services under such scenarios, the Clearing Agencies believe the RWP and the proposed rule change would continue to promote the prompt and accurate clearance and settlement of securities transactions and the safeguarding of securities and funds during the recovery and wind-down process. The Clearing Agencies therefore believe the proposed rule change would promote the prompt and accurate clearance and settlement of securities transactions, the safeguarding of securities and funds which are in the custody or control of the Clearing Agencies or for which they are responsible, and the protection of investors and the public interest in accordance with the requirements of Section 17A(b)(3)(F) of the Act.

Rule 17ad-26 under the Act¹⁷ sets forth additional standards for the Recovery & Wind-down Plans required to be maintained by the Clearing Agencies by Rule 17ad-22(e)(3)(ii) under the Act. Rule 17ad-26(a)(3)¹⁸ specifically requires that the RWPs identify and describe scenarios that may potentially prevent the covered clearing agency from being able to provide its core services as a going concern, including uncovered credit losses, uncovered liquidity shortfalls, and general business losses. The proposed rule change would update the Framework to provide additional clarity regarding how the Framework and DTCC Stress Testing Team support the development and maintenance of RWP Scenarios that are included in the Clearing Agencies' RWPs. The Clearing Agencies therefore believe the proposed changes to the Framework would facilitate the identification and description of scenarios that may potentially prevent the covered clearing agency from being able to provide its core services as a going concern, including uncovered credit losses, uncovered liquidity shortfalls, and general business losses, in accordance with Rule 17ad-26(a)(3) under the Act.

For these reasons, the Clearing Agencies believe the proposed rule change is consistent with the requirements of Section 17A(b)(3)(F) of the Act¹⁹ and Rule 17ad-26 thereunder.²⁰

(B) Clearing Agency's Statement on Burden on Competition

Section 17A(b)(3)(I) of Act²¹ requires that the rules of a clearing agency do not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is primarily designed to update the Framework to (i) summarize the role of the Clearing Agencies' existing RWPs and the newly applicable requirements for RWP Scenario identification and description under Rule 17ad-26(a)(3) and (ii) provide additional clarity regarding how the Framework and DTCC Stress Testing Team support the development and maintenance of the Clearing Agencies' RWP Scenarios. As described above, the Stress Testing Team would leverage existing stress testing methodologies described in the Framework to identify scenario assumptions, inputs and associated loss amounts to be used for the Clearing Agencies' RWP Scenarios. The RWP Scenarios are currently maintained under the Clearing Agencies' existing RWPs, which have been approved by the Commission.²² The RWPs, including the scenarios addressed therein, support the continuity of each Clearing Agency's core services and enable participants to maintain access to each Clearing Agency's services in the event that the RWPs are ever triggered by their respective Boards of Directors. The Framework and its support of the RWPs are not designed to advantage or disadvantage any particular participant or user of the Clearing Agencies' services or unfairly inhibit access to the Clearing Agencies' services. The Clearing Agencies therefore do not believe that the proposed rule change would have any impact, or impose any burden, on competition.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Clearing Agencies have not received or solicited any written comments relating to this proposal. If any written comments are received, they will be publicly filed as an Exhibit 2 to this filing, as required by Form 19b-4 and the General Instructions thereto.

Persons submitting comments are cautioned that, according to Section IV (Solicitation of Comments) of the Exhibit 1A in the General Instructions to Form 19b-4, the Commission does not edit personal identifying information from comment submissions.

Commenters should submit only information that they wish to make available publicly, including their name, email address, and any other identifying information.

All prospective commenters should follow the Commission's instructions on how to submit comments, *available at* www.sec.gov/rules-regulations/how-submit-comment. General questions regarding the rule filing process or logistical questions regarding this filing should be directed to the Main Office of the SEC's Division of Trading and Markets at tradingandmarkets@sec.gov or 202-551-5777.

The Clearing Agencies reserve the right to not respond to any comments received.

III. Date of Effectiveness of the Proposed Rule Change, and Timing for Commission Action

Because the foregoing proposed rule change does not:

(i) significantly affect the protection of investors or the public interest;

(ii) impose any significant burden on competition; and

(iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act²³ and Rule 19b-4(f)(6) thereunder.²⁴

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-FICC-2026-004 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange

¹⁷ See 17 CFR 240.17ad-26.

¹⁸ See 17 CFR 240.17ad-26(a)(3).

¹⁹ 15 U.S.C. 78q-1(b)(3)(F).

²⁰ 17 CFR 240.17ad-26.

²¹ 15 U.S.C. 78q-1(b)(3)(I).

²² See *supra* note 12.

²³ 15 U.S.C. 78s(b)(3)(A).

²⁴ 17 CFR 240.19b-4(f)(6).

Commission, 100 F Street NE, Washington, DC 20549.

All submissions should refer to file number SR-FICC-2026-004. 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 FICC and on DTCC's website (<https://dtcc.com/legal/sec-rule-filings.aspx>). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-FICC-2026-004 and should be submitted on or before March 30, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁵

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2026-04507 Filed 3-6-26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104925; File No. SR-IEX-2026-06]

Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Harmonize Rules 9.261, 9.341, 9.524, and 9.830 With Rule Changes Made by the Financial Industry Regulatory Authority, Inc. That Allow for Video Conference Hearings Under Specified Conditions

March 4, 2026.

Pursuant to Section 19(b)(1) ¹ of the Securities Exchange Act of 1934 (the "Act") ² and Rule 19b-4 thereunder, ³ notice is hereby given that, on February 23, 2026, the Investors Exchange LLC ("IEX" 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

Pursuant to the provisions of Section 19(b)(1) of the Act,⁴ IEX is filing with the Commission a proposed rule change to harmonize Rules 9.261, 9.341, 9.524, and 9.830 with rule changes made by the Financial Industry Regulatory Authority, Inc. ("FINRA") that allow for video conference hearings under specified conditions.

The text of the proposed rule change is available at the Exchange's website at <https://www.iexexchange.io/resources/regulation/rule-filings> 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 these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to harmonize IEX Rules 9.261, 9.341, 9.524, and 9.830 with rule changes made by FINRA that allow for video conference hearings under specified conditions.⁵

Background

Chapter 9 of the IEX Rulebook, which is titled "Code of Procedure", sets forth rules for conducting investigations and enforcement actions regarding Members and persons associated with Members.⁶ IEX's Code of Procedure is modeled on FINRA Rule Series 9000, which sets forth FINRA's "Code of Procedure" for conducting investigations and enforcement actions.

In adopting disciplinary rules modeled on FINRA's rules, IEX adopted

the hearing and evidentiary processes, as well as the appeals process, set forth in FINRA Rules 9261, 9341, 9524, and 9830, which are reproduced in IEX Rules 9.261, 9.341, 9.524, and 9.830.⁷

In 2020, given the spread of COVID-19 and its effect on FINRA's adjudicatory functions nationwide, FINRA filed a temporary rule change to grant FINRA's Office of Hearing Officers ("OHO") and the NAC the authority to conduct certain hearings by video conference if warranted by the COVID-19-related public health risks posed by in-person hearings. Among the rules FINRA temporarily amended were FINRA Rules 9261, 9524, and 9830.⁸

In its Temporary Amendments Filing, FINRA represented that its protocol for conducting hearings by video conference would ensure that such hearings maintain a fair process for the parties by, among other things, FINRA's use of a high quality, secure and user-friendly video conferencing service and provision of thorough instructions, training and technical support to all hearing participants.⁹ According to FINRA, the changes were a reasonable interim solution to allow FINRA's critical adjudicatory processes to continue to function while protecting the health and safety of hearing participants.¹⁰

In 2023, FINRA filed a proposed rule change to make the temporary amendments regarding video conference hearings permanent, with some modifications to permit the use of video conferences for reasons beyond the COVID-19 pandemic.¹¹ The SEC approved FINRA's proposal.¹² Among other changes, FINRA amended Rules 9261 (Evidence and Procedure in Hearing), 9341 (Oral Argument), 9524 (National Adjudicatory Council Consideration), and 9830 (Hearing) to grant hearing officers the authority to

⁷ There is one difference between FINRA Rule 9524 and IEX Rule 9.524. FINRA Rule 9524 governs the process by which a statutorily disqualified member firm or associated person can appeal a recommendation by the FINRA Department of Member Regulation to deny a firm or sponsoring firm's application to the NAC. IEX Rule 9.524 provides that if the Chief Regulatory Officer rejects its application, a Member or applicant may request a review by the Appeals Committee of the Exchange Board of Directors. This differs from FINRA's process, which provides for a hearing before the National Adjudicatory Council ("NAC") and further consideration by the FINRA Board of Directors.

⁸ See Securities Exchange Act Release Nos. 83289 (September 2, 2020), 85 FR 55712 (September 9, 2020) (SR-FINRA-2020-027) ("Temporary Amendments Filing").

⁹ See *id.*, at 55713.

¹⁰ *Id.*

¹¹ See Securities Exchange Act Release No. 97403 (April 28, 2023), 88 FR 28645 (May 4, 2023) (SR-FINRA-2023-008).

¹² See FINRA Approval Order, *supra* note 4.

²⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁴ 15 U.S.C. 78s(b)(1).

⁵ See Securities Exchange Act Release No. 98029 (August 4, 2023), 88 FR 51879 (August 4, 2023) (SR-FINRA-2023-008) ("FINRA Approval Order").

⁶ See IEX Rule 1.160(s).

order hearings by video conference in situations in which proceeding in person could endanger the health or safety of the participant or alternatively would be impracticable (e.g., an uncommon situation or extraordinary circumstances such as a natural disaster or terrorist attack that caused travel to be canceled for an extended period of time).¹³ Under the amended rules, OHO has discretion to determine whether the circumstances for a video hearing have been met and can act quickly if a future unexpected event impairs their ability to conduct in-person hearings safely.¹⁴ In addition, the amended rules gave OHO the authority to order hearings to occur by video conference based on a motion,¹⁵ and gave the NAC the authority and discretion to conduct oral argument by video conference for “other reasons” unless any party demonstrates that conducting oral argument via video conference would materially disadvantage the party.¹⁶

As the FINRA Approval Order noted, FINRA represented that it will utilize the same protocols for conducting video conference hearings as those employed under the temporary COVID-related amendments, including using a high quality, secure, user-friendly video conferencing service and providing thorough instructions, training, and technical support to all hearing participants.¹⁷ In addition, the FINRA Approval Order noted that, according to FINRA, the parties could file a joint motion requesting the hearing to occur, in whole or in part, by video conference based on a showing of good cause. In-person hearings, however, would remain the default method for conducting hearings.¹⁸

Further, as noted in the FINRA Approval Order, given the nature of evidentiary hearings,¹⁹ which often occur over multiple days and generally include numerous documents in evidence and witness testimony, motions for a hearing by video conference would need to be joined by all parties, and even joint motions could be denied if the adjudicator determines that good cause has not been shown.²⁰ According to FINRA, OHO would have

reasonable discretion based on a joint motion of the parties to exercise its authority to determine whether a hearing should occur by video conference under the proposed rule change.²¹ Moreover, in deciding whether to schedule a hearing by video conference, OHO could consider and balance a variety of factors including, for example and without limitation, a hearing participant’s individual health concerns and access to the connectivity and technology necessary to participate in a video conference hearing. Additionally, as noted above, OHO may consider whether a situation is uncommon or there are extraordinary circumstances.²²

Finally, the FINRA Approval Order noted that for approximately two and a half years, while the temporary amendments were in effect, OHO successfully conducted numerous hearings by video conference using Zoom, a system which was vetted by FINRA’s information technology staff.²³ FINRA stated that this use of video conference technology has been an effective and efficient alternative to in-person hearings.²⁴

Proposed Rule Change

Given that FINRA and OHO administer disciplinary hearings on the Exchange’s behalf pursuant to a regulatory services agreement (“RSA”), and that the public health concerns addressed by FINRA’s video conference provisions in the above described rules apply equally to the Exchange’s disciplinary hearings, IEX proposes to amend IEX Rules 9.261, 9.341, 9.524, and 9.830 to incorporate the equivalent mechanism for conducting a hearing, oral argument, or appeal via video conference in the same specific circumstances set forth in the amended FINRA rules. As noted, FINRA has adopted a detailed and thorough protocol to ensure that hearings conducted by video conference will maintain a fair process for the parties.²⁵ Moreover, the proposed rule change would modernize existing procedures and allow parties who jointly prefer video conference to potentially save travel costs and time. As proposed, the use of video conferences would be limited and controlled, and in-person hearings would continue to be the default method for conducting

hearings.²⁶ Furthermore, the proposed rule changes include procedural safeguards to ensure fairness, such as the requirement that for evidentiary hearings that any motions be joined by all parties and show good cause.²⁷ The Exchange believes that these are reasonable procedures to follow in hearings, arguments, and appeals conducted pursuant to IEX Rules 9.261, 9.341, 9.524, and 9.830.

To effectuate these changes, IEX proposes to amend these four rules as follows:

- Add a new sentence to the end of IEX Rule 9.261(b) (Evidence and Procedure in Hearing: Party’s Right to Be Heard) that reads as follows:

- “Upon a determination that proceeding in person may endanger the health or safety of the participants or would be impracticable, or upon consideration of a joint motion of the Parties for good cause shown, the Chief Hearing Officer or Deputy Chief Hearing Officer may, in the exercise of reasonable discretion, order the hearing to be conducted, in whole or in part, by video conference.”

- Amend IEX Rule 9.341(d) (Oral Argument: Attendance Required) as follows:

- Change the subparagraph name from “Attendance Required” to “Mode of Oral Argument”

- In the second sentence, replace “be present for” with “participate in” so that the rule states that “all members of the IEX Appeals Committee shall participate in the oral argument.”

- Add a new third sentence that reads in full:

- “The IEX Appeals Committee may, in the exercise of reasonable discretion, order oral argument by video conference, in whole or in part, (i) upon a determination that proceeding in person may endanger the health or safety of the participants or would be impracticable; or (ii) upon a determination, on its own or on motion of a Party, that oral argument should occur by video conference for other reasons, unless any Party demonstrates that conducting oral argument by video conference would materially disadvantage that Party.”

- Add a new sentence to the end of IEX Rule 9.524(a)(4) (IEX Appeals Committee Consideration: Rights of Disqualified Member, Sponsoring Member, Disqualified Person, and Department of Member Regulation) that reads as follows:

- “Upon a determination that proceeding in person may endanger the health or safety of the participants or would be impracticable, or upon consideration of a joint motion of the Parties for good cause shown, the Hearing Panel may, in the exercise of reasonable discretion, order the hearing to be conducted, in whole or in part, by video conference.”

- Add a new sentence to the end of IEX Rule 9.830(a) (Hearing: When Held) that reads as follows:

- “Upon a determination that proceeding in person may endanger the health or safety

¹³ See *id.*, *supra* note 4 at 51880.

¹⁴ *Id.*

¹⁵ See FINRA Rules 9261 and 9830.

¹⁶ See FINRA Approval Order, *supra* note 4 at 51880.

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ As used herein, “evidentiary hearings” refers to hearings conducted before OHO under FINRA Rules 9261 and 9830. See FINRA Approval Order, *supra* note 4 at 51880 n. 25.

²⁰ See FINRA Approval Order, *supra* note 4 at 51881.

²¹ *Id.*

²² See text accompanying note 12, *supra*.

²³ See FINRA Approval Order, *supra* note 4 at 51880.

²⁴ *Id.*

²⁵ See text accompanying note 8, *supra*.

²⁶ See FINRA Approval Order, *supra* note 4 at 51882.

²⁷ *Id.*

of the participants or would be impracticable, or upon consideration of a joint motion of the Parties for good cause shown, the Chief Hearing Officer or Deputy Chief Hearing Officer may, in the exercise of reasonable discretion, order the hearing to be conducted, in whole or in part, by video conference.”

IEX believes these proposed changes will modernize its rules and make oral arguments, hearings, and appeals more efficient and effective because it will update these four IEX rules with identical language adopted by FINRA.

2. Statutory Basis

IEX believes that the proposed rule change is consistent with the provisions of Section 6(b) of the Act,²⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act,²⁹ in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is designed to provide a fair procedure for the disciplining of Members³⁰ and persons associated with Members, consistent with Sections 6(b)(7) and 6(d) of the Act.³¹

The Exchange believes that the proposed rule changes support the objectives of the Act by harmonizing Exchange rules modeled on FINRA’s rules with those same rules, resulting in less burdensome and more efficient regulatory compliance. As previously noted, the additional text proposed for IEX Rules 9261, 9.341, 9.524, 9830 is identical to the text in the counterpart FINRA rules. As such, the proposed rule change would facilitate rule harmonization among self-regulatory organizations with respect to the conduct of video conference hearings, 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.

IEX believes that the proposed rule change is designed to protect investors and the public interest by requiring use of broadly available technology to allow hearings to proceed by video conference under certain circumstances. The Exchange’s disciplinary proceedings serve a critical role in providing investor protection and maintaining fair and orderly markets by, for example, sanctioning misconduct and preventing

further customer harm by Members and associated persons. The proposed rule change would encourage the prompt resolution of these cases while preserving fair process. The Exchange believes that this is especially important in matters where temporary and permanent cease and desist orders are sought because the proposed rule change would enable those hearings to proceed without delay, thereby enabling the Exchange to take immediate action to stop significant, ongoing harm, to the benefit of the investing public.

The proposed rule change is also designed to promote efficiency by permitting hearings to occur by video conference in situations where the hearings would otherwise be postponed for an uncertain period of time. Moreover, as noted, FINRA (on IEX’s behalf) will utilize the same protocols for conducting video conference hearings as those employed under the temporary amendments, including using a high quality, secure, user-friendly video conferencing service and providing thorough instructions, training, and technical support to all hearing participants.³² In addition, the Chief or Deputy Chief Hearing Officer may take into consideration, among other things, a hearing participant’s individual health concerns and access to the connectivity and technology necessary to participate in a video conference hearing.³³

For the same reasons, the Exchange believes that the proposed changes are designed to provide a fair procedure for the disciplining of Members and persons associated with Members, consistent with Sections 6(b)(7) and 6(d) of the Act.³⁴ The Exchange believes that the proposed rule change provides a fair procedure by allowing hearings to proceed by video conference not only due to public health or safety reasons but also at a party or the parties’ request for reasons particular to them. The Chief or Deputy Chief Hearing Officer could allow a hearing to proceed by video conference in the exercise of reasonable discretion and subject to procedural safeguards that ensure fairness, including the requirement that any motions be joined by all parties and show good cause. Overall, the proposed rule change represents a significant step toward modernizing disciplinary process procedures in a manner that preserves in-person hearings but allows

for the use of video conference technology under certain circumstances.

B. Self-Regulatory Organization’s Statement on Burden on Competition

IEX does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. To the contrary, IEX believes that the proposed rule change reduces the burden on competition because it eliminates inconsistencies between IEX’s Code of Procedure (Chapter 9 of the IEX Rule Book) and FINRA’s rules governing the adjudication of disputes and disciplinary proceedings. Additionally, IEX notes that the proposed rule change is not intended to address competitive issues but is intended solely to create permanent rules that would allow video conference hearings if OHO determines that proceeding in person may endanger the health or safety of the participants or would be impracticable, or where both parties prefer doing so and show good cause, thereby providing greater harmonization with approved FINRA rules.

C. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A)³⁵ of the Act and Rule 19b–4(f)(6)³⁶ thereunder. Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b–4(f)(6) thereunder.

The Exchange believes that this filing is non-controversial and eligible to become effective immediately because the proposal is designed to promote uniformity in disciplinary rules across self-regulatory organizations and thereby enable FINRA to conduct IEX disciplinary hearings by video conference where OHO determines that proceeding in person may endanger the

²⁸ 15 U.S.C. 78f(b).

²⁹ 15 U.S.C. 78f(b)(5).

³⁰ See IEX Rule 1.160(s).

³¹ 15 U.S.C. 78f(b)(7) and 78f(d).

³² See FINRA Approval Order, *supra* note 4 at 51880.

³³ See FINRA Approval Order, *supra* note 4 at 51881.

³⁴ 15 U.S.C. 78f(b)(7) and 78f(d).

³⁵ 15 U.S.C. 78s(b)(3)(A).

³⁶ 17 CFR 240.19b–4(f)(6).

health or safety of the participants or would be impracticable, or where both parties prefer doing so and show good cause. Further, as described in the Purpose and Statutory Basis sections and below, the proposed rule change is designed to protect investors and the public interest by providing a fair process to conduct disciplinary hearings by video conference when appropriate.

Furthermore, the Exchange believes that the proposed rule change would not significantly affect the protection of investors or the public interest or impose any significant burden on competition because the changes are based on approved FINRA rules of similar purpose and would align IEX's rules with those FINRA rules, which the Exchange proposes to amend in the same form that they were amended by FINRA. The Exchange further believes that the proposed rule change would not impose any significant burden on competition because the changes are based on approved rules of FINRA. Moreover, the proposed rule change is not intended to address competitive issues but rather is concerned solely with creating rules that would allow video conference hearings under certain specified circumstances, thereby providing greater harmonization with approved FINRA rules of similar purpose. For the foregoing reasons, this rule filing qualifies for immediate effectiveness as a "non-controversial" rule change under paragraph (f)(6) of Rule 19b-4.

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 under Section 19(b)(2)(B) ³⁷ 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-IEX-2026-06 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-IEX-2026-06. 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-IEX-2026-06 and should be submitted on or before March 30, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁸

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026-04502 Filed 3-6-26; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104927; File No. SR-24X-2026-05]

Self-Regulatory Organizations; 24X National Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Exchange Rule 11.6(q)(1)

March 4, 2026.

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 February 24, 2026, 24X National Exchange LLC ("24X" or the "Exchange") filed with the Securities and Exchange

Commission (the "Commission") the proposed rule change as described in Items I and II 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 amend Exchange Rule 11.6(q)(1) ("Round Lot") to conform with a recent amendment to the definition of round lot under Rule 600 of Regulation NMS recently approved by the Commission.³ The proposed rule change is available on the Exchange's website at <https://equities.24exchange.com/regulation> 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 these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rule 11.6(q)(1) ("Round Lot") to conform with the definition of round lot under Rule 600 of the Regulation NMS that was implemented in November 2025.⁴ The Exchange also proposes to make conforming non-substantive changes to Rule 11.20(d)(1) ("Continuous, Two-Sided Quote Obligation").

In 2020, the Commission adopted amendments to Regulation NMS to modernize the NMS information provided within the national market system for the benefit of market participants and to better achieve Section 11A's goals of assuring "the availability to brokers, dealers, and investors of information with respect to

³⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 101070 (September 18, 2024), 89 FR 81620 (October 8, 2024) (S7-30-22).

⁴ See *supra* note 4.

³⁷ 15 U.S.C. 78s(b)(2)(B).

quotations for and transactions in securities that is prompt, accurate, reliable, and fair” (“MDI Rules”).⁵ These changes included an amendment to Rule 600 of Regulation NMS to include a definition of “round lot” that assigns each NMS stock to a round lot size based on the stock’s average closing price.⁶ Prior to this change, a “round lot” was not defined in the Act or Regulation NMS. The definition of a “round lot” was included in the rules of the individual exchanges, including Exchange Rule 11.6(q)(1), which defined a “Round Lot” as 100 shares or any multiple thereof, but the rules also generally allowed the exchanges, or the primary listing exchange for the security, discretion to define “round lot” otherwise.

On September 18, 2024, the Commission accelerated the implementation of the round lot definition.⁷ The Commission also revised the round lot definition as set forth below.⁸ Rule 600(b)(93) of Regulation NMS, as adopted by the MDI Rules and as amended in 2024,⁹ defines a round lot for NMS stocks¹⁰ that have an average closing price on the primary listing exchange during the prior Evaluation Period¹¹ of: (1) \$250.00 or less per share as 100 shares; (2) \$250.01 to \$1,000.00 per share as 40 shares; (3) \$1,000.01 to \$10,000.00 per share as 10 shares; and (4) \$10,000.01 or more per share as 1 share.¹² For any security that becomes an NMS Stock during an operative period, as described in Rule 600(b)(93)(iv),¹³ a round lot is 100 shares. Adjustments to the round lot size for a security will occur on a semiannual basis and the calculation of

the average closing price on the primary listing exchange will be based on a one month “Evaluation Period.”¹⁴ The revised definition of round lot was implemented on November 3, 2025, the first business day of November 2025.¹⁵

The Exchange now proposes to amend Rule 11.6(q)(1) (“Round Lot”) to conform with the definition of round lot under Rule 600 of Regulation NMS. Exchange Rule 11.6(q)(1) provides that “[o]ne hundred (100) shares or any multiple thereof shall constitute a Round Lot, unless an alternative number of shares is established as a Round Lot by the listing exchange for the security.”¹⁶ The Exchange now proposes to replace this sentence with a sentence that explicitly refers to the definition of round lot under Rule 600 of Regulation NMS. As a result, the above sentence will be deleted and replaced with the following: “[a] Round Lot for each NMS Stock shall be the size assigned by the primary listing market pursuant to Rule 600 of Regulation NMS under the Exchange Act.” Again, this change is being proposed solely to conform the Exchange’s definition of “Round Lot” under Exchange Rule 11.6(q)(1) to the new definition of round lot under Rule 600 of Regulation NMS.

The Exchange also proposes to make conforming non-substantive changes to Rule 11.20(d)(1) (“Continuous, Two-Sided Quote Obligation”), which currently provides that “[u]nless otherwise designated, a ‘normal unit of trading’ shall be 100 shares.”¹⁷ The Exchange proposes to replace the aforementioned sentence with a sentence that conforms to the newly adopted definition of Round Lot in the Exchange’s Rulebook. As a result, the above sentence will be deleted and replaced with the following: “[u]nless otherwise designated, a ‘normal unit of trading’ shall be a Round Lot as defined in Rule 11.6(q)(1).”

The purpose of these changes is to provide greater clarity to Exchange Members¹⁸ and the public regarding the Exchange’s Rulebook. The Exchange does not propose any additional rule changes. The proposed rule changes will be implemented immediately.

2. Statutory Basis

The Exchange believes the proposed rule changes are consistent with the Act and the rules and regulations thereunder applicable to the Exchange

and, in particular, the requirements of Section 6(b) of the Act.¹⁹ Specifically, the Exchange believes the proposed rule changes are consistent with the Section 6(b)(5)²⁰ requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule changes are consistent with the Section 6(b)(5)²¹ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange proposes to amend Rule 11.6(q)(1) (“Round Lot”) to conform with the definition of round lot under Rule 600 of the Regulation NMS that was implemented in November 2025.²² This change is proposed solely to conform the Exchange’s definition of “Round Lot” under Rule 11.6(q)(1) to the new definition of round lot under Rule 600 of Regulation NMS. The Exchange also proposes to make conforming, non-substantive changes to Rule 11.20(d)(1) (“Continuous, Two-Sided Quote Obligation”) to conform the rule with the Exchange’s new definition of round lot.

The proposed changes do not amend the operation of the affected rules. The proposed rule changes would reduce potential investor and market participant confusion and therefore remove impediments to and perfect the mechanism of a free and open market and a national market system by ensuring that the Exchange’s rules properly reflect the requirements of Rule 600 of Regulation NMS. The Exchange also believes that the proposed rule changes would remove impediments to and perfect the mechanism of a free and open market by ensuring that persons subject to the Exchange’s jurisdiction, regulators, and the investing public can more easily navigate and understand the Exchange’s rules. The proposed rule changes would not be inconsistent with the public interest or the protection of investors because investors will not be harmed

⁵ See Securities Exchange Act Release No. 90610 (December 9, 2020), 86 FR 18596 (April 9, 2021) (“MDI Adopting Release”).

⁶ See *id.*

⁷ See *supra* note 4.

⁸ *Id.*

⁹ *Id.*

¹⁰ “NMS stock” is defined under Regulation NMS as any NMS security other than an option. 17 CFR 242.600(b)(65).

¹¹ Rule 600(b)(93)(iii) of Regulation NMS defines the Evaluation Period as “(A) all trading days in March for the round lot assigned on the first business day in May and (B) all trading days in September for the round lot assigned on the first business day of November during which the average closing price of an NMS stock on the primary listing exchange shall be measured by the primary listing exchange to determine the round lot for each NMS stock.”

¹² See *supra* note 4.

¹³ Pursuant to Rule 600(b)(93)(iv) of Regulation NMS the round lot assigned under the section “shall be operative on (A) the first business day of May for the March Evaluation Period and continue through the last business day of October of the calendar year, and (B) the first business day of November for the September Evaluation Period and continue through the last business day of April of the next calendar year.”

¹⁴ See *supra* note 4.

¹⁵ *Id.*

¹⁶ Rule 11.6(q)(1).

¹⁷ Rule 11.20(d)(1).

¹⁸ See Rule 1.5(p). A “Member” is defined as “any registered broker or dealer that has been admitted to membership in the Exchange.”

¹⁹ 15 U.S.C. 78f(b).

²⁰ 15 U.S.C. 78f(b)(5).

²¹ *Id.*

²² See *supra* note 4.

and, in fact, would benefit from the increased transparency and clarity, thereby reducing potential confusion.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule changes will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change to amend the definition of round lot is not intended to address competitive issues; rather, the proposed change is concerned solely with amending the Exchange's rule to conform with the definition of round lot under Rule 600 of Regulation NMS. The proposed rule change to amend Exchange Rule 11.20(d)(1) to conform with the Exchange's definition of round lot is conforming and non-substantive in nature, and is not intended to address competitive issues.

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) of the Act²³ and Rule 19b-4(f)(6)²⁴ thereunder. 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; or (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act²⁵ and Rule 19b-4(f)(6)²⁶ thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)²⁷ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),²⁸ the

Commission may designate a shorter time if such action is consistent with 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 upon filing. In the filing, the Exchange stated that the waiver of the 30-day operative delay would allow the Exchange to timely implement the proposed rule changes to conform with the amendment to the definition of round lot under Rule 600 of Regulation NMS. The proposed rule change does not raise any novel issues, as it merely amends the definition of round lot in Exchange Rule 11.6(q)(1) to make it consistent with Rule 600 of Regulation NMS and makes a conforming change to Exchange Rule 11.20 in order to clarify its rules for the benefit of its members and other market participants, and therefore, waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the operative delay and designates the proposal operative upon filing.²⁹

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-24X-2026-05 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-24X-2026-05. 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-24X-2026-05 and should be submitted on or before March 30, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁰

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026-04504 Filed 3-6-26; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104924; File No. SR-NSCC-2026-003]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Clearing Agency Stress Testing Framework

March 4, 2026.

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 February 25, 2026, National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the clearing agency. NSCC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ The Commission is publishing this notice to

²³ 15 U.S.C. 78s(b)(3)(A).

²⁴ 17 CFR 240.19b-4(f)(6).

²⁵ 15 U.S.C. 78s(b)(3)(A).

²⁶ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the Exchange to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

²⁷ 17 CFR 240.19b-4(f)(6).

²⁸ 17 CFR 240.19b-4(f)(6)(iii).

²⁹ For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

³⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6).

solicit comments on the proposed rule change from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change consists of amendments to the Clearing Agency Stress Testing Framework ("Framework") of NSCC and its affiliates, The Depository Trust Company ("DTC") and Fixed Income Clearing Corporation ("FICC," and together with NSCC and DTC, the "Clearing Agencies").⁵

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the clearing agency included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Background

Rules 17ad-22(e)(4) and (7) under the Act require the Clearing Agencies to establish, implement, maintain and enforce written policies and procedures reasonably designed to manage their credit and liquidity risks, including through the use of stress testing.⁶ The Clearing Agencies adopted the Framework to set forth the manner in which they identify, measure, monitor, and manage their respective credit exposures to participants and those arising from their respective payment, clearing, and settlement processes by, for example, maintaining sufficient prefunded financial resources to cover their credit exposures to each participant fully with a high degree of confidence and testing the sufficiency of those prefunded financial resources through stress testing.⁷ In this way, the Framework describes the stress testing activities of each of the Clearing

Agencies and how the Clearing Agencies meet the applicable requirements of Rules 17ad-22(e)(4) and (7) under the Act.

Rule 17ad-22(e)(3)(ii) under the Act requires the Clearing Agencies to, in short, establish, implement and maintain 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.⁸ The Clearing Agencies' plans for recovery and orderly wind-down ("Recovery & Wind-down Plans" or "RWPs") are intended to be used by the respective Boards of Directors and management in the event a Clearing Agency encounters scenarios that could potentially prevent it from being able to provide its core services as a going concern. The RWPs are managed by the Office of Recovery & Resolution Planning (referred to in the RWPs as the "R&R Team") of the Clearing Agencies' parent company, The Depository Trust & Clearing Corporation ("DTCC"),⁹ on behalf of each Clearing Agency, with review and oversight by the DTCC Executive Committee and the Clearing Agencies' respective Boards of Directors.

In November 2024, the Commission adopted new Rule 17ad-26 under the Act ("Rule 17ad-26"),¹⁰ which sets forth additional standards for the Recovery & Wind-down Plans required to be maintained by Rule 17ad-22(e)(3)(ii) under the Act. Rule 17ad-26(a)(3) specifically requires that the RWPs identify and describe scenarios that may potentially prevent the covered clearing agency from being able to provide its core services as a going concern, including uncovered credit losses, uncovered liquidity shortfalls, and general business losses.¹¹

On June 10, 2025, the Commission approved proposed rule changes by the Clearing Agencies to amend their respective RWPs to, among other things, identify and describe scenarios that may potentially prevent each Clearing Agency from being able to provide its core services as a going concern.¹² Such

scenarios include uncovered credit losses, uncovered liquidity shortfalls and general business losses as required by Rule 17ad-26(a)(3). The scenarios identified in the RWPs ("RWP Scenarios") primarily leverage the Clearing Agencies' existing stress testing methodology.

Proposed Changes

Proposed Changes Related to RWP Scenarios

The Clearing Agencies propose to amend the Framework to provide additional clarity regarding the role of the Framework and stress testing team ("Stress Testing Team") in supporting the R&R Team in identifying and describing scenarios that may potentially prevent the covered clearing agency from being able to provide its core services, as required under Rule 17ad-26.

The Clearing Agencies propose to revise the Executive Summary of the Framework to provide that the Framework sets forth the manner in which the Stress Testing Team supports the Recovery & Wind-down Plans in identifying and describing scenarios that may potentially prevent the covered clearing agency from being able to provide its core services, as required under Rule 17ad-26. The Executive Summary would also be revised to note the applicability of Rule 17ad-26(a)(3) and RWP Scenarios to various sections of the Framework.

The Clearing Agencies would also revise the Market Risk Stress Testing Requirements section of the Framework (which would be renamed to Stress Testing Requirements) to summarize the newly applicable requirements under Rule 17ad-26(a)(3) for each Clearing Agency to identify and describe scenarios that may potentially prevent the covered clearing agency from being able to provide its core services. The proposed rule change would further provide that the Framework describes (i) the manner in which the Clearing Agencies determine inputs and assumptions and associated loss amounts for the uncovered credit loss and uncovered liquidity shortfall scenarios identified and described in the RWPs and (ii) the role of the Stress Testing Team in supporting the R&R Team in identifying and describing the general business loss scenarios used in the RWPs.¹³ The proposed rule change

(File Nos. SR-DTC-2025-007, SR-FICC-2025-010, SR-NSCC-2025-007).

¹³ As described below, the Stress Testing Team leverages the Clearing Agencies' existing stress testing methodologies to identify scenario

⁵ Capitalized terms not defined herein shall have the meaning assigned to such terms in each of the Clearing Agencies' respective rules, available at www.dtcc.com/legal/rules-and-procedures.

⁶ See 17 CFR 240.17ad-22(e)(4) and (7).

⁷ See Securities Exchange Act Release No. 82368 (Dec. 19, 2017), 82 FR 61082 (Dec. 26, 2017) (SR-DTC-2017-005, SR-FICC-2017-009, SR-NSCC-2017-006).

⁸ See 17 CFR 240.17ad-22(e)(3)(ii).

⁹ DTCC operates on a shared service model with respect to NSCC and its other affiliated clearing agencies, DTC and FICC. Most corporate functions are established and managed on an enterprise-wide basis pursuant to intercompany agreements under which it is generally DTCC that provides relevant services to the Clearing Agencies.

¹⁰ 17 CFR 240.17ad-26. See Covered Clearing Agency Resilience and Recovery and Orderly Wind-down Plans, Securities Exchange Act Release No. 101446 (Oct. 25, 2024), 89 FR 91000 (Nov. 18, 2024) (S7-10-23).

¹¹ See 17 CFR 240.17ad-26(a)(3).

¹² See Securities Exchange Act Release No. 103221 (June 10, 2025), 90 FR 25414 (June 16, 2025)

would also clarify that the remaining elements of Rule 17ad–26 as they relate to RWPs are out of scope for the Framework as they identify additional requirements unrelated to scenarios that are described in each Clearing Agency's RWP.

The Clearing Agencies also propose to add a new section to the Framework titled Recovery and Wind-down to provide background context on the RWPs. For example, the proposed rule change would explain how the RWPs are intended to be used by the Boards of Directors and management of the Clearing Agencies in the event that a Clearing Agency encounters scenarios that could potentially prevent it from being able to provide its core services as identified in compliance with Rule 17ad–26(a)(1) as a going concern, and that each RWP is designed as a roadmap that collects and organizes, in one place, the tools and related actions available to the Clearing Agency to address events that may lead to recovery and/or wind-down.

The proposed new section would also reiterate the requirements of Rule 17ad–26(a)(3) and describe how the Framework supports the RWPs in identifying and describing scenarios that may potentially prevent the covered clearing agency from being able to provide its core services. Specifically, the proposed rule change would clarify that (i) the Stress Testing Team is responsible for identifying, developing and maintaining the assumptions and inputs that will be used to determine uncovered credit loss and uncovered liquidity shortfall amounts that may prevent each Clearing Agency from providing their core services as a going concern; (ii) the Stress Testing Team will leverage existing stress testing methodologies, as described in the Framework, to identify scenario assumptions that may potentially prevent the covered clearing agency from being able to provide its core services in uncovered credit loss and uncovered liquidity shortfall scenarios; and (iii) the loss amounts generated by the Stress Testing Team will be provided to the R&R Team. The proposed rule change would further clarify how the Stress Testing Team collaborates with the R&R Team and other stakeholders in identifying and describing the general business loss scenarios used in the RWPs and maintains such scenarios within its inventory of informational stress scenarios. The proposed rule change would also clarify that the tools and

steps available to the Clearing Agencies to address the losses sustained are subject to the Recovery & Wind-down Plans and their subservient documentation.

The Clearing Agencies also propose to modify the Stress Testing Methodologies section of the Framework to clarify that scenario development for informational stress scenarios under the Framework also includes those used for recovery and wind-down purposes. For example, the proposed rule change would provide that the recovery and wind-down scenarios are a subset of the Clearing Agencies' informational stress scenarios and would include narratives to describe underlying events and stresses generated by those events that could lead a Clearing Agency to experience recovery and wind-down. The proposed rule change would further clarify that the available financial and liquidity resources are defined in the RWP of each Clearing Agency, and that the R&R Team, in conjunction with other stakeholders, would be responsible for identifying within the scenario the steps that the Clearing Agency would be expected to take to address any losses sustained.

The Clearing Agencies would also update the Stress Testing Methodologies section of the Framework to include general business losses as an area of risk identification. The proposed rule change would describe the term "general business loss" as being any other type of loss event that is not a default loss (e.g., fraud, natural disaster, cyber event, etc.) and is not separately covered by financial resources held for the purposes of managing credit and liquidity risk. The proposed rule change would further clarify that specific business risks are identified through collaboration with the R&R Team, along with other teams within the Clearing Agencies as needed.

Finally, the Clearing Agencies would modify the Stress Testing Governance And Escalation Procedures section of the Framework to clarify that the usage of the RWP Scenarios as part of the RWP is governed by each of the Clearing Agencies' respective RWPs.

Other Clarifying, Cleanup and Organizational Changes

In addition to the proposed changes described above, the Clearing Agencies propose other clarifying, conforming, cleanup and organizational changes to the Framework to improve the accuracy and clarity of the document. First, the proposed rule change would update the Glossary of Key Terms in the Framework. Specifically, the proposed

rule change would modify the definition of the Enterprise Stress Testing Committee ("ESTC") to clarify that the ESTC's responsibilities for stress testing-related issues, matters and/or concerns at DTC, NSCC, and FICC are described in the ESTC's charter. The Clearing Agencies would also add a defined term for "Recovery & Wind-down Plan" to mean the plan for the recovery and orderly wind-down of each Clearing Agency necessitated by credit losses, liquidity shortfalls, losses from general business risk or any other losses, adopted by each Clearing Agency pursuant to Rule 17ad–22(e)(3)(ii) under the Act. The Clearing Agencies would also add a defined term for "General Business Losses" that would be aligned with the proposed description of general business losses discussed above.

The Clearing Agencies also propose to remove a reference to the DTCC Systemic Risk Office's role in designing hypothetical macroeconomic scenarios for stress testing to reflect this team's more limited role in the design process.

In addition, the proposed rule change would update the Framework to include relevant citations to various rules under the Act and to reflect their current numbering conventions. The proposed rule change would also update references to the Framework within the document to remove "Market Risk" from the title to reflect that the Framework discusses more than just market risk scenarios and would update references to various DTCC teams to more accurately reflect current naming conventions and/or responsibilities. Finally, the proposed rule change would make a number of non-substantive drafting clarifications throughout the Framework to improve drafting, clarity and organization of the document.

2. Statutory Basis

The Clearing Agencies believe that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a registered clearing agency. In particular, the Clearing Agencies believe that the proposed changes are consistent with Section 17A(b)(3)(F) of the Act¹⁴ and Rule 17ad–26 under the Act¹⁵ for the reasons set forth below.

Section 17A(b)(3)(F) of the Act¹⁶ requires, in part, that the rules of a registered clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions, to assure the safeguarding

assumptions and inputs to be used in the RWP Scenarios.

¹⁴ 15 U.S.C. 78q–1(b)(3)(F).

¹⁵ 17 CFR 240.17ad–26.

¹⁶ 15 U.S.C. 78q–1(b)(3)(F).

of securities and funds which are in the custody or control of the clearing agency or for which it is responsible, and, in general, to protect investors and the public interest. As described above, the RWP are used by the Boards of Directors and management of the Clearing Agencies in the event the Clearing Agencies encounter scenarios that could potentially prevent them from being able to provide core services to the marketplace as a going concern. As part of recovery and wind-down planning, the RWP must identify and describe scenarios that may potentially prevent the covered clearing agency from being able to provide its core services as a going concern, which include uncovered credit losses, uncovered liquidity shortfalls and general business losses. The proposed rule change would update the Framework to provide additional clarity regarding how the Framework and DTCC Stress Testing Team support the development and maintenance of the RWP Scenarios that are included in the Clearing Agencies' RWP. The identification and maintenance of RWP Scenarios are essential aspects of recovery and wind-down planning in that they enable the Clearing Agencies to (i) evaluate what is necessary to achieve a recovery and, in the event that recovery fails, ensuring the orderly wind-down of the Clearing Agency and transfer of core services to a new entity and (ii) make reasonable and appropriate preparations to achieve a recovery or orderly wind-down. By facilitating the continuity of the Clearing Agencies' core clearance and settlement services under such scenarios, the Clearing Agencies believe the RWP and the proposed rule change would continue to promote the prompt and accurate clearance and settlement of securities transactions and the safeguarding of securities and funds during the recovery and wind-down process. The Clearing Agencies therefore believe the proposed rule change would promote the prompt and accurate clearance and settlement of securities transactions, the safeguarding of securities and funds which are in the custody or control of the Clearing Agencies or for which they are responsible, and the protection of investors and the public interest in accordance with the requirements of Section 17A(b)(3)(F) of the Act.

Rule 17ad-26 under the Act¹⁷ sets forth additional standards for the Recovery & Wind-down Plans required to be maintained by the Clearing Agencies by Rule 17ad-22(e)(3)(ii)

under the Act. Rule 17ad-26(a)(3)¹⁸ specifically requires that the RWP identify and describe scenarios that may potentially prevent the covered clearing agency from being able to provide its core services as a going concern, including uncovered credit losses, uncovered liquidity shortfalls, and general business losses. The proposed rule change would update the Framework to provide additional clarity regarding how the Framework and DTCC Stress Testing Team support the development and maintenance of RWP Scenarios that are included in the Clearing Agencies' RWP. The Clearing Agencies therefore believe the proposed changes to the Framework would facilitate the identification and description of scenarios that may potentially prevent the covered clearing agency from being able to provide its core services as a going concern, including uncovered credit losses, uncovered liquidity shortfalls, and general business losses, in accordance with Rule 17ad-26(a)(3) under the Act.

For these reasons, the Clearing Agencies believe the proposed rule change is consistent with the requirements of Section 17A(b)(3)(F) of the Act¹⁹ and Rule 17ad-26 thereunder.²⁰

(B) Clearing Agency's Statement on Burden on Competition

Section 17A(b)(3)(I) of Act²¹ requires that the rules of a clearing agency do not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is primarily designed to update the Framework to (i) summarize the role of the Clearing Agencies' existing RWP and the newly applicable requirements for RWP Scenario identification and description under Rule 17ad-26(a)(3) and (ii) provide additional clarity regarding how the Framework and DTCC Stress Testing Team support the development and maintenance of the Clearing Agencies' RWP Scenarios. As described above, the Stress Testing Team would leverage existing stress testing methodologies described in the Framework to identify scenario assumptions, inputs and associated loss amounts to be used for the Clearing Agencies' RWP Scenarios. The RWP Scenarios are currently maintained under the Clearing Agencies' existing RWP, which have been approved by the Commission.²²

The RWP, including the scenarios addressed therein, support the continuity of each Clearing Agency's core services and enable participants to maintain access to each Clearing Agency's services in the event that the RWP are ever triggered by their respective Boards of Directors. The Framework and its support of the RWP are not designed to advantage or disadvantage any particular participant or user of the Clearing Agencies' services or unfairly inhibit access to the Clearing Agencies' services. The Clearing Agencies therefore do not believe that the proposed rule change would have any impact, or impose any burden, on competition.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Clearing Agencies have not received or solicited any written comments relating to this proposal. If any written comments are received, they will be publicly filed as an Exhibit 2 to this filing, as required by Form 19b-4 and the General Instructions thereto.

Persons submitting comments are cautioned that, according to Section IV (Solicitation of Comments) of the Exhibit 1A in the General Instructions to Form 19b-4, the Commission does not edit personal identifying information from comment submissions. Commenters should submit only information that they wish to make available publicly, including their name, email address, and any other identifying information.

All prospective commenters should follow the Commission's instructions on how to submit comments, available at www.sec.gov/rules-regulations/how-submit-comment. General questions regarding the rule filing process or logistical questions regarding this filing should be directed to the Main Office of the SEC's Division of Trading and Markets at tradingandmarkets@sec.gov or 202-551-5777.

The Clearing Agencies reserve the right to not respond to any comments 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

¹⁸ See 17 CFR 240.17ad-26(a)(3).

¹⁹ 15 U.S.C. 78q-1(b)(3)(F).

²⁰ 17 CFR 240.17ad-26.

²¹ 15 U.S.C. 78q-1(b)(3)(I).

²² See *supra* note 12.

¹⁷ See 17 CFR 240.17ad-26.

may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act²³ and Rule 19b-4(f)(6) thereunder.²⁴

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NSCC-2026-003 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

All submissions should refer to file number SR-NSCC-2026-003. 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 NSCC and on DTCC's website (<https://dtcc.com/legal/sec-rule-filings.aspx>). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NSCC-2026-003 and should be submitted on or before March 30, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁵

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026-04508 Filed 3-6-26; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104922; File No. SR-DTC-2026-002]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Clearing Agency Stress Testing Framework

March 4, 2026.

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 February 25, 2026, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the clearing agency. DTC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change consists of amendments to the Clearing Agency Stress Testing Framework ("Framework") of DTC and its affiliates, Fixed Income Clearing Corporation ("FICC") and National Securities Clearing Corporation ("NSCC," and together with DTC and FICC, the "Clearing Agencies").⁵

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the clearing agency included statements concerning the purpose of and basis for the proposed rule change and discussed

any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Background

Rules 17ad-22(e)(4) and (7) under the Act require the Clearing Agencies to establish, implement, maintain and enforce written policies and procedures reasonably designed to manage their credit and liquidity risks, including through the use of stress testing.⁶ The Clearing Agencies adopted the Framework to set forth the manner in which they identify, measure, monitor, and manage their respective credit exposures to participants and those arising from their respective payment, clearing, and settlement processes by, for example, maintaining sufficient prefunded financial resources to cover their credit exposures to each participant fully with a high degree of confidence and testing the sufficiency of those prefunded financial resources through stress testing.⁷ In this way, the Framework describes the stress testing activities of each of the Clearing Agencies and how the Clearing Agencies meet the applicable requirements of Rules 17ad-22(e)(4) and (7) under the Act.

Rule 17ad-22(e)(3)(ii) under the Act requires the Clearing Agencies to, in short, establish, implement and maintain 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.⁸ The Clearing Agencies' plans for recovery and orderly wind-down ("Recovery & Wind-down Plans" or "RWPs") are intended to be used by the respective Boards of Directors and management in the event a Clearing Agency encounters scenarios that could potentially prevent it from being able to provide its core services as a going concern. The RWPs are managed by the Office of Recovery & Resolution Planning (referred to in the RWPs as the "R&R Team") of the Clearing Agencies'

²⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6).

⁵ Capitalized terms not defined herein shall have the meaning assigned to such terms in each of the Clearing Agencies' respective rules, available at www.dtcc.com/legal/rules-and-procedures.

⁶ See 17 CFR 240.17ad-22(e)(4) and (7).

⁷ See Securities Exchange Act Release No. 82368 (Dec. 19, 2017), 82 FR 61082 (Dec. 26, 2017) (SR-DTC-2017-005, SR-FICC-2017-009, SR-NSCC-2017-006).

⁸ See 17 CFR 240.17ad-22(e)(3)(ii).

²³ 15 U.S.C. 78s(b)(3)(A).

²⁴ 17 CFR 240.19b-4(f)(6).

parent company, The Depository Trust & Clearing Corporation (“DTCC”),⁹ on behalf of each Clearing Agency, with review and oversight by the DTCC Executive Committee and the Clearing Agencies’ respective Boards of Directors.

In November 2024, the Commission adopted new Rule 17ad–26 under the Act (“Rule 17ad–26”),¹⁰ which sets forth additional standards for the Recovery & Wind-down Plans required to be maintained by Rule 17ad–22(e)(3)(ii) under the Act. Rule 17ad–26(a)(3) specifically requires that the RWP identify and describe scenarios that may potentially prevent the covered clearing agency from being able to provide its core services as a going concern, including uncovered credit losses, uncovered liquidity shortfalls, and general business losses.¹¹

On June 10, 2025, the Commission approved proposed rule changes by the Clearing Agencies to amend their respective RWPs to, among other things, identify and describe scenarios that may potentially prevent each Clearing Agency from being able to provide its core services as a going concern.¹² Such scenarios include uncovered credit losses, uncovered liquidity shortfalls and general business losses as required by Rule 17ad–26(a)(3). The scenarios identified in the RWPs (“RWP Scenarios”) primarily leverage the Clearing Agencies’ existing stress testing methodology.

Proposed Changes

Proposed Changes Related to RWP Scenarios

The Clearing Agencies propose to amend the Framework to provide additional clarity regarding the role of the Framework and stress testing team (“Stress Testing Team”) in supporting the R&R Team in identifying and describing scenarios that may potentially prevent the covered clearing agency from being able to provide its core services, as required under Rule 17ad–26.

The Clearing Agencies propose to revise the Executive Summary of the Framework to provide that the Framework sets forth the manner in which the Stress Testing Team supports the Recovery & Wind-down Plans in identifying and describing scenarios that may potentially prevent the covered clearing agency from being able to provide its core services, as required under Rule 17ad–26. The Executive Summary would also be revised to note the applicability of Rule 17ad–26(a)(3) and RWP Scenarios to various sections of the Framework.

The Clearing Agencies would also revise the Market Risk Stress Testing Requirements section of the Framework (which would be renamed to Stress Testing Requirements) to summarize the newly applicable requirements under Rule 17ad–26(a)(3) for each Clearing Agency to identify and describe scenarios that may potentially prevent the covered clearing agency from being able to provide its core services. The proposed rule change would further provide that the Framework describes (i) the manner in which the Clearing Agencies determine inputs and assumptions and associated loss amounts for the uncovered credit loss and uncovered liquidity shortfall scenarios identified and described in the RWPs and (ii) the role of the Stress Testing Team in supporting the R&R Team in identifying and describing the general business loss scenarios used in the RWPs.¹³ The proposed rule change would also clarify that the remaining elements of Rule 17ad–26 as they relate to RWPs are out of scope for the Framework as they identify additional requirements unrelated to scenarios that are described in each Clearing Agency’s RWP.

The Clearing Agencies also propose to add a new section to the Framework titled Recovery and Wind-down to provide background context on the RWPs. For example, the proposed rule change would explain how the RWPs are intended to be used by the Boards of Directors and management of the Clearing Agencies in the event that a Clearing Agency encounters scenarios that could potentially prevent it from being able to provide its core services as identified in compliance with Rule 17ad–26(a)(1) as a going concern, and that each RWP is designed as a roadmap that collects and organizes, in one place, the tools and related actions available to the Clearing Agency to address events

that may lead to recovery and/or wind-down.

The proposed new section would also reiterate the requirements of Rule 17ad–26(a)(3) and describe how the Framework supports the RWPs in identifying and describing scenarios that may potentially prevent the covered clearing agency from being able to provide its core services. Specifically, the proposed rule change would clarify that (i) the Stress Testing Team is responsible for identifying, developing and maintaining the assumptions and inputs that will be used to determine uncovered credit loss and uncovered liquidity shortfall amounts that may prevent each Clearing Agency from providing their core services as a going concern; (ii) the Stress Testing Team will leverage existing stress testing methodologies, as described in the Framework, to identify scenario assumptions that may potentially prevent the covered clearing agency from being able to provide its core services in uncovered credit loss and uncovered liquidity shortfall scenarios; and (iii) the loss amounts generated by the Stress Testing Team will be provided to the R&R Team. The proposed rule change would further clarify how the Stress Testing Team collaborates with the R&R Team and other stakeholders in identifying and describing the general business loss scenarios used in the RWPs and maintains such scenarios within its inventory of informational stress scenarios. The proposed rule change would also clarify that the tools and steps available to the Clearing Agencies to address the losses sustained are subject to the Recovery & Wind-down Plans and their subservient documentation.

The Clearing Agencies also propose to modify the Stress Testing Methodologies section of the Framework to clarify that scenario development for informational stress scenarios under the Framework also includes those used for recovery and wind-down purposes. For example, the proposed rule change would provide that the recovery and wind-down scenarios are a subset of the Clearing Agencies’ informational stress scenarios and would include narratives to describe underlying events and stresses generated by those events that could lead a Clearing Agency to experience recovery and wind-down. The proposed rule change would further clarify that the available financial and liquidity resources are defined in the RWP of each Clearing Agency, and that the R&R Team, in conjunction with other stakeholders, would be responsible for

⁹ DTCC operates on a shared service model with respect to DTC and its other affiliated clearing agencies, FICC and NSCC. Most corporate functions are established and managed on an enterprise-wide basis pursuant to intercompany agreements under which it is generally DTCC that provides relevant services to the Clearing Agencies.

¹⁰ 17 CFR 240.17ad–26. See Covered Clearing Agency Resilience and Recovery and Orderly Wind-down Plans, Securities Exchange Act Release No. 101446 (Oct. 25, 2024), 89 FR 91000 (Nov. 18, 2024) (S7–10–23).

¹¹ See 17 CFR 240.17ad–26(a)(3).

¹² See Securities Exchange Act Release No. 103221 (June 10, 2025), 90 FR 25414 (June 16, 2025) (File Nos. SR–DTC–2025–007, SR–FICC–2025–010, SR–NSCC–2025–007).

¹³ As described below, the Stress Testing Team leverages the Clearing Agencies’ existing stress testing methodologies to identify scenario assumptions and inputs to be used in the RWP Scenarios.

identifying within the scenario the steps that the Clearing Agency would be expected to take to address any losses sustained.

The Clearing Agencies would also update the Stress Testing Methodologies section of the Framework to include general business losses as an area of risk identification. The proposed rule change would describe the term “general business loss” as being any other type of loss event that is not a default loss (e.g., fraud, natural disaster, cyber event, etc.) and is not separately covered by financial resources held for the purposes of managing credit and liquidity risk. The proposed rule change would further clarify that specific business risks are identified through collaboration with the R&R Team, along with other teams within the Clearing Agencies as needed.

Finally, the Clearing Agencies would modify the Stress Testing Governance And Escalation Procedures section of the Framework to clarify that the usage of the RWP Scenarios as part of the RWP is governed by each of the Clearing Agencies’ respective RWPs.

Other Clarifying, Cleanup and Organizational Changes

In addition to the proposed changes described above, the Clearing Agencies propose other clarifying, conforming, cleanup and organizational changes to the Framework to improve the accuracy and clarity of the document. First, the proposed rule change would update the Glossary of Key Terms in the Framework. Specifically, the proposed rule change would modify the definition of the Enterprise Stress Testing Committee (“ESTC”) to clarify that the ESTC’s responsibilities for stress testing-related issues, matters and/or concerns at DTC, NSCC, and FICC are described in the ESTC’s charter. The Clearing Agencies would also add a defined term for “Recovery & Wind-down Plan” to mean the plan for the recovery and orderly wind-down of each Clearing Agency necessitated by credit losses, liquidity shortfalls, losses from general business risk or any other losses, adopted by each Clearing Agency pursuant to Rule 17ad–22(e)(3)(ii) under the Act. The Clearing Agencies would also add a defined term for “General Business Losses” that would be aligned with the proposed description of general business losses discussed above.

The Clearing Agencies also propose to remove a reference to the DTCC Systemic Risk Office’s role in designing hypothetical macroeconomic scenarios for stress testing to reflect this team’s more limited role in the design process.

In addition, the proposed rule change would update the Framework to include relevant citations to various rules under the Act and to reflect their current numbering conventions. The proposed rule change would also update references to the Framework within the document to remove “Market Risk” from the title to reflect that the Framework discusses more than just market risk scenarios and would update references to various DTCC teams to more accurately reflect current naming conventions and/or responsibilities. Finally, the proposed rule change would make a number of non-substantive drafting clarifications throughout the Framework to improve drafting, clarity and organization of the document.

2. Statutory Basis

The Clearing Agencies believe that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a registered clearing agency. In particular, the Clearing Agencies believe that the proposed changes are consistent with Section 17A(b)(3)(F) of the Act¹⁴ and Rule 17ad–26 under the Act¹⁵ for the reasons set forth below.

Section 17A(b)(3)(F) of the Act¹⁶ requires, in part, that the rules of a registered clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions, to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible, and, in general, to protect investors and the public interest. As described above, the RWPs are used by the Boards of Directors and management of the Clearing Agencies in the event the Clearing Agencies encounter scenarios that could potentially prevent them from being able to provide core services to the marketplace as a going concern. As part of recovery and wind-down planning, the RWPs must identify and describe scenarios that may potentially prevent the covered clearing agency from being able to provide its core services as a going concern, which include uncovered credit losses, uncovered liquidity shortfalls and general business losses. The proposed rule change would update the Framework to provide additional clarity regarding how the Framework and DTCC Stress Testing Team support the development and maintenance of the RWP Scenarios that are included in the

Clearing Agencies’ RWPs. The identification and maintenance of RWP Scenarios are essential aspects of recovery and wind-down planning in that they enable the Clearing Agencies to (i) evaluate what is necessary to achieve a recovery and, in the event that recovery fails, ensuring the orderly wind-down of the Clearing Agency and transfer of core services to a new entity and (ii) make reasonable and appropriate preparations to achieve a recovery or orderly wind-down. By facilitating the continuity of the Clearing Agencies’ core clearance and settlement services under such scenarios, the Clearing Agencies believe the RWPs and the proposed rule change would continue to promote the prompt and accurate clearance and settlement of securities transactions and the safeguarding of securities and funds during the recovery and wind-down process. The Clearing Agencies therefore believe the proposed rule change would promote the prompt and accurate clearance and settlement of securities transactions, the safeguarding of securities and funds which are in the custody or control of the Clearing Agencies or for which they are responsible, and the protection of investors and the public interest in accordance with the requirements of Section 17A(b)(3)(F) of the Act.

Rule 17ad–26 under the Act¹⁷ sets forth additional standards for the Recovery & Wind-down Plans required to be maintained by the Clearing Agencies by Rule 17ad–22(e)(3)(ii) under the Act. Rule 17ad–26(a)(3)¹⁸ specifically requires that the RWPs identify and describe scenarios that may potentially prevent the covered clearing agency from being able to provide its core services as a going concern, including uncovered credit losses, uncovered liquidity shortfalls, and general business losses. The proposed rule change would update the Framework to provide additional clarity regarding how the Framework and DTCC Stress Testing Team support the development and maintenance of RWP Scenarios that are included in the Clearing Agencies’ RWPs. The Clearing Agencies therefore believe the proposed changes to the Framework would facilitate the identification and description of scenarios that may potentially prevent the covered clearing agency from being able to provide its core services as a going concern, including uncovered credit losses, uncovered liquidity shortfalls, and

¹⁴ 15 U.S.C. 78q–1(b)(3)(F).

¹⁵ 17 CFR 240.17ad–26.

¹⁶ 15 U.S.C. 78q–1(b)(3)(F).

¹⁷ See 17 CFR 240.17ad–26.

¹⁸ See 17 CFR 240.17ad–26(a)(3).

general business losses, in accordance with Rule 17ad-26(a)(3) under the Act.

For these reasons, the Clearing Agencies believe the proposed rule change is consistent with the requirements of Section 17A(b)(3)(F) of the Act¹⁹ and Rule 17ad-26 thereunder.²⁰

(B) Clearing Agency's Statement on Burden on Competition

Section 17A(b)(3)(I) of Act²¹ requires that the rules of a clearing agency do not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is primarily designed to update the Framework to (i) summarize the role of the Clearing Agencies' existing RWPs and the newly applicable requirements for RWP Scenario identification and description under Rule 17ad-26(a)(3) and (ii) provide additional clarity regarding how the Framework and DTCC Stress Testing Team support the development and maintenance of the Clearing Agencies' RWP Scenarios. As described above, the Stress Testing Team would leverage existing stress testing methodologies described in the Framework to identify scenario assumptions, inputs and associated loss amounts to be used for the Clearing Agencies' RWP Scenarios. The RWP Scenarios are currently maintained under the Clearing Agencies' existing RWPs, which have been approved by the Commission.²² The RWPs, including the scenarios addressed therein, support the continuity of each Clearing Agency's core services and enable participants to maintain access to each Clearing Agency's services in the event that the RWPs are ever triggered by their respective Boards of Directors. The Framework and its support of the RWPs are not designed to advantage or disadvantage any particular participant or user of the Clearing Agencies' services or unfairly inhibit access to the Clearing Agencies' services. The Clearing Agencies therefore do not believe that the proposed rule change would have any impact, or impose any burden, on competition.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Clearing Agencies have not received or solicited any written comments relating to this proposal. If

any written comments are received, they will be publicly filed as an Exhibit 2 to this filing, as required by Form 19b-4 and the General Instructions thereto.

Persons submitting comments are cautioned that, according to Section IV (Solicitation of Comments) of the Exhibit 1A in the General Instructions to Form 19b-4, the Commission does not edit personal identifying information from comment submissions. Commenters should submit only information that they wish to make available publicly, including their name, email address, and any other identifying information.

All prospective commenters should follow the Commission's instructions on how to submit comments, *available at* www.sec.gov/rules-regulations/how-submit-comment. General questions regarding the rule filing process or logistical questions regarding this filing should be directed to the Main Office of the SEC's Division of Trading and Markets at tradingandmarkets@sec.gov or 202-551-5777.

The Clearing Agencies reserve the right to not respond to any comments received.

III. Date of Effectiveness of the Proposed Rule Change, and Timing for Commission Action

Because the foregoing proposed rule change does not:

- (i) significantly affect the protection of investors or the public interest;
- (ii) impose any significant burden on competition; and
- (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act²³ and Rule 19b-4(f)(6) thereunder.²⁴

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-DTC-2026-002 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

All submissions should refer to file number SR-DTC-2026-002. 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 DTC and on DTCC's website (<https://dtcc.com/legal/sec-rule-filings.aspx>). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-DTC-2026-002 and should be submitted on or before MARCH 30, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁵

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2026-04506 Filed 3-6-26; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104926; File No. SR-NYSEARCA-2026-21]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Modify the NYSE Arca Options Fee Schedule To Adopt Fees for Trading in Options Overlaying the MSCI EAFE Index and the MSCI Emerging Markets Index

March 4, 2026.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934

¹⁹ 15 U.S.C. 78q-1(b)(3)(F).

²⁰ 17 CFR 240.17ad-26.

²¹ 15 U.S.C. 78q-1(b)(3)(I).

²² See *supra* note 12.

²³ 15 U.S.C. 78s(b)(3)(A).

²⁴ 17 CFR 240.19b-4(f)(6).

²⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

(“Act”),² and Rule 19b–4 thereunder,³ notice is hereby given that on February 25, 2026, NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II 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 amend the NYSE Arca Options Fee Schedule (“Fee Schedule”) to adopt fees applicable to trading in contracts that overlie each of the MSCI EAFE Index and the MSCI Emerging Markets Index. 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 purpose of this filing is to amend the Fee Schedule to establish fees in connection with the launch of trading in options that overlie the MSCI EAFE Index (“EAFE options” or “MXEA”) and the MSCI Emerging Markets Index (“EM options” or “MXEF”). The Exchange recently filed a proposed rule change to adopt rules to facilitate the transfer and trading of EAFE options and EM options, which currently trade on Cboe Exchange, Inc. (“Cboe Options”).⁴ The

Exchange proposes that the fees set forth in this filing will take effect on February 25, 2026, the day that trading in EAFE options and EM options begins on the Exchange.⁵

The MSCI EAFE Index (“EAFE Index”) and MSCI Emerging Markets Index (“EM Index”) are both free float-adjusted market capitalization indexes calculated by MSCI Inc. (“MSCI”). The EAFE Index is designed to measure the equity market performance of developed markets, excluding the United States and Canada,⁶ and the EM Index is designed to measure equity market performance of emerging markets.⁷ Both indexes consist of large and midcap components, and each covers approximately 85% of the free float-adjusted market capitalization in each country included in the respective index.

The Exchange proposes to adopt the following per contract transaction fees for manual executions in MXEA and MXEF, which are largely based on the fees currently assessed by Cboe Options:⁸

Order type	Fee
LMM	\$0.45
NYSE Arca Market Maker	0.45
Firm and Broker Dealer	0.25
Professional Customer	0.25

Index and the MSCI Emerging Markets Index); see also Securities Exchange Act Release No. 74681 (April 8, 2015), 80 FR 20032 (April 14, 2015) (SR–CBOE–2015–023) (Order Granting Accelerated Approval of Proposed Rule Change, as Modified by Amendment No. 1, to List and Trade Options on the MSCI EAFE Index and on the MSCI Emerging Markets Index).

⁵ See <https://www.nyse.com/trader-update/history#110000954571>.

⁶ The MSCI EAFE Index consists currently of the following 21 developed market country indexes: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom.

⁷ The MSCI EM Index consists currently of the following 24 emerging market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

⁸ See Cboe Options Fee Schedule, available at https://cdn.cboe.com/resources/membership/Cboe_FeeSchedule.pdf (providing for \$0.45 per contract rate for Cboe Options Market-Maker/DPM/LMM manual transactions in index products; \$0.25 per contract rate for Broker-Dealer manual transaction in index products; \$0.25 per contract rate for Customer manual transactions in MXEA and MXEF). As further discussed below, the Exchange’s proposed fee structure for transactions in MXEA and MXEF is consistent with Cboe Options’ fee structure except for differences in the pricing programs from which transactions in MXEA and MXEF are excluded (based on differences between the programs offered by the Exchange and those offered by Cboe Options) and the amount of the proposed Index License Surcharge.

Order type	Fee
Customer	0.25
Firm Facilitation and Broker Dealer facilitating a Customer or Professional Customer	N/A

The Exchange also proposes new Endnote 19, which would provide that the Firm and Broker Dealer Monthly Fee Cap, Limit of Fees on Options Strategy Executions, and FB Prepay Program are not applicable to transactions in MXEA and MXEF.⁹ The Exchange similarly proposes to amend Endnote 7, which defines the “Firm Facilitation and Broker Dealer facilitating a Customer—Manual” categorization, and Endnote 18, which sets forth the surcharge applicable to a Market Maker order on the Trading Floor that is a counterparty to a complex Manual trade executed by a Floor Broker and the rebate for the Floor Broker side of such trade, to exclude transactions in MXEA and MXEF. These proposed changes are also consistent with Cboe Options’ pricing structure in excluding transactions in MXEA and MXEF (among other index options) from certain pricing programs.¹⁰

Finally, the Exchange proposes to adopt an Index License Surcharge of \$0.20 per contract for all Non-Customer transactions in MXEA and MXEF. The proposed Index License Surcharge is likewise based on the index license surcharge fee assessed by Cboe Options for transactions in MXEA and MXEF¹¹ and reflects costs incurred by the Exchange related to licensing for purposes of listing and trading EAFE options and EM options.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,¹² in general, and furthers the objectives of Sections 6(b)(4) and (5) of the Act,¹³ in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities and does not unfairly

⁹ References to Endnote 19 would also be added to the sections of the Fee Schedule describing these programs.

¹⁰ See, e.g., Cboe Options Fee Schedule, Volume Incentive Program (excluding volume in MXEA and MXEF from qualifying thresholds for incentive program); Floor Broker Sliding Scale Rebate Program (excluding transactions in MXEA and MXEF from rebates offered through incentive program).

¹¹ See Cboe Options Fee Schedule, Surcharge Fee Index License (applying \$0.15 surcharge on transactions in MXEA and MXEF).

¹² 15 U.S.C. 78f(b).

¹³ 15 U.S.C. 78f(b)(4) and (5).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b–4.

⁴ See Securities Exchange Act Release No. 104862 (February 18, 2026), 91 FR 8538 (February 23, 2026) (SR–NYSEARCA–2026–13) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change of Amendments To Facilitate the Transfer and Trading of Options That Overlie the MSCI EAFE

discriminate between customers, issuers, brokers or dealers.

The Exchange operates in a highly competitive market. The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”¹⁴

There are currently 18 registered options exchanges competing for order flow. Based on publicly available information, and excluding index-based options, no single exchange has more than 16% of the market share of executed volume of multiply-listed equity and ETF options trades.¹⁵ Therefore, currently no exchange possesses significant pricing power in the execution of multiply-listed equity and ETF options order flow. More specifically, in January 2026, the Exchange had 10.39% market share of executed volume of multiply-listed equity and ETF options trades.¹⁶ In such a low-concentrated and highly competitive market, no single options exchange possesses significant pricing power in the execution of options order flow. Within this environment, market participants can freely and often do shift their order flow among the Exchange and competing venues in response to changes in their respective pricing schedules.

The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can shift order flow or discontinue or reduce use of certain categories of products, in response to fee changes. Accordingly, competitive forces constrain options exchange transaction fees.

The Exchange believes the proposed fees for trading in MXEA and MXEF are

reasonable, equitable, and not unfairly discriminatory. As noted above, the proposed fees are generally based on fees currently assessed by Cboe Options for trading in EAFE options and EM options.¹⁷ The Exchange believes that it is reasonable for the Exchange to adopt fees largely based on the existing pricing structure for EAFE options and EM options, which would provide continuity to market participants trading in these options. The Exchange also believes that the proposed fees are reasonable because the proposed fees for manual transactions in MXEA and MXEF are within the range of fees currently applicable to manual transactions on the Exchange in other products. Similarly, the proposed exclusion of transactions in MXEA and MXEF from certain pricing programs is consistent with the exclusion of fees related to other index products traded on the Exchange.¹⁸ The Exchange also believes that the proposed Index License Surcharge is reasonable because it is intended to help recoup some of the costs associated with the license required to make MXEA and MXEF options available for trading on the Exchange. The Exchange further believes that the proposed change is reasonably designed to encourage market participants to continue trading in MXEA and MXEF once trading in these options begins on the Exchange and believes that maintaining consistency with the current Cboe Options pricing structure would facilitate the transition for all market participants to trading these options on the Exchange. To the extent the proposed change is effective in encouraging market participants to maintain or increase their trading activity in MXEA and MXEF, the Exchange believes the proposed change would improve the Exchange’s overall competitiveness and strengthen its market quality for all market participants.

The Exchange believes the proposed rule change is an equitable allocation of its fees and credits and is not unfairly discriminatory because the proposed fees are based on the amount and type of business transacted on the Exchange. Trading in EAFE options and EM options is voluntary, and all similarly situated market participants would be

subject to the same fee structure, on an equal and non-discriminatory basis, as proposed. To the extent that the proposed change attracts increased order flow to the Exchange, it would continue to make the Exchange a more competitive venue for, among other things, order execution, thereby improving market quality for all market participants on the Exchange.

Finally, the Exchange believes that it is subject to significant competitive forces, as described below in the Exchange’s statement regarding the burden on competition.

B. Self-Regulatory Organization’s Statement on Burden on Competition

In accordance with Section 6(b)(8) of the Act, the Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Instead, as discussed above, the Exchange believes that the proposed changes would encourage the submission of additional liquidity to a public exchange, thereby promoting market depth, price discovery and transparency and enhancing order execution opportunities for all market participants. As a result, the Exchange believes that the proposed change furthers the Commission’s goal in adopting Regulation NMS of fostering integrated competition among orders, which promotes “more efficient pricing of individual stocks for all types of orders, large and small.”¹⁹

Intramarket Competition. The proposed change is designed to facilitate trading in EAFE options and EM options on the Exchange and to promote continuity for market participants by maintaining general consistency with the existing fee structure on Cboe Options for trading in MXEA and MXEF. The proposed fees would apply to all similarly situated market participants that trade EAFE options and EM options, and, accordingly, the proposed changes would not impose a disparate burden on competition among market participants on the Exchange.

Intermarket Competition. The Exchange operates in a highly competitive market in which market participants can readily favor one of the other 17 competing options exchanges if they deem the Exchange’s fee levels to be excessive. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and to attract order flow to the Exchange. Based on publicly

¹⁴ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (S7–10–04) (“Reg NMS Adopting Release”).

¹⁵ The OCC publishes options and futures volume in a variety of formats, including daily and monthly volume by exchange, available here: <https://www.theocc.com/Market-Data/Market-Data-Reports/Volume-and-Open-Interest/Monthly-Weekly-Volume-Statistics>.

¹⁶ Based on a compilation of OCC data for monthly volume of equity-based options and monthly volume of ETF-based options, *see id.*, the Exchange’s market share in multiply-listed equity and ETF options decreased from 13.08% in January 2025 to 10.39% for the month of January 2026.

¹⁷ See notes 8, 10 & 11, *supra*.

¹⁸ See Fee Schedule, FIRM AND BROKER DEALER MONTHLY FEE CAP (excluding Royalty Fees for KBW Bank Index options from fees that count towards the Firm and Broker Dealer Monthly Fee Cap); LIMIT OF FEES ON OPTIONS STRATEGY EXECUTIONS (excluding Royalty Fees for KBW Bank Index options from calculation of cap on transaction fees for strategy executions).

¹⁹ See Reg NMS Adopting Release, *supra* note 14, at 37499.

available information, and excluding index-based options, no single exchange has more than 16% of the market share of executed volume of multiply-listed equity and ETF options trades.²⁰ Therefore, currently no exchange possesses significant pricing power in the execution of multiply-listed equity and ETF options order flow. More specifically, in January 2026, the Exchange had 10.39% market share of executed volume of multiply-listed equity and ETF options trades.²¹

The Exchange believes that the proposed rule change reflects this competitive environment because it adopts fees for trading in EAFE options and EM options generally based on Cboe Options' fees, thereby modifying the Exchange's fees in a manner designed to encourage market participants to maintain or increase trading activity in such options once they transition to list and trade on the Exchange. To the extent that market participants continue to trade in MXEA and MXEF on the Exchange, all Exchange market participants stand to benefit from increased order flow and additional trading opportunities on the Exchange. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues. In such an environment, the Exchange must continually review, and consider adjusting, its fees and credits to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed rule change reflects this competitive environment.

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 foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)²² of the Act and

subparagraph (f)(2) of Rule 19b-4²³ thereunder, because it establishes a due, fee, or other charge imposed by the Exchange.

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)²⁴ 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-NYSEARCA-2026-21 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-NYSEARCA-2026-21. 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-NYSEARCA-2026-21 and should be submitted on or before March 30, 2026.

²³ 17 CFR 240.19b-4(f)(2).

²⁴ 15 U.S.C. 78s(b)(2)(B).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁵

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026-04503 Filed 3-6-26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104928; File No. SR-MEMX-2026-06]

Self-Regulatory Organizations; MEMX LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Adopt a Rule Codifying the Exchange's Fingerprint-Based Background Check Process

March 4, 2026.

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 February 19, 2026, MEMX LLC ("MEMX" 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 Exchange filed the proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ 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 is filing with the Commission a proposal to adopt a rule codifying its current practice of conducting fingerprint-based background checks of prospective and current partners, directors, officers, and employees of the Exchange. The proposed rule would bring the Exchange's rule in line with the rules of other exchanges, including the New York Stock Exchange ("NYSE") and its affiliates,⁵ with respect to fingerprinting of prospective and current partners,

²⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(6).

⁵ See NYSE Rule 28, Fingerprint-Based Background Checks of Exchange Employees and Others. See also NYSE Arca, Inc. ("NYSE Arca") Rule 3.11, NYSE National, Inc. ("NYSE National") Rule 3.11, NYSE Texas, Inc. ("NYSE Texas") Rule 3.11, and NYSE American, LLC ("NYSE American") Rule 3.11E, which are all substantively identical to NYSE Rule 28.

²⁰ The OCC publishes options and futures volume in a variety of formats, including daily and monthly volume by exchange, available here: <https://www.theocc.com/Market-Data/Market-Data-Reports/Volume-and-Open-Interest/Monthly-Weekly-Volume-Statistics>.

²¹ Based on a compilation of OCC data for monthly volume of equity-based options and monthly volume of ETF-based options, see *id.*, the Exchange's market share in multiply-listed equity and ETF options decreased from 13.08% in January 2025 to 10.39% for the month of January 2026.

²² 15 U.S.C. 78s(b)(3)(A).

directors, officers, and employees of the Exchange. The text of the proposed rule change is provided in Exhibit 5 and is available on the Exchange's website at <https://info.memxtrading.com/regulation/rules-and-filings/>.

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 a new Rule 13.9 codifying the current practice of conducting fingerprint-based background checks of prospective and current partners, directors, officers and employees of the Exchange. The proposed rule would be in line with the rules of NYSE and its affiliates⁶ with respect to fingerprinting current and prospective and current partners, directors, officers, and employees of the Exchange. A number of other securities markets have also adopted a similar rule, permitting them to obtain fingerprints from certain enumerated parties.⁷ The proposed rule is also consistent with those rules.

Section 17(f)(2) of the Securities Exchange Act of 1934 (the "Act"), as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act"),⁸ provides that every member of a national securities exchange, broker, dealer, registered transfer agent, registered clearing agency, registered securities information processors, national securities exchanges and national securities associations shall require each of its partners, directors, officers and employees of to be fingerprinted and submit those fingerprints (or cause the fingerprints to be submitted) to the

Attorney General of the United States ("Attorney General") for identification. Section 17(f)(2) explicitly directs the Attorney General to provide self-regulatory organizations ("SROs") designated by the Commission with access to criminal history record information. Further, Section 17(f)(2) authorizes SROs to store criminal record information received from the Federal Bureau of Investigation ("FBI"), which maintains on behalf of the Attorney General a database of fingerprint-based criminal history records.⁹

Consistent with these requirements, proposed Rule 13.9 would require the Exchange to obtain fingerprints of prospective and current partners, directors, officers and employees of the Exchange; submit those fingerprints to the Attorney General or his or her designee for identification and processing; and receive criminal history record information from the Attorney General for evaluation and use, in accordance with applicable law, in enhancing the security of the facilities, systems, data, and/or records of the Exchange.¹⁰ Additionally, pursuant to the proposed rule, the Exchange may determine not to obtain fingerprints from, or to seek fingerprint-based background information with respect to, a person due that person's limited, supervised, or restricted access to facilities and records; or the nature or location of his or her work or services.¹¹

The Exchange would utilize a Live-Scan¹² electronic system to capture and transmit fingerprints directly to the FBI. The capture and transmittal function, and corresponding receipt of criminal history information from the FBI, would be handled directly by Exchange personnel and/or an FBI-approved "Channel Partner"¹³ who would

maintain and operate, on behalf of the Exchange, a Live-Scan and/or other electronic system(s) for the submission of fingerprints to the FBI; receive and maintain criminal history record information from the FBI; and disseminate such information, through secure systems, to a limited set of approved reviewing officials within the Exchange and its affiliates.

Fingerprint-based background checks would enhance the ability to screen employees and non-employees adequately to determine better, in accordance with applicable law, whether there are unacceptable risks associated with granting such persons access to facilities and records. Through access to state-of-the-art information systems administered and maintained by the FBI, the Exchange would receive centrally-maintained "criminal history record information," which includes arrest-based data and derivative information, and may include personal descriptive data; FBI number; conviction status; sentencing, probation and parole information; and such other information as the FBI may make available. This information is supplied to the FBI by various local, state, federal and/or international criminal justice agencies. The information obtained through fingerprint-based background checks would thus provide a more exhaustive and reliable profile of a candidate's criminal record, and thereby better facilitate risk assessment, than a physical review of court records based on information provided by the candidate.

The proposed access to criminal history information is consistent with federal law. As noted, Section 17(f)(2) was amended by the Dodd-Frank Act to also require partners, directors, officers and employees of registered securities information processors, national securities exchanges and national securities associations to be fingerprinted. Although Section 17(f)(2) does not require the fingerprinting of contractors or other temporary personnel, the statute specifically permits SROs designated by the SEC to have access to "all criminal history record information." As such, in order to still safeguard the security of the facilities, systems, data and information of the Exchange, it is also proposing to adopt Rule 13.9, Interpretation and Policy .01, which provides that the Exchange will engage a third party to

⁹ See 17 CFR 240.17f-2(d).

¹⁰ As seen in proposed Rule 13.9(a), the facilities, systems, data and/or records of the Exchange and its affiliates are collectively termed "facilities and records".

¹¹ Specifically, the Exchange has not conducted fingerprint-based background checks of certain directors given that they do not have any unsupervised access to the Exchange's facilities and records.

¹² Live-Scan refers to the process of capturing fingerprints directly into a digitized format as opposed to traditional ink and paper methods. Live-Scan technology captures and transfers images to a central location and/or interface for identification processing.

¹³ FBI-approved Channel Partners receive the fingerprint submission and relevant data, collect the associated fee(s), electronically forward the fingerprint submission with the necessary information to the FBI Criminal Justice Information Services Division ("CJIS") for a national Criminal History Summary check, and receive the electronic summary check result for dissemination to the authorized employer entity. See Securities Exchange Act Release No. 71066 (December 12,

2013), 78 FR 76667 (December 18, 2013) (SR-ISE-2013-66). The Exchange would retain ultimate legal responsibility for the fulfillment of its statutory and self-regulatory obligations under the Act, including compliance with Section 17(f)(2) of the Act as amended by the Dodd-Frank Act.

⁶ See *supra* note 3 [sic].

⁷ See, e.g., Cboe Rule 7.10; BOX Exchange LLC ("BOX") Rule 10080; Nasdaq Stock Market ("Nasdaq") General 2, Section 13.

⁸ See 15 U.S.C. 78q(f)(2); Dodd-Frank Act Sect. 929S.

conduct a background screening of all prospective and current temporary personnel, independent contractors and service providers who may or may be permitted to have unsupervised access to facilities and records and the Exchange shall utilize the information obtained from such screenings in making employment decisions.¹⁴ The Exchange believes such a practice further enhances its ability to assess whether there are unacceptable risks associated with granting such persons unsupervised access to facilities and records.

Based on the foregoing, the Exchange believes that fingerprint-based background checks of partners, directors, officers and employees would promote the objectives of investor protection, business continuity and workplace safety by providing the Exchange with an effective tool for identifying and excluding persons with felony or misdemeanor conviction records that may pose a threat to the safety of Exchange personnel or the security of facilities and records.

The Exchange will comply with all applicable laws relating to the use and dissemination of criminal history record information obtained from the FBI.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act,¹⁵ in general, and furthers the objectives of Section 6(b)(5),¹⁶ in particular, because it is designed to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market system, and protect investors and the public interest.

In particular, the Exchange believes fingerprint-based background checks of partners, directors, officers, and employees is consistent with the Section 6(b)(5) requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to 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 in that they would help identify and exclude persons with felony or misdemeanor conviction records that may pose a threat to the safety of Exchange personnel or the security of facilities and records, thereby enhancing business continuity, workplace safety and the security of the Exchange's operations and helping to protect investors and the public interest. The proposed rule brings the Exchange's rule in line with the rules of NYSE and its affiliated exchanges,¹⁷ and the fingerprinting rules of other SROs.¹⁸ The proposed amendment would also conform the Exchange's fingerprinting practices with Section 17(f)(2) of the Act.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not intended to address competitive issues but rather to enhance the security and continuity of the Exchange's facilities and records by adopting a fingerprinting rule that codifies the Exchange's current practice in compliance with Section 17(f)(2) of the Act as amended by the Dodd-Frank Act. As discussed above, the Exchange notes that the proposed rule change is based on the fingerprinting rules of other SROs.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act¹⁹ and Rule 19b-4(f)(6) thereunder.²⁰ Because the 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 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 Act²¹ and Rule 19b-4(f)(6)(iii) thereunder.²²

A proposed rule change filed under Rule 19b-4(f)(6)²³ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),²⁴ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested the Commission waive the operative delay. The Exchange states that the proposed rule change would help the Exchange identify and exclude persons with felony or misdemeanor conviction records that may pose a threat to the safety of Exchange personnel or the security of facilities and records, thereby enhancing business continuity, workplace safety and the security of the Exchange's operations. In addition, the proposed rule would align the rules of the Exchange with the rules of other exchanges with respect to fingerprinting current and prospective and current partners, directors, officers, and employees of the Exchange. For these reasons, and because the proposed rule change does not raise any new or novel regulatory issues, the Commission finds that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposed rule change as operative upon filing.²⁵

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing,

²¹ 15 U.S.C. 78s(b)(3)(A).

²² 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

²³ 17 CFR 240.19b-4(f)(6).

²⁴ 17 CFR 240.19b-4(f)(6)(iii).

²⁵ For purposes only of waiving 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).

¹⁴ The background screening shall include, among other things, education verification, a criminal background check, and drug screening panel.

¹⁵ 15 U.S.C. 78f(b).

¹⁶ 15 U.S.C. 78f(b)(5).

¹⁷ See *supra* note 3 [sic].

¹⁸ See *supra* note 7.

¹⁹ 15 U.S.C. 78s(b)(3)(A)(iii).

²⁰ 17 CFR 240.19b-4(f)(6).

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-MEMX-2026-06 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-MEMX-2026-06. 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-MEMX-2026-06 and should be submitted on or before March 30, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁶

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026-04505 Filed 3-6-26; 8:45 am]

BILLING CODE 8011-01-P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #21452 and #21453; PENNSYLVANIA Disaster Number PA-20028]

Administrative Declaration of a Disaster for the Commonwealth of Pennsylvania

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is notice of an Administrative declaration of a disaster for the Commonwealth of Pennsylvania dated March 4, 2026.

Incident: Hotel Hampton Fire.

DATES: Issued on March 4, 2026.

Incident Period: February 20, 2026.

Physical Loan Application Deadline Date: May 4, 2026.

Economic Injury (EIDL) Loan

Application Deadline Date: December 4, 2026.

ADDRESSES:

Visit the MySBA Loan Portal at <https://lending.sba.gov> to apply for a disaster assistance loan.

FOR FURTHER INFORMATION CONTACT:

Jennifer Talarico, Office of Disaster Recovery and 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 Administrator's disaster declaration, applications for disaster loans may be submitted online using the MySBA Loan Portal <https://lending.sba.gov> or in person at other locally announced locations. For further assistance please contact the SBA disaster assistance customer service center by email at disastercustomerservice@sba.gov or by phone at 1-800-659-2955. If you are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunications relay services.

The following areas have been determined to be adversely affected by the disaster:

Primary Counties: Northampton.

Contiguous Counties:

Pennsylvania: Bucks, Carbon, Lehigh, Monroe.

New Jersey: Warren.

The Interest Rates are:

	Percent
<i>For Physical Damage:</i>	
Homeowners with Credit Available Elsewhere	5.750
Homeowners without Credit Available Elsewhere	2.875
Businesses with Credit Available Elsewhere	8.000
Businesses without Credit Available Elsewhere	4.000
Private Non-Profit Organizations with Credit Available Elsewhere	3.625
Private Non-Profit Organizations without Credit Available Elsewhere	3.625
<i>For Economic Injury:</i>	
Business and Small Agricultural Cooperatives without Credit Available Elsewhere	4.000
Private Non-Profit Organizations without Credit Available Elsewhere	3.625

The number assigned to this disaster for physical damage is 214525 and for economic injury is 214530.

The state and commonwealth which received an SBA Administrative declaration are New Jersey and Pennsylvania.

(Catalog of Federal Domestic Assistance Number 59008)

(Authority: 13 CFR 123.3(b).)

James Stallings,

Associate Administrator, Office of Disaster Recovery & Resilience.

[FR Doc. 2026-04576 Filed 3-6-26; 8:45 am]

BILLING CODE 8026-09-P

DEPARTMENT OF STATE

[Public Notice: 12956]

Notice of Determinations; Additional Culturally Significant Object Being Imported for Exhibition—Determinations: “Raphael: Sublime Poetry” Exhibition

SUMMARY: On December 23, 2025, notice was published in the **Federal Register** of determinations pertaining to certain objects to be included in an exhibition entitled “Raphael: Sublime Poetry.” Notice is hereby given of the following determinations: I hereby determine that a certain additional object being imported from abroad pursuant to an agreement with its foreign owner or custodian for temporary display in the aforesaid exhibition at The Metropolitan Museum of Art, New York, New York, and at possible additional exhibitions or venues yet to be determined, is of cultural significance, and, further, that its temporary exhibition or display within the United States as aforementioned is in the national interest. I have ordered that Public Notice of these determinations be published in the **Federal Register**.

FOR FURTHER INFORMATION CONTACT:

Reed Liriano, Program Coordinator, Office of the Legal Adviser, U.S. Department of State (telephone: 202-632-6471; email: section2459@state.gov). The mailing address is U.S. Department of State, L/PD, 2200 C Street NW (SA-5), Suite 5H03, Washington, DC 20522-0505.

SUPPLEMENTARY INFORMATION: The foregoing determinations were made pursuant to the authority vested in me by the Act of October 19, 1965 (79 Stat. 985; 22 U.S.C. 2459), Executive Order 12047 of March 27, 1978, the Foreign Affairs Reform and Restructuring Act of 1998 (112 Stat. 2681, *et seq.*; 22 U.S.C. 6501 note, *et seq.*), Delegation of Authority No. 234 of October 1, 1999, Delegation of Authority No. 236-3 of August 28, 2000, and Delegation of Authority No. 523 of December 22,

²⁶ 17 CFR 200.30-3(a)(12), (59).

2021. The notice of determinations published on December 23, 2025, appears at 90 FR 60221.

Sherry C. Keneson-Hall,

Principal Deputy Assistant Secretary for Educational and Cultural Affairs, Bureau of Educational and Cultural Affairs, Department of State.

[FR Doc. 2026-04545 Filed 3-6-26; 8:45 am]

BILLING CODE 4710-05-P

SURFACE TRANSPORTATION BOARD

[Docket No. AB 511 (Sub-No. 8X)]

Central Railroad Company of Indianapolis—Abandonment Exemption—in Howard County, Ind.

Central Railroad Company of Indianapolis (CERA) has filed a verified notice of exemption under 49 CFR part 1152 subpart F—*Exempt Abandonments* to abandon two rail lines extending approximately 1.77 miles in the City of Kokomo, Howard County, Ind., consisting of the Tipton Industrial Lead from milepost 54.3 to milepost 55.66,¹ and a segment of the Marion Subdivision from milepost 180.87 to milepost 181.26 (the Lines).² The Lines

¹ CERA filed its verified notice of exemption on January 5, 2026, and notice of the exemption was served and published in the **Federal Register** on January 23, 2026 (91 FR 2987). However, by order served on February 2, 2026, due to a lapse in the Board's appropriation and resulting cessation of operations, the effective date of the abandonment exemption was stayed, and any relevant filing or Board deadlines on or after February 2, 2026, were postponed until further order of the Board. *Cent. R.R. of Indianapolis—Aban. Exemption—in Howard Cnty., Ind.*, AB 511 (Sub-No. 8X), slip op. at 1 (STB served Feb. 2, 2026). The Board resumed operations on February 4, 2026. That same day, CERA filed a letter stating, among other things, that in its verified notice of exemption, it erroneously described one of the endpoints for the Tipton Industrial Lead as being at milepost 55.6, but the milepost should have been milepost 55.66, a discrepancy of 0.06 miles (or 317 feet). (CERA Letter 1.)

In a February 12, 2026 decision, the Board directed CERA to take certain remedial actions to comply with the Board's regulations with respect to the additional 0.06 miles of rail and to certify to the Board when it had done so. *Cent. R.R. Co. of Indianapolis—Aban. Exemption—in Howard Cnty., Ind. (Feb. 12 Decision)*, AB 511 (Sub-No. 8X), slip op. at 2-3 (STB served Feb. 12, 2026). The decision stated that once CERA had done so, the Board would republish notice of the abandonment with the corrected milepost in the **Federal Register**, setting forth the effective date and any further relevant filing or Board deadlines. *Id.* at 3. On February 17, 2026, CERA filed a supplement that included the necessary certifications.

² CERA states that its initial consultation letter to the environmental agencies and the State Historic Preservation Office identified the endpoint of the Marion Subdivision as milepost 180.82 but that upon further review, CERA decided to abandon 0.05-miles less of that segment.

traverse U.S. Postal Service Zip Code 46903.

The verified notice states that the Tipton Industrial Lead segment of the Lines connects to a segment of rail line that is currently under a trail use agreement, *see Cent. R.R. Co. of Indianapolis—Aban. Exemption—in Howard Cnty., Ind.*, Docket No. AB 511 (Sub-No. 6X), and contains three stations. The verified notice further states that the Marion Subdivision is stub-ended and includes seven stations. CERA states that following abandonment, the City of Kokomo intends to acquire the Lines for trail use.

CERA has certified that: (1) no local freight traffic has moved over the Lines for at least two years; (2) the Lines are stub-ended at both endpoints and, therefore, no overhead traffic exists; (3) no formal complaint filed by a user of rail service on the Lines (or by a state or local government on behalf of such user) regarding cessation of service over the Lines is pending with either the Surface Transportation Board (Board) or any U.S. District Court or has been decided in favor of a complainant within the two-year period; and (4) the requirements at 49 CFR 1105.7(b) and 1105.8(c) (notice of environmental and historic reports),³ 49 CFR 1105.12 (newspaper publication), and 49 CFR 1152.50(d)(1) (notice to government agencies) have been met.

As a condition to this exemption, any employee adversely affected by the abandonment shall be protected under *Oregon Short Line Railroad—Abandonment Portion Goshen Branch Between Firth & Ammon, in Bingham & Bonneville Counties, Idaho*, 360 I.C.C. 91 (1979). To address whether this condition adequately protects affected employees, a petition for partial revocation under 49 U.S.C. 10502(d) must be filed.

Provided no formal expression of intent to file an offer of financial

³ The Board's Office of Environmental Analysis (OEA) issued a Draft Environmental Assessment (Draft EA) on January 30, 2026. Pursuant to the *February 12 Decision*, CERA was not required to file a revised Environmental and Historic Report to include the additional 0.06 miles of rail line it sought to add to the proceeding. *Feb. 12 Decision*, AB 511 (Sub-No. 8X), slip op. at 3. Instead, CERA was directed to inform the necessary federal, state, and local agencies by letter, explaining that these consulting agencies and the public may submit comments to the OEA with respect to abandonment of the additional 0.06 miles of rail line during the Draft EA comment period, which was extended to March 9, 2026. *Id.* CERA was directed to include in the letter information on how the consulting parties and the public may submit comments. *Id.* Any comments received regarding the 0.06 miles of rail line will be addressed in the Final Environmental Assessment.

assistance (OFA) has been received,⁴ this exemption will be effective on April 8, 2026, unless stayed pending reconsideration. Petitions to stay that do not involve environmental issues,⁵ formal expressions of intent to file an OFA under 49 CFR 1152.27(c)(2), and interim trail use/railbanking requests under 49 CFR 1152.29 must be filed by March 19, 2026.⁶ Petitions to reopen and requests for public use conditions under 49 CFR 1152.28 must be filed by March 30, 2026.⁷

All pleadings, referring to Docket No. AB 511 (Sub-No. 8X), must be filed with the Surface Transportation Board either via e-filing on the Board's website or in writing addressed to 395 E Street SW, Washington, DC 20423-0001. In addition, a copy of each pleading must be served on CERA's representative, Justin J. Marks, Clark Hill PLC, 1001 Pennsylvania Avenue NW, Suite 1300 South, Washington, DC 20004.

If the verified notice contains false or misleading information, the exemption is void ab initio.

CERA has filed a combined environmental and historic report that addresses the potential effects, if any, of the abandonment on the environment and historic resources. OEA issued a Draft EA on January 30, 2026, and, as stated in the *February 12 Decision*, comments are due March 9, 2026. *See supra* note 3. The Draft EA is available to interested persons on the Board's website, by writing to OEA, or by calling OEA at (202) 245-0294. If you require an accommodation under the Americans with Disabilities Act, please call (202) 245-0245.

Environmental, historic preservation, public use, or trail use/rail banking conditions will be imposed, where appropriate, in a subsequent decision.

Pursuant to the provisions of 49 CFR 1152.29(e)(2), CERA shall file a notice of

⁴ Persons interested in submitting an OFA must first file a formal expression of intent to file an offer, indicating the type of financial assistance they wish to provide (*i.e.*, subsidy or purchase) and demonstrating that they are preliminarily financially responsible. *See* 49 CFR 1152.27(c)(2)(i).

⁵ The Board will grant a stay if an informed decision on environmental issues (whether raised by a party or by OEA in its independent investigation) cannot be made before the exemption's effective date. *See Exemption of Out-of-Serv. Rail Lines*, 5 I.C.C.2d 377 (1989). Any request for a stay should be filed as soon as possible so that the Board may take appropriate action before the exemption's effective date.

⁶ Filing fees for OFAs and trail use requests can be found at 49 CFR 1002.2(f)(25) and (27), respectively.

⁷ The City of Kokomo, Ind. (the City), filed a request for a public use condition and for interim trail use/railbanking for both the Tipton Industrial Lead and Marion Subdivision segments on January 28, 2026. The City's requests will be addressed in a subsequent decision.

consummation with the Board to signify that it has exercised the authority granted and fully abandoned the Lines. If consummation has not been effected by CERA's filing of a notice of consummation by March 9, 2027, and there are no legal or regulatory barriers to consummation, the authority to abandon will automatically expire.

Board decisions and notices are available at www.stb.gov.

Decided: March 4, 2026.

By the Board, Anika S. Cooper, Chief Counsel, Office of Chief Counsel.

Eden Besera,

Clearance Clerk.

[FR Doc. 2026-04510 Filed 3-6-26; 8:45 am]

BILLING CODE 4915-01-P

DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

Agency Information Collection Activities: Information Collection Renewal; Submission for OMB Review; General Reporting and Recordkeeping Requirements by Savings Associations

AGENCY: Office of the Comptroller of the Currency (OCC), Treasury.

ACTION: Notice and request for comment.

SUMMARY: The OCC, as part of its continuing effort to reduce paperwork and respondent burden, invites comment on a continuing information collection, as required by the Paperwork Reduction Act of 1995 (PRA). In accordance with the requirements of the PRA, the OCC may not conduct or sponsor, and the respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. The OCC is soliciting comment concerning the renewal of its information collection titled, "General Reporting and Recordkeeping Requirements by Savings Associations." The OCC also is giving notice that it has sent the collection to OMB for review.

DATES: Comments must be received by April 8, 2026.

ADDRESSES: Commenters are encouraged to submit comments by email, if possible. You may submit comments by any of the following methods:

- *Email:* prainfo@occ.treas.gov.
- *Mail:* Chief Counsel's Office,

Attention: Comment Processing, Office of the Comptroller of the Currency, Attention: 1557-0266, 400 7th Street SW, Suite 3E-218, Washington, DC 20219.

• *Hand Delivery/Courier:* 400 7th Street SW, Suite 3E-218, Washington, DC 20219.

• *Fax:* (571) 293-4835.

Instructions: You must include "OCC" as the agency name and "1557-0266" in your comment. In general, the OCC will publish comments on www.reginfo.gov without change, including any business or personal information provided, such as name and address information, email addresses, or phone numbers. Comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not include any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

Written comments and recommendations for the proposed information collection should also be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. You can find this information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function.

You may review comments and other related materials that pertain to this information collection following the close of the 30-day comment period for this notice by the method set forth in the next bullet.

• **Viewing Comments Electronically:** Go to www.reginfo.gov. Hover over the "Information Collection Review" tab and click on "Information Collection Review" from the drop-down menu. From the "Currently under Review" drop-down menu, select "Department of the Treasury" and then click "submit." This information collection can be located by searching OMB control number "1557-0266" or "General Reporting and Recordkeeping Requirements by Savings Associations." Upon finding the appropriate information collection, click on the related "ICR Reference Number." On the next screen, select "View Supporting Statement and Other Documents" and then click on the link to any comment listed at the bottom of the screen.

• For assistance in navigating www.reginfo.gov, please contact the Regulatory Information Service Center at (202) 482-7340.

FOR FURTHER INFORMATION CONTACT: Shaquita Merritt, Clearance Officer, (202) 649-5490, Chief Counsel's Office, Office of the Comptroller of the Currency, 400 7th Street SW, Washington, DC 20219. If you are deaf, hard of hearing, or have a speech

disability, please dial 7-1-1 to access telecommunications relay services.

SUPPLEMENTARY INFORMATION: Under the PRA (44 U.S.C. 3501 *et seq.*), Federal agencies must obtain approval from the OMB for each collection of information that they conduct or sponsor.

"Collection of information" is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3(c) to include agency requests or requirements that members of the public submit reports, keep records, or provide information to a third party. The OCC asks the OMB to extend its approval of the collection in this notice.

Title: General Reporting and Recordkeeping Requirements by Savings Associations.

OMB Control No.: 1557-0266.

Type of Review: Regular.

Affected Public: Businesses or other for-profit.

Description: Federal savings associations must comply with the following regulations, for the protection of mutual members, certain pension plan participants, and certain buyers of securities.

- 12 CFR 144.8 (communications between members of a Federal mutual savings association);
- 12 CFR 163.47(e) (pension plans—records); and
- 12 CFR 163.76(c) (offers and sales of securities at an office of a Federal savings association—form of certification).

The disclosures and recordkeeping requirements reflected in this collection are mandated by regulation. They serve, respectively, to ensure communications between federal mutual savings associations' members are reasonably possible but member privacy is respected, to enforce diligent and prudent documentation of employee pension plans where the protections applicable to larger employers do not apply, and to ensure that buyers of a federal savings association's securities understand the nature of the transaction and asset.

Estimated Burden

Estimated Frequency of Response: On occasion.

Estimated Number of Respondents: 166.

Estimated Total Annual Burden: 16,218 hours.

Comments: On December 29, 2025, the OCC published a 60-day notice for this information collection, (90 FR 60856). No comments were received.

Comments continue to be invited on:

(a) Whether the collection of information is necessary for the proper performance of the functions of the

OCC, including whether the information has practical utility;

(b) The accuracy of the OCC's estimate of the burden of the collection of information;

(c) Ways to enhance the quality, utility, and clarity of the information to be collected;

(d) Ways to minimize the burden of the collection on respondents, including through the use of automated collection techniques or other forms of information technology; and

(e) Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Christopher A. Crawford,

Acting Assistant Director, Office of the Comptroller of the Currency.

[FR Doc. 2026-04587 Filed 3-6-26; 8:45 am]

BILLING CODE 4810-33-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Agency Information Collection Activities; Submission for OMB Review; Comment Request on Information Collection Requirements Related to Practice Before the Internal Revenue Service

AGENCY: Departmental Offices, 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 April 8, 2026 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 Spencer W. Clark by emailing PRA@treasury.gov, calling (202) 927-5331, or viewing the entire information collection request at www.reginfo.gov.

SUPPLEMENTARY INFORMATION:

Title: Practice Before the Internal Revenue Service.

OMB Number: 1545-1726.

Regulatory Project Number: Circular 230 and Rev Proc 2014-42.

Form Numbers: 2587, 23, 8554, 8554-EP, 8498, 14360, 14364, and 14392.

Abstract: These collections cover the requirements outlined in Circular 230. Circular 230 contains rules governing the recognition of attorneys, certified public accountants, enrolled agents, enrolled retirement plan agents, registered tax return preparers, and other persons representing taxpayers before the Internal Revenue Service.

Current Actions: The IRS is not making changes to the collection requirements. The purpose of this OMB submission is to consolidate related collections under one approval number.

Type of Review: Revision of a currently approved collection.

Affected Public: Business or other for-profit; not-for-profit organizations.

Estimated Number of Responses: 215,146.

Estimated Time per Respondent: Varies, from 15 minutes to 2 hours.

Estimated Total Annual Burden Hours: 218,240.

Authority: 44 U.S.C. 3501 *et seq.*

Spencer W. Clark,

Treasury PRA Clearance Officer.

[FR Doc. 2026-04591 Filed 3-6-26; 8:45 am]

BILLING CODE 4831-GV-P

DEPARTMENT OF VETERANS AFFAIRS

[OMB Control No. 2900-0890]

Agency Information Collection Activity: Government-Sponsored Enterprise (GSE) Industry Appraisal Report

AGENCY: Veterans Benefits Administration, Department of Veterans Affairs.

ACTION: Notice.

SUMMARY: Veterans Benefits Administration, Department of Veterans Affairs (VA), is announcing an opportunity for public comment on the proposed collection of certain information by the agency. Under the Paperwork Reduction Act (PRA) of 1995, Federal agencies are required to publish notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension of a currently approved collection, and allow 60 days for public comment in response to the notice.

DATES: Written comments and recommendations on the proposed

collection of information should be received on or before May 8, 2026.

ADDRESSES: Comments must be submitted through www.regulations.gov.

FOR FURTHER INFORMATION CONTACT:

Program-Specific information: Kendra McCleave, 202-461-9760, Kendra.McCleave@va.gov.

VA PRA information: Dorothy Glasgow, 202-461-1084, VAPRA@va.gov.

SUPPLEMENTARY INFORMATION: Under the PRA of 1995, Federal agencies must obtain approval from the Office of Management and Budget (OMB) for each collection of information they conduct or sponsor. This request for comment is being made pursuant to Section 3506(c)(2)(A) of the PRA.

With respect to the following collection of information, VBA invites comments on: (1) whether the proposed collection of information is necessary for the proper performance of VBA's functions, including whether the information will have practical utility; (2) the accuracy of VBA's estimate of the burden of the proposed collection of information; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or the use of other forms of information technology.

Title: Government-Sponsored Enterprise (GSE) Industry Appraisal Report.

OMB Control Number: 2900-0890. <https://www.reginfo.gov/public/do/PRAsearch> (Once at this link, you can enter the OMB Control Number to find the historical versions of this Information Collection).

Type of Review: Revision of currently approved collection.

Abstract: The Government-Sponsored Enterprise (GSE) Industry Appraisal Report information collection is used by VA to support property valuation determinations for VA guaranteed loans. This collection seeks reapproval of VA's requirement that appraisers utilize certain industry-standard reports when completing an appraisal, as accurate and thorough appraisal reporting is critical to the underwriting process. Authority for this requirement is provided under 38 U.S.C. 3731, which authorizes the VA Secretary to establish a panel of appraisers, prescribe qualifications, and determine reasonable value property for loan guaranty purposes. This collection provides accurate and complete appraisal of prospective VA-guaranteed properties, ensuring mortgages are

acceptable for VA guarantee and protecting the interest of VA, taxpayers, and the Veterans Housing Benefit Program Fund. As part of this update, VA replaced prior listing of industry-standard appraisal forms (Fannie Mae 1004, 1004C, 1004D, 1025, 1075, 2055) into a consolidated single collection titled Government-Sponsored Enterprise (GSE) Industry Appraisal Report to

reflect current industry practice. This is a technical renaming and does not change the information collected, respondents, or burden.

Affected Public: Individuals and households.

Estimated Annual Burden: 10,833 hours annually.

Estimated Average Burden per Respondent: 1 minute.

Frequency of Response: One-time.

Estimated Number of Respondents: 650,000.

Authority: 44 U.S.C. 3501 *et seq.*

Shunda Willis,

Alternate, VA PRA Clearance Officer, Office of Information Technology/Data Governance Analytics, Department of Veterans Affairs.

[FR Doc. 2026-04548 Filed 3-6-26; 8:45 am]

BILLING CODE 8320-01-P



FEDERAL REGISTER

Vol. 91

Monday,

No. 45

March 9, 2026

Part II

Department of Education

34 CFR Parts 600, 668, and 690

Accountability in Higher Education and Access Through Demand-Driven Workforce Pell: Pell Grant Exclusion Relating to Other Grant Aid; and Workforce Pell Grants; Proposed Rule

DEPARTMENT OF EDUCATION**34 CFR Parts 600, 668, and 690****[Docket ID ED–2026–OPE–0133]****RIN 1840–AD99****ACCOUNTABILITY IN HIGHER EDUCATION AND ACCESS THROUGH DEMAND-DRIVEN WORKFORCE PELL: PELL GRANT EXCLUSION RELATING TO OTHER GRANT AID; AND WORKFORCE PELL GRANTS****AGENCY:** Office of Postsecondary Education, Department of Education.**ACTION:** Notice of proposed rulemaking (NPRM).

SUMMARY: The Secretary of Education (Secretary) proposes to amend the regulations governing institutional eligibility, general provisions, and the Federal Pell Grant (Pell Grant) Program under title IV of the Higher Education Act (HEA) of 1965, as amended (the title IV, HEA programs). The proposed regulations would implement statutory changes to the title IV, HEA programs included in the One Big Beautiful Bill Act (OBBA), signed into law by President Trump on July 4, 2025. The OBBA made numerous changes to the HEA, including changes to student eligibility requirements for the Pell Grant Program and the establishment of Workforce Pell Grants for students who enroll in a new type of eligible program called an “eligible workforce program,” intended to be a high-quality, performance-based, short-term program that supports America’s workforce needs.

DATES: We must receive your comments on or before April 8, 2026.

ADDRESSES: Find a plain language summary of the proposed rule and submit your comments through the Federal eRulemaking Portal at [regulations.gov](https://www.regulations.gov). The Department will not accept comments submitted by fax or by email or comments submitted after the comment period closes. To ensure that the Department does not receive duplicate copies, please submit your comment only once. Additionally, please include the Docket ID at the top of your comments.

Information on using *Regulations.gov*, including instructions for submitting comments, is available on the site under “FAQ.” If you require an accommodation or cannot otherwise submit your comments via *Regulations.gov*, please contact regulationshelpdesk@gsa.gov or by phone at 1–866–498–2945. If you are deaf, hard of hearing, or have a speech disability and wish to access

telecommunications relay services, please dial 7–1–1.

Privacy Note: The Department’s policy is to make all comments received from members of the public available for public viewing in their entirety on the Federal eRulemaking Portal at www.regulations.gov. Therefore, commenters should include in their comments only information that they wish to make publicly available. Additionally, commenters should not include in their comments any personally identifiable information (PII) in comments about other individuals. For example, if your comment describes an experience of someone other than yourself, please do not identify that individual or include any personal information that identifies that individual. The Department reserves the right to redact a portion of a comment or the entire comment at any time any PII about other individuals is included.

FOR FURTHER INFORMATION CONTACT:

Aaron Washington, Office of Postsecondary Education, 400 Maryland Ave., SW, Washington, DC 20202. Telephone: (202) 202–987–0911. Email: aaron.washington@ed.gov.

SUPPLEMENTARY INFORMATION:**I. Executive Summary**

The Secretary proposes to codify two changes made to the HEA by the OBBA through these regulations. The two changes are:

1. *Pell Grant Ineligibility When Other Aid Covers Full Cost.* The OBBA does not allow students to receive Pell Grant funds during any period for which they also receive grant or scholarship aid from non-Federal sources—including States, eligible institutions, or private sources—that equals or exceeds their cost of attendance (COA) for such period.

2. *Workforce Pell Grants.* The OBBA allows students to receive Pell Grants for eligible workforce programs that are 150–599 clock hours in length or an equivalent number of credit hours and that take at least 8 weeks but less than 15 weeks of instructional time to complete (also referred to as “Workforce Pell Grants”). The OBBA establishes several other eligibility requirements for such programs, including approval by a Governor and the Secretary, and annual outcome metrics.

II. Summary of the Major Provisions of this Regulatory Action*Pell Grant Ineligibility When Other Aid Covers Full Cost*

The proposed regulations would:

- Unreserve § 690.5 and add language to prohibit a student from receiving a

Pell Grant if the student received grant or scholarship assistance from non-Federal sources that equals or exceeds the student’s COA for the award year.

- Add § 690.80(d) to require an eligible institution, in such cases where a student would receive non-Federal grant or scholarship assistance that equals or exceeds the student’s COA, either to reduce that student’s non-Federal grant or scholarship assistance, insofar as such grant or assistance is within the institution’s control, or to return all Pell Grant funds and cancel any future disbursements of such funds.

Workforce Pell Grants

The proposed regulations would:

- Amend § 600.10 to require the Secretary’s approval of each eligible workforce program in order to establish Pell Grant eligibility.
- Amend § 668.5 to limit the amount of an eligible workforce program that can be offered by an ineligible institution or organization through a written arrangement to 25 percent or less.
- Amend § 668.8 to add eligible workforce programs as a new type of Pell Grant eligible program.
- Amend § 668.20 to prohibit an eligible institution from taking into account any noncredit or reduced credit remedial coursework outside of required coursework (including a course in English as a second language) when determining enrollment intensity and COA for a student enrolled in an eligible workforce program, as defined under 34 CFR 690.92, that is offered in credit hours.
- Amend § 668.32 to prohibit an individual that is enrolled or accepted for enrollment in a program that leads to a graduate credential or has attained a graduate credential from receiving a Pell Grant to enroll in an eligible workforce program.
- Add a definition of an eligible workforce program to § 690.2.
- Amend § 690.6 to allow an otherwise eligible student with a bachelor’s degree to receive a Pell Grant to enroll in an eligible workforce program.
- Amend § 690.11 to prohibit a student from receiving concurrent Pell Grant awards for two or more different eligible programs.
- Add § 690.90 to provide a high-level scope and purpose of eligible workforce programs and clarify that eligible students in these programs are only eligible to receive Pell Grants and not any other title IV aid.
- Add § 690.91 to define key terms, including “cohort period,” “earnings measurement period,” “in-demand

industry sector or occupation,”

“Governor,” “recognized postsecondary credential,” “State board,” and “tuition and fees.”

- Add § 690.92(a) to establish that an eligible workforce program is an undergraduate program that is at least 8 but less than 15 weeks of instruction.

- Add § 690.92(b) to establish that an eligible workforce program is 150–599 clock hours, 4–15 semester or trimester hours, or 6–23 quarter hours.

- Add § 690.92(c) to prohibit correspondence courses, study abroad, or direct assessment in eligible workforce programs.

- Add § 690.92(d) to require program approval by the Governor of a State.

- Add § 690.92(e) to require program approval by the Secretary.

- Add § 690.92(f) to require eligible workforce programs to pass the value-added earnings metric.

- Add § 690.92(g) to prevent an eligible institution from offering an eligible workforce program if it has been subject to any suspension or emergency or termination action by the Secretary during the five years preceding the date of the determination.

- Add § 690.93(a) to codify statutory requirements for Governor approval, including that the eligible workforce program provides an education aligned with the requirements of high-skill, high-wage, or in-demand industry sections or occupations, meets the hiring needs of employers, leads to a recognized postsecondary credential that is stackable and portable (or prepares students for employment for which there is only one recognized postsecondary credential), and ensures that a student receives academic credit for the program for at least one certificate or degree program at one or more eligible institutions.

- Add § 690.93(b) to require Governors to establish written policies and processes to evaluate whether a program meets the requirements under § 690.93(a), which includes requirements for institutions to submit the necessary information for the Governor to access a program’s completion rate and job placement rates; involve a process for an institution to appeal the Governor’s determination; and require the Governor to submit an attestation that the State board was consulted when evaluating whether a program is an eligible workforce program.

- Add § 690.93(c) to prohibit the Governor from approving the program until it meets all the requirements under § 690.93(a).

- Add § 690.93(d) to require the Governor to provide the Secretary with

a certification, including the components outlined in regulation, that an eligible workforce program was approved by the Governor and meets the requirements.

- Add § 690.93(e) to clarify that a Governor’s approval expires with the expiration of the eligible institution’s Program Participation Agreement.

- Add § 690.93(f) to establish a process in which a Governor provides a certification of continued approval of each eligible workforce program offered by the eligible institution prior to the expiration of an eligible institution’s Program Participation Agreement.

- Add § 690.93(g) to treat a program that serves as a related technical instruction component of a Registered Apprenticeship Program as meeting the requirements of providing an education aligned with high-skill, high-wage, or in-demand industry sectors or occupations, and meeting the hiring needs of employers.

- Add § 690.93(h) to allow the Governors of two States to enter into a bilateral agreement regarding the enrollment of students located in one of those States into some or all the programs located in the other State.

- Add § 690.94(a) to require the Secretary to approve each program, after the Governor has approved the program. The program must meet the conditions under § 690.92(a) and (b) for the 12 months preceding the date on which the eligible institution applied for eligibility for the program. The program must also meet completion and job placement rates prior to application to the Department and each year subsequent to the eligible workforce program’s approval.

- Add § 690.94(b) to require an eligible institution to submit to the Governor a list of students that completed the program in each award year, provide the necessary information to verify the job placement rate, and report the published tuition and fees for the eligible workforce program through a process the Secretary determines.

- Add § 690.94(c) to allow the Secretary to waive some or all the proposed requirements under § 690.94(a) and (b) related to submission of completion rates and the Governor’s certification of job placement rates.

- Add § 690.94(d) to prohibit an eligible workforce program’s tuition and fees from exceeding the value-added earnings of the program.

- Add § 690.94(e) to exclude certain categories of students from the numerator and denominator of the completion and placement rate calculations.

- Add § 690.95(a) to codify the value-added earnings process. An eligible workforce program’s total published tuition and fees may not exceed the value-added earnings of students who are working, who received a Pell Grant for enrollment in the program, and who completed the program during the cohort period.

- Add § 690.95(b) to establish that an eligible workforce program’s value-added earnings are determined by calculating the difference between the adjusted median earnings of student completers during the earnings measurement period as defined in § 690.91 and 150 percent of the U.S. Federal Poverty Guidelines applicable to a single individual for such tax year.

- Add § 690.95(c) to require the Secretary to publish the value-added earnings that will apply to the eligible workforce program for the upcoming award year no later than three months prior to the beginning of the award year.

- Add § 690.95(d) to require that an eligible institution keep published tuition and fees at or below the value-added earnings calculated for the program for all students who received a Pell Grant and first enroll in the eligible workforce program during the award year that begins following the annual release of the program’s value-added earnings.

- Add § 690.95(e) to establish that programs that have a calculated value-added earnings of zero or a negative value are not eligible programs.

- Add § 690.95(f) to require an eligible institution to provide evidence, upon request, to the Secretary that its published tuition and fees do not exceed the published value-added earnings for that award year.

- Add § 690.95(g) to establish that the Secretary will calculate the value-added earnings for an eligible workforce program using the student completion data the eligible institution reported.

- Add § 690.95(h) to establish the number of students needed for the Secretary to calculate the value-added earnings for the program.

- Add § 690.95(i) to establish that the Federal agency with earnings data will provide the Department with median annual earnings of the students whom the Federal agency has matched with earnings data.

- Add § 690.95(j) to require the Secretary to include completers from all eligible workforce programs with the same six-digit Classification of Instructional Programs (CIP) code when calculating value-added earnings.

- Add § 690.95(k) to clarify that, if more than 50 percent of students in the eligible workforce program are not

located in the State in which the eligible institution offering the program is located, the Department will not adjust the program's median earnings by the State and metropolitan area regional price parities of the Bureau of Economic Analysis.

- Add § 690.96(a) to establish a process for programs that lose eligibility. A program will become ineligible at the end of the payment period that begins following the date that the Governor acts to withdraw approval or the Governor fails to reapprove the program.

- Add § 690.96(b) to provide that, except in limited circumstances such as a pending appeal, a program will become ineligible at the end of the payment period that begins after the date that the Secretary determines that the eligible institution failed to meet the completion rate or job placement rate requirements.

- Add § 690.96(c) to provide that, if an eligible workforce program fails to meet the value-added earnings requirements, the program will become ineligible at the beginning of the award year following the release of the value-added earnings, and the Secretary will assess a liability to the eligible institution.

- Add § 690.97(a) to establish a process for an eligible workforce program to regain eligibility once it has lost it. This process would prohibit an eligible institution from reestablishing the eligibility of a failing program or establish eligibility for a substantially similar program until two years following the date the program loses eligibility or the date the eligible institution voluntarily discontinues the failing eligible workforce program, whichever date is earlier.

- Add § 690.97(b) to establish that, if an eligible workforce program loses eligibility due to a loss of Governor approval, the program may reestablish eligibility after the Secretary receives the Governor's certification that the program has been approved, and after the Secretary determines the program has met eligibility criteria.

- Add § 690.97(c) to allow an eligible institution to request that a program's eligibility be reinstated if the program loses its eligibility due to the published tuition being higher than its value-added earnings.

Cost and Benefits

As further detailed in the *Regulatory Impact Analysis*, the Department estimates that the proposed regulations would have significant impacts on students, educational institutions,

employers, taxpayers, State governments, and the Department.

Under the proposed regulations, students would benefit from expanded access to Federal grant funds for new workforce programs that institutions are likely to offer—or may already offer—but that were previously ineligible for such funding. Students will also experience higher wages due to the skills and credentials they gain by attending eligible workforce programs, including receiving stackable credentials that will allow them to pursue further postsecondary education and workforce training. Employers will benefit from the proposed regulations because the regulations will increase the number of skilled workers in the labor market. Institutions will benefit from the new enrollments and the resulting tuition revenues. State governments and taxpayers will also benefit from greater tax revenues and reduced expenditures on public assistance programs because of the higher wages experienced by those completing eligible workforce programs.

The Department will incur new costs to finance Pell Grants for eligible workforce programs, which are funded as part of the existing Pell Grant Program. The Department will incur new costs to implement the changes to the Pell Grant Program and monitor eligibility, as will State governments, who, if they or institutions within their State choose to participate, must certify eligible programs and monitor their completion and job placement outcomes. While taxpayers will bear the cost of financing Pell Grants to eligible workforce programs, they will also benefit indirectly from the earnings gain that Pell Grant recipients receive, such as through reduced use of public benefits programs for low-income households.

III. Directed Questions

Written Arrangements To Provide Educational Programs (§ 668.5(c))

The Department seeks comments from relevant stakeholders regarding the proposal to allow eligible institutions to enter into a written arrangement with an ineligible institution or organization for up to 25 percent of an eligible workforce program. Currently, eligible institutions may enter into written arrangements with ineligible institutions and organizations to offer a portion greater than 25 percent but less than 50 percent, if such written arrangements are reviewed and approved by the eligible institution's accrediting agency as a substantial change. During negotiated rulemaking, the Department explained

that it was not applying such an option for eligible workforce programs because there is not the same level of quality assurance given the broad lack of experience in the accreditation industry in evaluating agreements for short-term programs. Moreover, the Department is concerned that the provision of eligible workforce programs by ineligible institutions and organizations could rapidly expand far beyond the intent of the statute. However, the Department also recognizes the potential value in partnerships between eligible institutions and certain ineligible organizations, such as employers and unions or non-Title IV eligible Registered Apprenticeship related training instruction providers, that could result in the enhanced quality of eligible workforce programs. Therefore, we seek additional information from commenters regarding whether the proposed 25 percent standard for other eligible programs is an appropriate level, or whether a greater percentage of instruction could be provided by ineligible organizations under specific conditions. We request that commenters provide examples, data, or rationales for any proposed limits other than the Department's current proposal.

Ineligibility Due to Grant or Scholarship Assistance From Non-Federal Grants (§ 690.5)

The Department seeks feedback from relevant stakeholders about potential methods to prevent manipulation or circumvention of the new statutory limitation on Pell Grant eligibility for a student who receives grant or scholarship assistance from non-Federal sources that exceed the student's cost of attendance. Note that wages earned by the student from his or her work for their employer are not grant or scholarship assistance.

The Department is concerned that the provision, as currently written based on the language in statute, may be vulnerable to certain types of circumventions that would limit the effectiveness of the statutory requirement. For example, under the regulations as currently proposed, a student would not qualify for Pell Grant funds if they received non-Federal assistance that equaled or exceeded their cost of attendance but could qualify for their full Pell Grant if that assistance was just one dollar less than the total cost of attendance. This provides avenues for institutions to continue to award Pell Grants when the student's COA has been paid for by non-Federal aid, either by limiting the grant or scholarship assistance that it provides to just under the student's cost

of attendance, or by using professional judgment to slightly increase the student's cost of attendance.

The Department was sufficiently concerned about this possibility that it originally considered a different regulatory approach that would have required institutions to reduce Pell Grant or non-Federal grant or scholarship assistance if the combination of such assistance exceeded the student's cost of attendance. The Department ultimately chose to propose regulations that mirror the statute because we do not believe the statutory text is sufficiently flexible to allow for this interpretation. Additional information can be found in the "Alternatives Considered" section of this NPRM.

Because we remain concerned about this potential vulnerability, the Department seeks feedback from relevant stakeholders about how to prevent gaming of this provision, for example through additional reporting, oversight, or enforcement mechanisms. We request that commenters provide a clear rationale for any requirement other than the Department's current proposal, including an explanation of why the alternative would provide greater net benefits to taxpayers in light of the costs it would impose on institutions or students.

Components Determined by Governors (§ 690.93)

The Department seeks feedback on the proposal to allow two Governors to enter into a bilateral agreement for an eligible institution in one State to offer an eligible workforce program to students in another State through distance education so that students may use Pell Grant funds to attend a program located in another State. During negotiated rulemaking, the Department stated its concern regarding the potential for rapid proliferation of eligible workforce programs offered through distance education (§ 600.2) and the need for appropriate safeguards. Many components of an eligible workforce program center on high-wage, high-skill, or in-demand occupations and sectors in a particular State, and the employability of graduates in the State where the eligible workforce program was approved. As such, these conditions may not apply in another State where a student is located while enrolled in a distance education online program. Bilateral agreements allow the Governors of two States to determine that an eligible workforce program meets the workforce needs of both States while also preventing the rapid proliferation of such programs among

States where the program's training is not as valuable.

However, it is not the Department's intent to limit the expansion of high-quality eligible workforce programs through distance education. Specifically, the Department is concerned that distance education programs that may prepare students for the workforce in one State may not be appropriate in other States due to regional differences in the labor market. As such, multilateral agreements between Governors in numerous States may be inappropriate because they may not reflect the workforce needs in all of the States that could be parties to the agreement. Therefore, we seek comments from the public regarding whether the requirement for bilateral agreements is appropriate to limit the unchecked proliferation of eligible workforce programs in areas where they are not aligned with labor market demand, while also providing adequate flexibility for eligible institutions to quickly establish programs that offer valuable training to students in other States through distance education. We request that commenters provide examples, data, or rationale for any requirement for interstate agreements other than the Department's current proposal.

Value-Added Earnings: Interim Value-Added Earnings Metric (§ 690.95(a))

Based on the cohort period outlined in statute (and further defined in § 690.91), the earliest time that the Department can calculate official value-added earnings for workforce programs that become eligible during the 2026–27 award year (the first year of eligibility) will be for the 2030–31 award year. A few negotiators expressed concern that eligible workforce programs' tuition and fees would not be held accountable for low earnings under the value-added earnings measurement for this four-year time period. The Department seeks feedback from the community on whether an interim value-added earnings metric should be computed, at the very least to make those applying for workforce programs to be aware of the potential earnings outcomes, and whether an eligible institution's workforce programs should be held accountable in any way to said interim earnings metric prior to the official calculation of the value-added earnings metric. We are also interested in feedback regarding whether the result of an interim measure should be made available to public, and if so, the appropriate timeframe for publishing that information. The Department requests that the public include

information outlining the type of data that should be used when calculating interim earnings measurements and any actions that should be taken against an eligible institution as a result of any eligible workforce programs that fail the interim value-added earnings metric. In the interim, is there a reliable measure of actual median earnings for these programs based on state or federal administrative data that can be used for interim purposes? If so, what is this data? Please provide all citations and sources.

Value-Added Earnings: Exclusion of Certain Students in the Completer Cohort (§ 690.95(a))

The Department seeks feedback from relevant stakeholders regarding the cohort of completers that are included in the calculation of the value-added earnings metric. During negotiated rulemaking, the Department and negotiators discussed the importance of excluding non-working individuals from the cohort. However, the Department also recognizes that there may be other scenarios in which it might be beneficial to exclude additional types of students, such as students who are currently enrolled in college at the time their earnings are measured. Excluding currently enrolled students has long been the practice for calculating other earnings metrics by the Department, such as the 2023 Gainful Employment regulations and earnings metrics reported in the College Scorecard.

That said, there are also strong arguments for limiting the types of students who are excluded from accountability metrics such as the value-added earnings metric. Exclusions have the potential to introduce incentives for institutions to design programs in a manner that limits the number of students who are included in the value-added earnings calculation, or could have other unanticipated consequences.

Therefore, the Department seeks additional information from commenters regarding whether other types of students should be excluded from the cohort of individuals used to calculate the value-added earnings metric. The Department requests that commenters support their position using data (when available) and by discussing the potential administrative burden that their proposal would create or reduce for institutions, the Department, and relevant Federal agencies.

Value-Added Earnings: Process for Combining Multiple Cohorts
(§ 690.95(h))

To compute the value-added earnings metrics for small programs, the Department is proposing a process that combines completers from multiple cohorts until a minimum number (50) is obtained. The primary reason for combining completers from multiple cohorts is so that the Federal agency with earnings data can compute a median earnings value for eligible workforce programs without the need for privacy suppression due to small sample sizes. The specific process the Department proposes for combining cohorts is to aggregate completers from the four most recent award years (the current award year, and the three prior award years). However, the Department recognizes that there may be alternative ways to aggregate multiple years of cohorts, for example, including completers from more than three prior award years when combining cohorts. Such an approach may allow the Department to compute a value-added earnings metric for a larger number of eligible workforce programs, making more programs subject to the value-added earnings test and providing additional consumer protection for students. This approach aligns with the consensus language on the aggregation process that the negotiating committee agreed to in week two of negotiations, under discussions regarding the accountability provisions of the OBBB. The Department seeks feedback from relevant stakeholders regarding the cohort aggregation process, particularly related to the maximum number of years included in the aggregation. The Department requests that commenters support their position using data (when available) and by discussing the potential regulatory burden that their proposal would create or reduce for the Department and relevant Federal agencies. Commenters should also identify the manner in which this can be done to prevent any potential gaming by institutions that may allow colleges to artificially inflate earnings values.

Value-Added Earnings: Programs Serving Out-Of-State Students
(§ 690.95(k))

The Department seeks feedback on its proposal that, if more than 50 percent of students enrolled in an eligible workforce program are not located in the State in which the eligible institution offering the program is located, the Department will not adjust the program's median earnings by the State and metropolitan area regional

price parities of the Bureau of Economic Analysis when calculating the value-added earnings measurement. In these cases, the value-added earnings would simply use the national median earnings. During negotiated rulemaking, the Department expressed concerns about adjusting a program's median earnings by regional price parities if most students in the program do not actually live in the State where the program is being offered (for example, through distance education). However, the data that the Department would use to make this determination is limited. We seek feedback from the public regarding the most effective way to avoid adjusting earnings by regional price parities that are not applicable to the locations of most students in a workforce program. As part of this discussion, the Department also seeks feedback on what data to use to identify the student's location for this purpose. The Department proposed using the student's address or State of legal residence as reported on their Free Application for Federal Student Aid (FAFSA®) form at the time of enrollment. However, some negotiators discussed concerns with the accuracy of the FAFSA address information as reported by students and proposed using the student's address at the time the value-added earnings are measured as a better reflection of potential geographic earning differences. If commenters have a proposal other than what the Department has outlined in these proposed regulations, please provide a rationale for using a different methodology, along with any specific data and calculation requirements necessary to institute an alternative approach, either for adjusting the median earnings, or when and how to identify appropriate student locations.

IV. Invitation to Comment

We invite you to submit comments regarding these proposed regulations. For your comments to have maximum effect in developing the final regulations, we urge you to clearly identify the specific section or sections of the proposed regulations that each of your comments addresses and to arrange your comments in the same order as the proposed regulations. The Department will not accept comments submitted after the comment period closes.

The following tips are meant to help you prepare your comments:

- Be concise but support your claims.
- Explain your views as clearly as possible and avoid using profanity.
- Refer to specific sections and subsections of the proposed regulations throughout your comments, particularly

in any headings that are used to organize your submission. Explain why you agree or disagree with the proposed regulatory text and support these reasons with data-driven evidence, including the depth and breadth of your personal or professional experiences. *We encourage commenters to include supporting facts, research, and evidence in their comments. When doing so, commenters are encouraged to provide citations to the published materials referenced, including active hyperlinks. Likewise, commenters who reference materials which have not been published are encouraged to upload relevant data collection instruments, data sets, and detailed findings as a part of their comment. Providing such citations and documentation will assist us in analyzing the comments.*

- Where you disagree with the proposed regulatory text, suggest alternatives, including regulatory language, and your rationale for the alternative suggestion.
- Submit your public comment only.
- Do not include personally identifiable information (PII) such as Social Security numbers or loan account numbers for yourself or for others in your submission.
- Do not include any information that directly identifies or could identify other individuals or that permits readers to identify other individuals.

Mass Writing Campaigns: In instances where individual submissions appear to be duplicates or near duplicates of comments prepared as part of a writing campaign, the Department will post one representative sample comment along with the total comment count for that campaign to *Regulations.gov*. The Department will consider these comments along with all other comments received.

In instances where individual submissions are bundled together (submitted as a single document or packaged together), the Department will post all of the substantive comments included in the submissions along with the total comment count for that document or package to *Regulations.gov*. A well-supported comment is often more informative to the agency than multiple form letters.

Public Comments: The Department invites you to submit comments on all aspects of the proposed regulatory language specified in this NPRM, and in the Regulatory Impact Analysis and Paperwork Reduction Act sections.

The Department may, at its discretion, decide not to post or to withdraw certain comments and other materials that contain promotion of commercial services or products, and spam.

We may not address comments outside of the scope of these proposed regulations in the final rule. Comments that are outside of the scope of these proposed regulations are comments that do not discuss the content or impact of the proposed regulations or the Department's evidence or reasons for the proposed regulations.

Comments that are submitted after the comment period closes will not be posted to *Regulations.gov* or addressed in the final rule.

We invite you to assist us in complying with the requirements of Executive Orders 12866 and 13563 and their overall requirement of reducing regulatory burden that might result from these proposed regulations. Please let us know of any further ways we could reduce potential costs or increase potential benefits while preserving the effective and efficient administration of the Department's programs and activities.

During and after the comment period, you may inspect public comments about these proposed regulations by accessing *Regulations.gov*.

Assistance to Individuals with Disabilities in Reviewing the Rulemaking Record: On request, we will provide appropriate accommodation or auxiliary aid to an individual with a disability who needs assistance to review the comments or other documents in the public rulemaking record for these proposed regulations. If you want to schedule an appointment for this type of accommodation or auxiliary aid, please contact the Information Technology Accessibility Program Help Desk at *ITAPSupport@ed.gov* to help facilitate this request.

Clarity of the Regulations

Executive Order 12866 and the Presidential memorandum "Plain Language in Government Writing" require each agency to write regulations that are easy to understand. The Secretary invites comments on how to make the regulation easier to understand, including answers to questions such as the following:

- Are the requirements in the proposed regulations clearly stated?
- Do the proposed regulations contain technical terms or other wording that interferes with their clarity?
- Does the format of the proposed regulations (grouping and order of sections, use of headings, paragraphing) aid or reduce their clarity?
- Would the proposed regulations be easier to understand if we divided them into more (but shorter) sections? (A "section" is preceded by the symbol

"§" and a numbered heading; for example, § 668.2 General definitions.)

- Could the description of the proposed regulations in the **SUPPLEMENTARY INFORMATION** section of this preamble be more helpful in making the proposed regulations easier to understand? If so, how?

- What else could we do to make the proposed regulation easier to understand?

To send any comments that concern how the Department could make these proposed regulations easier to understand, see the instructions in the **ADDRESSES** section.

V. Background

The OBBB, which President Trump signed into law on July 4, 2025, made important changes to the title IV, HEA programs, including one of the most significant changes to the Pell Grant Program in its history, to address America's workforce needs.

Specifically, the OBBB expanded Pell Grant eligibility to eligible workforce programs. These programs are shorter in duration than the undergraduate programs currently eligible for Pell Grants, and they must meet specific accountability metrics related to graduate earnings, as well as indicia of employer demand—requirements that are not applicable to other eligible programs.

The OBBB also added a new criterion for Pell Grant eligibility that does not allow students to receive Pell Grant funds if they also receive grant or scholarship aid from non-Federal sources—including States, institutions of higher education, and private sources—in a total amount that equals or exceeds their cost of attendance (COA). Eligible institutions determine the COA by establishing a budget for tuition and fees, books, supplies, housing, food, and other costs.

This NPRM complies with Section 492 of the HEA, which requires the Secretary to obtain public input and conduct negotiated rulemaking before issuing proposed regulations for the title IV, HEA programs. To meet those requirements and implement the new statutory directives provided for in the OBBB, the Department convened the Accountability in Higher Education and Access through Demand-driven Workforce Pell (AHEAD) negotiated rulemaking committee, which reached consensus agreement on the entirety of the regulatory text included in this NPRM.

VI. Authority for This Regulatory Action

The OBBB amended portions of the HEA related to the title IV, HEA programs administered by the Department. The Secretary has been granted broad authority by Congress to implement federal student aid programs under title IV of the HEA, including amendments made by the OBBB. See 20 U.S.C. 1221e–3, *see also* 20 U.S.C. 1082, 3441, 3471, 3474. In order to carry out functions otherwise vested in the Secretary by law or by delegation of authority pursuant to law, and subject to limitations as may be otherwise imposed by law, the Secretary is authorized to make, promulgate, issue, rescind, and amend rules and regulations governing the manner of operations of, and governing the applicable programs administered by, the Department. See 20 U.S.C. 1221e–3. These programs include the Federal student loan programs authorized by the HEA, as amended by the OBBB.

Waiver of HEA Master Calendar Requirements

The Harmonious-Reading Canon provides that statutes should, when possible, be interpreted in a way that renders them compatible, not contradictory, but such an approach is not always possible if context and other considerations (including the application of other canons) make it impossible to do so, another approach to statutory interpretation, such as the General/Specific Canon must be applied. See Scalia & Garner, *Reading Law*, 155 (2012). The General/Specific Canon of statutory construction dictates that, in cases where a general prohibition is contradicted by a specific permission or a general permission that is contradicted by a specific prohibition, the more specific of the two provisions controls. See Scalia & Garner, *Reading Law*, 158 (2012). Because, as discussed below, OBBB contains provisions with effective dates that cannot possibly be implemented in regulation in accordance with the HEA's master calendar requirements, OBBB implicitly provides a limited waiver of the HEA's master calendar requirement, so far as it is necessary to promulgate regulations that give effect to those provisions. See *Dorsey v. United States*, 567 U.S. 260, 274 (2012) (stating that an agency's compliance with an existing statute "cannot justify a disregard of the will of Congress as manifested either expressly or by necessary implication in a subsequent enactment" (*quoting Great Northern R. Co. v. United States*, 208 U.S. 452, 465 (1908)).

Here, the OBBB was enacted on July 4, 2025. The OBBB directs the Department to implement roughly a dozen provisions by July 1, 2026. Many of these provisions are not self-executing and could not be implemented absent the Department promulgating regulations to provide details for institutions on how to comply with the OBBB. Congress gave the Secretary discretion within the OBBB to implement the provisions impacting the title IV, HEA programs and knew that its commands were not self-executing when directing the Secretary to take action. Congress expected the Secretary to act via rulemaking before July 1, 2026, to enable these provisions to actually go into effect.

The master calendar in the HEA provides that regulatory changes initiated by the Secretary affecting the title IV, HEA programs must be published in final form by November 1st in order for them to go into effect by July 1st of the following year. 20 U.S.C § 1089(c)(1). Section 492 of the HEA requires the Department to undertake negotiated rulemaking as part of any regulation under title IV of the HEA. In order to conduct negotiated rulemaking and meet APA requirements, the Department must have a public hearing (providing notice to the public), solicit nominations from the public to serve on a negotiated rulemaking committee, select non-Federal negotiators, hold negotiations, develop an NPRM, publish an NPRM (with at least a 30-day comment period), and then publish a final rule that responds to any substantive comments received. The fastest possible timeframe in which the negotiated rulemaking process for the rulemaking packages assigned to the AHEAD Committee could have occurred is 149 days, which is irreconcilable with the timeline allowed by the enactment of the OBBB, due to the fact that there were 120 days between July 4, 2025, (the day the OBBB was enacted), and November 1, 2025, (the publication date of the final rule required by the master calendar).

It would not have been possible for the Department to undertake every step of the negotiated rulemaking process by November 1, 2025, in order to implement the provisions that become effective in the OBBB by July 1, 2026, which is the statutory effective date. Congress was aware of this temporal impossibility when they passed the OBBB, yet Congress decided that these provisions would still go into effect on July 1, 2026. Because these provisions are not self-implementing and cannot go into effect unless the Department

promulgates a final rule, the OBBB implicitly waives the master calendar.

With important details unanswered by the plain text of the OBBB, it is clear that the policy scheme set forth in the HEA made by the OBBB cannot be implemented absent regulatory action by the Department. At the same time, even though the requirements of negotiated rulemaking are onerous, it is possible to undergo negotiated rulemaking and publish a final rule at least 30 days prior to the effective date of these OBBB provisions on July 1, 2026. Therefore, the OBBB does not waive negotiated rulemaking nor any provision in the APA. For provisions in the OBBB that become effective July 1, 2027, and beyond, Congress did not implicitly repeal the master calendar because it is possible for the Department to publish a final rule that complies with the master calendar to implement those provisions.

Severability

“It is axiomatic” that a regulation may be invalid in part but not in whole or as applied to one set of facts but not another. *Ayotte v. Planned Parenthood of N. New England*, 546 U.S. 320, 329 (2006). If a court finds one part of a regulation is unlawful, the “normal rule” is to enjoin only that part. *Id.* (quoting *Brockett v. Spokane Arcades, Inc.*, 472 U.S. 491, 504 (1985)).

It is the Department’s intent that if any provision of this subpart or its application to any person, act, or practice is held invalid, the remainder of the subpart or the application of its provisions to any person, act, or practice shall not be affected thereby.

Statutes and regulations are severable if the separate provisions are “wholly independent of each other” and can operate independently. *Brockett v. Spokane Arcades, Inc.*, 472 U.S. 491, 502 (1985). That is the case here. No part herein will be affected if another part is found to be unlawful. Nor does the Department believe courts or regulated parties would be unable to apply the rule if one part is held invalid. *C.f. Dep’t of Educ. v. Louisiana*, 603 U.S. 866, 868 (2024) (per curiam) (denying the government’s request to stay a preliminary injunction against an entire rule where only parts were found to be invalid because “schools would face in determining how to apply the rule for a temporary period with some provisions in effect and some enjoined”).

VI. Public Participation

Section 492 of the HEA, 20 U.S.C. 1098a, requires the Secretary to obtain public involvement in the development of proposed regulations affecting

programs authorized by the title IV, HEA programs. Prior to developing this NPRM, the Department obtained advice and recommendations from individuals and representatives of groups involved in the title IV, HEA programs. This outreach included a 30-day public comment period, one day of public hearings, and five days of in-person negotiated rulemaking sessions on these proposed regulations at the Department’s headquarters in Washington, DC. Further details regarding these efforts are provided below.

On July 25, 2025, the Department published in the **Federal Register** (90 FR 35261) a notice of our intent to hold public hearings and to establish two negotiated rulemaking committees to consider regulatory changes to the title IV, HEA programs, with one committee addressing topics including institutional and programmatic accountability and the Pell Grant Program. The engagement included a 30-day written public comment period, a virtual public hearing on August 7, 2025, and five days of negotiated rulemaking specific to this NPRM.

Public Comments and Hearings

We received 1,864 written comments in response to the **Federal Register** notice. Additionally, we held a virtual public hearing on August 7, 2025. A total of 57 individuals testified virtually at the hearing.

You may view the written comments submitted in response to the July 29, 2025 “Intent to Establish Negotiated Rulemaking Committees; Correction” correction notice (90 FR 35652), by visiting the Federal eRulemaking Portal at <https://www.ed.gov/laws-and-policy/higher-education-laws-and-policy/higher-education-policy/negotiated-rulemaking-for-higher-education-2025-2026>, within docket ID ED-2025-OPE-0151. Instructions for finding comments are also available on the site under “FAQ.”

Transcripts of the public hearings can be accessed at <https://www.ed.gov/laws-and-policy/higher-education-laws-and-policy/higher-education-policy/negotiated-rulemaking-for-higher-education-2025-2026>.

Negotiated Rulemaking

On July 25, 2025, we published the notice in the **Federal Register** referenced earlier in the Public Participation section. That notice also set forth a schedule for committee meetings and requested nominations for individual negotiators to serve on the AHEAD Committee.

We chose members of the negotiated rulemaking committee from individuals nominated by groups involved in the title IV, HEA programs. We selected individuals with demonstrated expertise

or experience with the proposed topics. The negotiated rulemaking committee included the following members, representing their respective constituencies:

- Students who are currently enrolled and receiving assistance from the title IV, HEA programs: Eric Atchison, Arkansas State University System, and Magnus Noble (alternate), University of Illinois Springfield.
- Students who are veterans, U.S. military service members or groups representing them: Matthew Feehan, Veterans Education Project, and Julie Howell (alternate), Paralyzed Veterans of America.
- Employers and groups representing the business community, including small, medium, and large businesses: David Kafafian, Clasp, and Dennis Cariello (alternate), Hogan Marren Babbo & Rose.
- Legal assistance organizations that represent students and borrowers, consumer advocates, and civil rights groups that represent students: Tamar Hoffman, Community Legal Services of Philadelphia, and Zoe Kemmerling (alternate), Legal Aid of the District of Columbia.
- Public institutions of higher education, including institutions eligible to receive Federal assistance under Title III and Title V of the HEA, Tribal Colleges and Universities, and Historically Black Colleges and Universities: Kristin Hultquist, HCM Strategists, and Tonjua Williams (alternate), St. Petersburg College.
- Private nonprofit institutions of higher education including institutions eligible to receive Federal assistance under Title III and Title V of the HEA, Tribal Colleges and Universities, and Historically Black Colleges and Universities: Aaron Lacey, Thompson Coburn LLP, and Joanna Roush (alternate), Liberty University.
- Proprietary institutions of higher education, as defined in 34 CFR 600.5: Jeff Arthur, ECPI University, and Ryan Claybaugh (alternate), Paul Mitchell Advanced Education.
- State workforce agencies and workforce development boards: Rachael Stephens Parker, Maryland Governor's Workforce Development Board, and Andrea DeSantis (alternate), North Carolina Department of Commerce.
- State grant agencies, and other State and non-profit higher education financing organizations: J. Ritchie Morrow, Nebraska Coordinating Commission for Higher Education, and Elizabeth McCloud (alternate), Pennsylvania Higher Education Assistance Agency.

- State higher education executive officers, State authorizing agencies, and other State regulators: Randy Stamper, Virginia Community College System, and Heather DeLange (alternate), Colorado Department of Higher Education.

Accrediting agencies recognized by the Secretary of Education: Michale McComis, Accrediting Commission of Career Schools and Colleges, and Gedalia (Gary) Litke (alternate), Association of Advanced Rabbinical and Talmudic Schools.

- Organizations representing taxpayers and the public interest: Preston Cooper, American Enterprise Institute, and Ethan Pollack (alternate), Jobs for the Future.

After obtaining extensive advice and recommendations from the public, the Secretary, as required by Section 492 of the HEA, 20 U.S.C. 1098a, prepared draft regulations and submitted them to a negotiated rulemaking process. The committee for these proposed regulations began negotiations on December 8, 2025, and concluded on December 12, 2025. The committee reviewed and discussed draft regulations prepared by the Department, as well as alternative regulatory language and suggestions proposed by committee members. Additionally, during each negotiated rulemaking meeting, some non-Federal negotiators shared feedback that they had received from stakeholders in their respective constituencies. This approach facilitated the inclusion of a wide array of ideas and perspectives, which contributed to the development of the consensus language.

Under the organizational protocols for negotiated rulemaking agreed to by all members of the committee, if the committee reaches consensus on the proposed regulations, the Department agrees to publish, without substantive alteration, a defined group of regulations on which the committee reached consensus—unless the Secretary reopens the process or provides a written explanation to the participants stating why she has decided to depart from the agreement reached during negotiations. In this instance, consensus is considered to be the absence of dissent by any member of the negotiated rulemaking committee (abstaining members are not considered to be dissenting from the proposal). The committee reached consensus on the entirety of the draft regulations on December 12, 2025. As a result, this NPRM reflects the consensus language with minor technical and non-substantive corrections which are noted in subsequent sections of this NPRM.

The AHEAD Committee met subsequently during the week of January 5, 2026, to consider a separate set of draft regulations related to implementing accountability provisions in the OBBB, but the regulatory provisions discussed during that week are outside the scope of this proposed rule. The Department will publish a separate NPRM on these accountability regulations.

VII. Significant Proposed Regulations

The Department discusses substantive issues under the sections of the proposed regulations to which they pertain. Generally, we do not address proposed regulatory provisions that are technical or otherwise minor in effect.

Pell Grant Ineligibility When Other Aid Covers Full Cost Ineligibility due to Grant or Scholarship Assistance From Non-Federal Grants (§ 690.5(a) and (b))

Statute: Section 401(d)(6) of the HEA, as amended by Section 83004 of the OBBB, provides that beginning on July 1, 2026, a student shall not be eligible for a Pell Grant during any period for which the student receives grant aid from non-Federal sources in an amount that equals or exceeds the student's COA for such period.

Current Regulations: None.

Proposed Regulations: The Department proposes to establish in regulation that a student shall not be eligible for a Pell Grant for an award year during which the student receives grant or scholarship assistance from non-Federal sources (including States, eligible institutions, or private sources) in an amount that equals or exceeds the student's COA for the award year.

We also propose to clarify that “grant or scholarship assistance from non-Federal sources” does not include sources that Section 480(i) of the HEA excludes from “other financial assistance,” including tax credits under section 25A of the Internal Revenue Code (IRC), distributions under section 529 of the IRC or Coverdell Education Savings Accounts, and emergency financial assistance provided to students for unexpected expenses that are a component of cost of attendance.

Reasons: The Department's proposed language mirrors the statute. When the total amount of a student's non-Federal grant and scholarship assistance equals or exceeds the student's COA, the student cannot receive a Pell Grant because Pell Grants may only be used to cover eligible expenses and, in such instances, all of the student's eligible expenses are covered by other sources of funding. When that total is less than the student's COA, the student can receive

their full, calculated Pell Grant for the award year.

Eligible institutions determine a student's COA based on the costs associated with individual programs of study. The allowable costs included in a student's COA are set forth in HEA Section 472 and generally encompass all the regular costs that a student would usually pay to attend a given program at an eligible institution: tuition and fees, books, supplies, and housing and food.¹ The COA can be further specified, on an individual basis, when a student informs his or her institution's financial aid office that they have costs that they are responsible for (for example, unusually high medical bills) that are not accounted for in the normal COA. In such cases, eligible institutions can use professional judgment on a case-by-case basis to adjust the student's COA to account for that student's unique costs.

Several negotiators expressed concern that the receipt of grant or scholarship aid would have an adverse effect and prohibit students from receiving a Pell Grant that may be necessary for their education. However, if a student's entire COA is met with non-Federal grant or scholarship aid, that student has no remaining allowable education expenses for a Pell Grant to be used for. Therefore, the student would have no need for a Pell Grant to cover education-related expenses. In addition, this provision safeguards the interests of taxpayers by only providing Pell Grants to students who need financial assistance, thereby ensuring equity with other students receiving aid from the Pell Grant Program.

During negotiated rulemaking, we received a request from a negotiator to add "assistance" for clarity and transparency for students. We do not believe providing this clarity would substantively change the regulation and did so.

The Department proposes that the regular exclusions from "other financial assistance" enumerated in Section 480(i) of the HEA would not be treated as non-Federal grant or scholarship assistance under this provision. For example, in Section 480(i), it states "emergency financial assistance provided to the student for unexpected expenses that are a component of the student's COA, and not otherwise considered when the determination of the student's need is made . . ." is not considered grant or scholarship assistance. The Department does not

have the authority to exclude other types of non-Federal grant or scholarship assistance not specifically stated in the statute. This clarification does not substantively change the proposed regulation or affect the Department's enforcement of Section 480(i).

Although the Department believes its proposed regulations closely adhere to the statute, we have concerns about the vulnerability of this provision to abuse by institutions seeking to subvert the intent of the law by manipulating the amount of a student's grant or scholarship funds or by using professional judgment to slightly alter the student's cost of attendance. Because of these concerns, we have included a question regarding how to limit such vulnerabilities under the Directed Questions section in this NPRM.

Recalculation of a Pell Grant award (§ 690.80(d))

Statute: Section 401(d)(6) of the HEA, as amended by Section 83004 of the OBBB, provides that beginning on July 1, 2026, a student shall not be eligible for a Pell Grant during any period for which the student receives grant aid from non-Federal sources in an amount that equals or exceeds the student's COA for such period. Additionally, Section 401(f) states that payments of Pell Grant funds shall be made in accordance with regulations promulgated by the Secretary.

Current Regulations: Current regulations under § 690.80 prescribe instances in which an eligible institution recalculates a Pell Grant award. An eligible institution is required to recalculate a Pell Grant if there is a change to the student's Student Aid Index (formerly the Expected Family Contribution) or enrollment intensity (formerly the enrollment status). The eligible institution may, but is not required to, recalculate a Pell Grant due to a change in the student's COA when the enrollment status is unaffected.

Proposed Regulations: The proposed regulation requires that if, prior to the final disbursement of a student's Pell Grant for an award year, the eligible institution becomes aware that the student has received or will receive grant or scholarship assistance from non-Federal sources that equals or exceeds the student's COA, the eligible institution must either (1) reduce the non-Federal grant or scholarship assistance—insofar as the institution has control over such grant or assistance—until it does not equal or exceed the student's COA, or (2) return all of the

Pell Grant funds that the student received for that award year pursuant to § 690.79 and cancel any future disbursements of such funds for that award year.

Reasons: The proposed regulation describes the options available to an eligible institution when it learns that a student has received or will receive non-Federal grant aid that equals or exceeds the student's COA. The Department understands that there will be circumstances when eligible institutions will not know this or become aware of it until after the final Pell Grant disbursement; in such cases the institution will not need to take any action. However, if an eligible institution becomes aware of this information prior to the final disbursement of Pell Grants for the award year, it must act in accordance with the proposed rule. The Department would like feedback from institutions to more thoughtfully understand if institutions have the resources, ability, or visibility to undertake this proposal.

Workforce Pell Grants

Date, Extent, Duration, and Consequence of Eligibility (§ 600.10(c))

Statute: Section 481(b)(3) of the HEA, as amended by Section 83002(b) of the OBBB, states that after the Governor of a State determines that a program meets specified requirements, the Secretary shall determine whether the program meets additional specified conditions necessary for the program to be considered an eligible workforce program.

Current Regulations: An eligible institution must obtain the Secretary's approval prior to offering title IV, HEA funds for certain educational programs. Currently, this requirement applies to: (1) the first direct assessment program offered by an eligible institution; (2) the first eligible prison education program offered at the first two additional locations where the eligible institution offers such programs; (3) any comprehensive transition and postsecondary program or short-term program; and (4) in cases where an eligible institution's Program Participation Agreement (PPA) includes a condition requiring such approval.

Proposed Regulations: We propose to require that an eligible institution obtain the Secretary's approval to offer an eligible workforce program, if the institution seeks to designate the program as eligible for the Pell Grant Program.

Reasons: Section 481(b)(3) of the HEA, as amended by Section 83002(b) of the OBBB, requires that each eligible

¹ Federal Student Aid Handbook—Volume 3, Chapter 2—Cost of Attendance—<https://fsapartners.ed.gov/knowledge-center/fsa-handbook/2025-2026/vol3/ch2-cost-attendance-budget>.

workforce program that participates in the Pell Grant Program be approved by the Secretary and requires the Secretary to determine whether the program satisfies specific statutory requirements. Per the authorizing statute the Secretary is required to proactively determine that a program meets all applicable statutory and regulatory requirements before it can be an eligible workforce program, the Department does not have discretion to regulate in this area.

Neither the OBBB nor these proposed regulations contain language specific to an accrediting agency. But during negotiated rulemaking, a negotiator requested that the Department clarify the role that accrediting agencies play in the eligible workforce program approval process. The Department addresses this in our response below. An eligible institution must be able to demonstrate that each program, including eligible workforce programs,—collectively or individually—is included within its grant of accreditation. The Department does not require the accrediting agency to approve each eligible workforce program but an accrediting agency recognized by the Department may establish its own internal processes regarding the approval of eligible workforce programs, which must follow its established review procedures for substantive changes set forth in § 602.22. If an accrediting agency decides to approve one or more eligible workforce programs separately or based on established policies that require eligible institutions to make a substantive change request to add an eligible workforce program, the accrediting agency approval may come before or after approval by the Governor (but prior to Department approval).

Written Arrangements To Provide Educational Programs (§ 668.5(c))

Statute: Section 484(a) of the HEA provides that a recipient of title IV, HEA program funds must be enrolled in an eligible academic program leading to a degree or certificate at an eligible institution.

Current Regulations: Section 668.5 currently sets forth the conditions under which the Secretary will consider eligible programs to include educational programs that are offered by an eligible institution that has a written arrangement, sometimes referred to as a contractual agreement, with an ineligible institution or organization. Under such an agreement, an ineligible institution or organization provides part of the educational program offered by the eligible institution. Generally, an ineligible institution or organization may provide 25 percent or less of an

eligible program without approval of the arrangement by the eligible institution's accrediting agency. Moreover, in some cases, the current regulations allow an ineligible institution or organization to provide more than 25 percent but less than 50 percent of an eligible program if the eligible institution offering the program receives approval from its accrediting agency as a substantive change, in accordance with applicable regulations under 34 CFR 602.22.

Proposed Regulations: The Department proposes that an eligible institution may enter into a written arrangement with an ineligible institution or organization to provide a portion of an eligible workforce program only if the ineligible institution does not provide more than 25 percent of the eligible workforce program. Programs under which an ineligible institution or organization provided more than 25 percent of the eligible program would not be considered to be an eligible workforce program.

Reasons: While the statute is silent on the issue of written arrangements, the Department believes that institutions offering eligible workforce programs should have some flexibility to enter into written arrangements with ineligible institutions and organizations, as they currently do with their other eligible programs. However, for written arrangements where 26 to 49 percent of the program is not provided by the eligible institution, the Department is concerned that requiring that such written arrangements be approved by the eligible institution's accrediting agency, as is required for other eligible programs under current regulations, may not be as effective in providing quality assurance for eligible workforce programs.

During negotiated rulemaking, several negotiators expressed concern that the 25 percent limitation could stymie innovation and employer engagement in the development and implementation of eligible workforce programs. One negotiator noted that some eligible institutions may not have the capabilities to offer an eligible workforce program without assistance from ineligible institutions or organizations. The negotiator mentioned that a written arrangement could help an eligible institution start an eligible workforce program without the need to purchase expensive capital equipment of its own, as necessary training on such equipment may be available from an ineligible institution or organization through a written arrangement. The Department responded by stating that it had considered several options in developing the draft regulations, ranging

from the less than 50 percent upper limit that some negotiators had proposed, to express prohibition of written arrangements for eligible workforce programs. The 25 percent threshold that was proposed in the draft regulations and agreed to by all negotiators during the committee negotiations strikes a balance between providing institutions with the same flexibility that institutions have under existing policies for other eligible programs but offers additional assurance that the vast majority (75 percent or greater) of the eligible workforce program is provided by the eligible institution.

In proposing these regulations, the Department continues to seek public input on achieving a proper balance between providing eligible institutions with the flexibility to acquire educational resources from outside the institution that can enhance the quality of eligible workforce programs using written arrangements, while also ensuring that standards of quality assurance for the title IV, HEA programs continue be maintained for all types of eligible programs. Thus, we have included a question regarding this proposal under the Directed Questions section in this NPRM.

Eligible Program (§ 668.8(n))

Statute: Section 401(k)(1) of the HEA, added by Section 83002(a) of the OBBB, states that beginning on July 1, 2026, and each subsequent year, the Secretary shall award Pell Grants to eligible students to enroll in eligible workforce programs.

Current Regulations: § 668.8 defines which programs are considered *eligible programs* for the purposes of the title IV, HEA programs. Beyond the general requirements set forth in § 668.8, § 668.8(n) specifically states that eligible programs include: direct assessment programs, comprehensive transition and postsecondary programs, and prison education programs.

Proposed Regulations: The proposed regulations state that an eligible program includes, solely for the purposes of the Pell Grant Program, an eligible workforce program as defined in 34 CFR 690.92.

Additionally, we propose to make a technical restructuring edit to paragraph (n) due to the increasing number of eligible programs defined under the paragraph. The consensus language contained romanettes in the subparagraphs following subsection (n), however, those subparagraphs should be Arabic numerals because they are at the paragraph level instead of the subparagraph level. We have made that

technical update in the proposed amendatory language.

Reasons: This is a conforming change, made to ensure consistency and alignment of the hierarchical structure throughout the Code of Federal Regulations (CFR). While we propose that the majority of eligible workforce program regulations be included under 34 CFR 690 Subpart H, to ensure that a reader knows that the definition of an eligible program includes an eligible workforce program, we propose to add a reference to eligible workforce programs under this section of the CFR.

Limitations on Remedial Coursework That is Eligible for Title IV, HEA Program Assistance (§ 668.20(b) and (g))

Statute: Section 401(k)(3)(B) of the HEA, added by Section 83002(a) of the OBBA, prohibits an eligible institution from taking into account noncredit or reduced credit remedial coursework (including a course in English as a second language) when determining enrollment intensity and COA for an eligible workforce program offered in credit hours.

Current Regulations: The current regulations prescribe instances when noncredit or reduced credit remedial coursework can (§ 668.20(b)) and cannot (§ 668.20(c) and (d)) be included in a student's enrollment intensity (formerly enrollment status) and COA. For example, a remedial course cannot be below the educational level needed for a student to successfully pursue their program after one year in that course and be included in a student's enrollment intensity (§ 668.20(c)(2)). Also, in order to be included, remedial courses must be at least at the high school level, as determined by the eligible institution, its state legal authority, or its accrediting agency (§ 668.20(c)(3)(ii)).

Proposed Regulations: We propose that an eligible institution may not take into account any noncredit or reduced credit remedial coursework (including a course in English as a second language) when determining enrollment intensity and COA for a student enrolled in an eligible workforce program, as defined under 34 CFR 690.92, that is offered in credit hours.

Reasons: Section 401(k)(3)(B) of the HEA, added by Section 83002(a) of the OBBA, prohibits the inclusion of noncredit or reduced credit remedial coursework to determine enrollment intensity or COA for an eligible workforce program.

Section 401(d)(1) of the HEA states that the “. . . period during which a student may receive Federal Pell Grants shall be the period required for the

completion of the first undergraduate baccalaureate course of study being pursued by that student at the institution at which the student is in attendance, except that any period during which the student is enrolled in a noncredit or remedial course of study, as described in paragraph (2), shall not be counted for the purpose of this paragraph.”.

Section 401(d)(2) of the HEA states, “(2) Noncredit or remedial courses; study abroad.—Nothing in this section shall exclude from eligibility courses of study which are noncredit or remedial in nature (including courses in English language instruction) which are determined by the eligible institution to be necessary to help the student be prepared for the pursuit of a first undergraduate baccalaureate degree or certificate or, in the case of courses in English language instruction, to be necessary to enable the student to use already existing knowledge, training, or skills . . .”. However, Section 401(k)(3)(B) of the HEA, added by Section 83002(a) of the OBBA, explicitly states that Section 401(d)(2) of the HEA does not apply to an eligible workforce program. In other words, students enrolled in eligible workforce programs offered in credit hours can only receive Pell Grants for courses that they receive credit for.

The Department clarified during negotiated rulemaking that the prohibition on noncredit courses is not in reference to programs offered using clock hours. The prohibition applies specifically to noncredit courses in credit hour programs. In clock hour programs, whether or not coursework confers academic credit is irrelevant for purposes of the title IV, HEA programs. The Department interprets Sec. 401(d)(1) to apply an exception to the normal requirement that coursework in a credit hour program carry academic credit in order for that coursework to be considered for Title IV purposes.

Student Eligibility (§ 668.32(c))

Statute: Section 401(k)(2)(B) of the HEA, added by Section 83002(a) of the OBBA, states that a student is not eligible for a Pell Grant in an eligible workforce program if the student is enrolled, or accepted for enrollment, in a program of study that leads to a graduate credential, or if the student has obtained a graduate credential.

Current Regulations: The existing Pell Grant Program regulations generally prohibit an individual with a baccalaureate degree or first professional degree from receiving a Pell Grant (§ 668.32(c)(2)(i)(A)).

Proposed Regulations: The proposed regulations clarify that an otherwise eligible student who has obtained a baccalaureate degree can receive a Pell Grant to enroll in an eligible workforce program. The proposed regulations state that a student who is receiving a Pell Grant to enroll in an eligible workforce program may not be enrolled in or accepted for enrollment in a program of study that leads to a graduate credential, nor have attained a graduate credential.

Reasons: Section 401(k)(2) of the HEA states “To be eligible to receive a Pell Grant for enrollment in an eligible workforce program the student may not “be enrolled, or accepted for enrollment, in a program of study that leads to a graduate credential; or . . . have attained such a credential.” Section 401(k)(2) does not explicitly exclude students who possess a bachelor's degree from being eligible to receive Pell Grant funds for enrollment in an eligible workforce program. In doing so, Section 401(k) superseded the ordinary Pell Grant eligibility limitations under Section 401(d)(1) that prohibit students who have already earned a bachelor's degree from receiving Pell Grants. 20 U.S.C. 1070a (limiting eligibility to students who have not completed their “first undergraduate baccalaureate course of study.”)

Students must generally have a bachelor's degree in order to enroll in graduate programs, so the ordinary rule under subsection (d)(1) already excluded students who are enrolled in or admitted to a graduate degree program or already have a graduate degree. It would be unnecessary for Congress to change the ordinary rule, if all that was intended is to prevent graduate students or graduate degree holders from receiving a Pell Grant. As such, by necessary implication, the statute in subsection (d)(1) is supplanted for the purposes of eligibility in the Workforce Pell Grant Program by Section 401(k)(2). In effect, this means that an eligible student for the purposes of this program is: (1) a student who meets all of the other eligibility criteria in Section 401 (such as needs analysis); (2) has not earned a graduate degree, is not admitted to a graduate program, nor is enrolled in a graduate program; and (3) has not exhausted their lifetime Pell Grant eligibility of 12 semesters (or its equivalent) under Section 401 (d)(5). As such, students who already have a bachelor's degree are not disqualified from receiving Pell Grants for eligible workforce programs on that basis alone.

During negotiated rulemaking the Department agreed to provide more

context regarding what constitutes a *graduate credential* in the preamble of this NPRM. A *graduate credential* includes, but is not limited to, a graduate degree such as a master's degree or doctoral degree, a first-professional degree such as a Doctor of Medicine (MD), Doctor of Dental Surgery (DDS), or Juris Doctor (JD), a graduate certificate (including a postgraduate certificate), or another professional credential that is above the undergraduate level. A *graduate credential* does not include an undergraduate post-baccalaureate certificate.

Although it is not directly relevant to the interpretive task of construing the eligibility criteria in the OBBB related to the Workforce Pell Grant, the Department believes that allowing students with bachelor's degrees to be eligible to receive Pell Grant funds for enrollment in an eligible workforce program is beneficial. The proposed regulation allows otherwise eligible students with bachelor's degrees who require new proficiencies in order to become employed in a new high-skill, high-wage field with the ability to achieve this cost-effectively and in a short period of time. Additionally, because other applicable student eligibility requirements still apply—for example, Lifetime Eligibility Used (LEU) limits on Pell Grant eligibility—the Department believes appropriate safeguards are in place to ensure that Pell Grant funds are not overutilized for this purpose. Under § 690.6(e), LEU is the requirement that a student may receive no more than 6 Scheduled Awards, as determined by the Secretary, which is calculated as a percentage not to exceed 600 percent.

A negotiator also requested the Department add an overview of satisfactory academic progress (SAP) requirements as they relate to eligible workforce programs. Under § 668.32(f) and § 668.34, a student is required to maintain SAP in his or her course of study according to the eligible institution's published standards of SAP. The Department is not proposing to change current SAP regulations, nor are any changes to those regulations required as a result of the OBBB's amendments to the HEA. For any program less than an academic year, including all eligible workforce programs, eligible institutions must evaluate a student's SAP at the end of each payment period. If the eligible institution chooses to have a warning period,² it is possible for a student to

receive all of their Pell Grant disbursements for the entire eligible workforce program. Alternatively, an eligible institution could choose not to have a warning period but to evaluate a student's academic progress after each payment period; in that case, if a student fails SAP at the end of the first payment period, the student would be ineligible to receive any subsequent Pell Grant disbursements unless they successfully appeal under the eligible institution's SAP appeal policy.

Definitions (§ 690.2(c))

Statute: Section 401(k)(1) of the HEA, added by Section 83002(a) of the OBBB, states that beginning on July 1, 2026, and each subsequent year, the Secretary shall award Pell Grants to eligible students enrolled in eligible workforce programs.

Current Regulations: 34 CFR 690.2 contains a list of definitions that pertain to the Pell Grant Program.

Proposed Regulations: The proposed regulation adds a cross reference to the definition of an eligible workforce program to this section.

Reasons: This is a conforming change made to ensure consistency and alignment throughout the CFR. While we propose that the majority of the eligible workforce program regulations be under 34 CFR 690 Subpart H, the Department seeks to ensure that readers can easily find the full definition of an eligible workforce program.

Duration of Student Eligibility (§ 690.6(a) and (f))

Statute: Section 401(k)(2)(B) of the HEA, as added by Section 83002(a) of the OBBB, states that a student is not eligible for a Pell Grant for an eligible workforce program if that student is enrolled, or accepted for enrollment, in a program of study that leads to a graduate credential, or if the student that has obtained a graduate credential.

Current Regulations: Section 690.6(a) generally states that a student is only eligible to receive a Pell Grant for the period of time required to complete his or her first undergraduate baccalaureate course of study.

Proposed Regulations: The proposed regulation exempts enrollment in an eligible workforce program from the

assigns to a student who is failing to make SAP. The school reinstates eligibility for aid for one payment period and may do so without a student appeal. This status may only be used by schools that check SAP at the end of each payment period and only for students who were making SAP in the prior payment period for which they were enrolled or who were in the first payment period of their program.”) Available at, <https://fsapartners.ed.gov/knowledge-center/fsa-handbook/2025-2026/vol1/ch1-school-determined-requirements>.

prohibition of a student having already obtained a baccalaureate degree.

Reasons: This is a conforming change to align with § 668.32(c), to ensure consistency and alignment throughout the CFR. As discussed in detail in the Student eligibility (§ 668.32(c)) section of this preamble, the Department interprets the statutory text to allow an individual with a bachelor's degree to receive a Pell Grant to enroll in an eligible workforce program because Section 401(k)(2)(B) of the HEA, amended by Section 83002(a) of the OBBB, only explicitly prohibits enrolling in or obtaining a credential in a graduate level program.

During negotiated rulemaking, a negotiator requested that the Department inform each student enrolling in an eligible workforce program about their LEU at specific percentages. The Department has considered the negotiator's suggestion but declines to implement it for two reasons. First, the Department already provides information on LEU to all students, so a disclosure specific to eligible workforce programs is not necessary. Comments on the FAFSA Submission Summary inform students of their approximate Pell Grant usage at 50 percent intervals. For example, a student between 100 percent and 150 percent would see a comment reading “The limit to the total amount of Federal Pell Grants that a student may receive is the equivalent of six school years. Based upon information reported to the National Student Loan Data System (NSLDS®) database by the schools you have attended, you have received Pell Grants for the equivalent of between one and one and one-half years.” Second, the Department is concerned that a disclosure such as this could be perceived as a warning to students not to enroll or continue in his or her program, rather than solely an indication of the amount of LEU the student has remaining. The Department prefers that students work directly with their institution's financial aid office regarding their Federal financial aid eligibility. However, the Department committed to providing additional guidance to the community about ensuring that students who enroll in eligible workforce programs receive clear and accurate information that Pell Grants they receive for enrollment in such programs count against their lifetime limits.

Federal Pell Grant Payments From More Than One Institution (§ 690.11)

Statute: Section 401(k)(4) of the HEA, as added by Section 83002(a) of the OBBB, states an eligible student cannot

² 2025–26 Federal Student Aid Handbook, ch. 1,—(“Financial aid warning is a status a school

receive a Pell Grant for enrollment in an eligible workforce program and for enrollment in another eligible program at the same time.

Current Regulations: Current § 690.11 states that a student is not entitled to receive Pell Grant payments concurrently from more than one eligible institution or from the Secretary and an eligible institution.

Proposed Regulations: The proposed regulations clarify that a student is not entitled to receive Pell Grant payments concurrently for enrollment in an eligible workforce program and any other educational program at the same or a different eligible institution, including another eligible workforce program.

The proposed regulations also update the title of this section to “Concurrent Federal Pell Grant payments”.

Reasons: This language implements the statutory prohibition on a student receiving a Pell Grant for enrollment in an eligible workforce program and for enrollment in another eligible program at the same time.

Scope and Purpose (§ 690.90)

Statute: Section 401(k)(1) of the HEA, added by Section 83002(a) of the OBBB, states that beginning on July 1, 2026, and each subsequent year, the Secretary shall award Pell Grants to eligible students enrolled in eligible workforce programs, in the same manner and with the same terms and conditions as the Secretary awards Pell Grants to eligible students enrolled in other eligible programs. Section 481(b)(3), as added by Section 83002(b) of the OBBB, defines the requirements for an educational program offered by an eligible institution to be considered an eligible workforce program, which differ from the requirements to be considered an eligible program for the purposes of participation in other title IV, HEA programs set forth in Section 481(b) of the HEA.

Current Regulations: None.

Proposed Regulations: We propose adding a scope and purpose section to 34 CFR 690 Subpart H that will apply to eligible institutions that offer eligible workforce programs. In this section, we clarify that an eligible student enrolled in an eligible workforce program is only eligible for Federal financial assistance under the Pell Grant Program and no other title IV, HEA programs. In other words, students who enroll in an eligible workforce program are not eligible for Direct Loans, a Federal Supplemental Educational Opportunity Grant, Federal Work Study, or other forms of title IV assistance. Furthermore, this section clarifies that,

as provided in this subpart, eligible students and eligible institutions that offer Pell Grants to students enrolled in eligible workforce programs are subject to the same regulations and procedures that otherwise apply to title IV, HEA program participants.

Reasons: Every subpart in 34 CFR starts with a scope and purpose section to establish the legal boundaries, intent, and application of the regulations in that subpart, defining what is covered and why the regulations exist. Therefore, we have included a scope and purpose for this new subpart.

In particular, this scope and purpose section highlights the fact that under these proposed rules, a student enrolled in an eligible workforce program would only be eligible for a Pell Grant and would not qualify for any other assistance under title IV of the HEA (such as Direct Loans, a Federal Supplemental Educational Opportunity Grant, and Federal Work Study) on the basis of enrollment in that program. Section 481(b) of the HEA sets forth the requirements for an educational program to be considered an eligible program for the purpose of participation in the title IV, HEA programs, including minimum length requirements. HEA Section 481(b)(3), added by Section 83002(b) of the OBBB, imposes specific requirements for an educational program to be considered an eligible workforce program which differ from those applicable to other eligible programs.

While an educational program has to satisfy a different set of requirements to be considered an eligible workforce program than it must satisfy in order to be considered an eligible program for the purpose of the other title IV, HEA programs, it is technically possible that an educational program could satisfy the statutory requirements for both an eligible workforce program and eligible program. Specifically, some educational programs of a duration of 300 and 599 clock hours could satisfy the statutory requirements to be both an eligible workforce program and eligible program for the purposes of the Direct Loan program authorized under part B of title IV of the HEA. In such situations, the Department proposes to require an institution to offer such programs as either an eligible workforce program or an eligible program for the purposes of the Direct Loan program, but not both.

The Department takes this position for several reasons. First, the Department believes that allowing programs that include between 300 and 599 clock hours to qualify for both the Pell Grant and Direct Loan programs would run counter to the intent of the statutory

provisions of Workforce Pell. Those provisions build on an existing framework for funding job training programs under the Workforce Innovation and Opportunity Act (WIOA), whereby participants enrolling in programs under WIOA choose a program from a State’s Eligible Training Provider List (ETPL) and can then qualify for funding to enroll in that program through Individual Training Accounts (ITAs). Under this framework, an eligible workforce program that is included on a State’s ETPL would, in many cases, allow students who qualify for Pell Grants to fund their programs fully or partially through that resource, while funding gaps for students whose Pell Grants do not fully cover training expenses, or students who do not qualify for Pell Grants, are addressed through ITAs under WIOA. In cases where these two sources of funding would be available to students enrolled in eligible workforce programs, many students would not need Direct Loan funds to cover their cost of attendance. Indeed, in some of those cases students would not even qualify for Direct Loans if amounts received from these other sources fully covered the student’s cost of attendance. Second, although it is technically possible for a short-term program that qualifies for Direct Loans to also comply with the requirements for an eligible workforce program, adding the Department’s proposed regulations for eligible workforce programs on top of those required for Direct Loans would result in two entirely different frameworks for the calculation of completion and placement rates for students in the programs depending on each title IV, HEA program funding source. Moreover, institutions wishing to qualify an educational program that provides between 300 and 599 clock hours for eligibility for students to receive funding under both title IV, HEA programs would be subject to a burdensome and complex array of completion and placement rate requirements. It would require one set as mandated for Direct Loan eligibility that is calculated entirely by the institution and substantiated by non-federal auditors, and one set required for eligible workforce program eligibility, as described in Components determined by the Secretary (§ 690.94(c)), that is calculated either solely by the State Governor or by the institution and the Governor. The Department believes that the burden and complexity (for institutions, auditors, and the Department) that would be associated with applying the

requirements for both title IV, HEA programs at the same time would not be justified by the resulting value of permitting qualification for both programs to institutions, students, and taxpayers.

This section also clarifies that eligible workforce programs are subject to all other title IV eligibility requirements, consistent with OBBB, unless the Department specifically notes in the regulations that the program is exempt from such requirement. For example (as discussed in Written arrangements to provide educational programs (§ 668.5(c)), we propose that an eligible institution offering an eligible workforce program is prohibited from entering into a written arrangement with an ineligible institution or organization whereby the ineligible institution or organization would provide more than 25 percent of the eligible workforce program.

Definitions—Cohort Period (§ 690.91)

Statute: Section 481(b)(3)(B) of the HEA, added by Section 83002(b) of the OBBB, states that for each award year, the total amount of the published tuition and fees of an eligible workforce program for such year may not exceed the “value-added earnings” of students who received Federal financial aid and who completed the program 3 years prior to the award year. An eligible workforce program’s value-added earnings are determined by calculating the difference between the median earnings of such students (as adjusted by the State and metropolitan area regional price parities of the Bureau of Economic Analysis based on the location of such program) and an amount that is equal to 150 percent of the poverty line applicable to a single individual (as determined under Section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) for such year).

Current Regulations: None.

Proposed Regulations: The proposed regulations define the cohort period as the award year that ends three full award years prior to the beginning of the award year for which value-added earnings are being determined.

Reasons: The proposed regulations implement the statutory requirement that the cohort for the value-added earnings calculation is “. . . students who received Federal financial aid under this title and who completed the program 3 years prior to the award year. . . .” For context, the Department will request the median earnings from the Federal agency with earnings data for individuals who completed the eligible workforce program and received a Pell Grant during the cohort period to

complete the value-added earnings calculation (see the discussion under § 690.95 for more information).

Section 481(b)(3)(A)(iv)(IV) states that the value-added earnings metric is calculated using the earnings of Pell Grant recipients who “received Federal financial aid under this title and who completed the program 3 years prior to the award year” from eligible workforce programs. It is not possible to calculate value-added earnings for a program that has not yet become eligible because no students could have received Federal financial aid to attend a program that is not yet an eligible program. Therefore, the Department interprets the statute to mean that the value-added earnings metric only becomes relevant once individuals have graduated from an eligible workforce program and enough time has passed to calculate the value-added earnings.

During negotiated rulemaking, several non-Federal negotiators requested that the Department stress in regulation that the cohort period only include individuals that completed the eligible workforce program three “full” award years prior to the current award year. Negotiators believed that unless the Department defined the cohort period in this way, we could have included the earnings of individuals that completed the program but, their earnings would not reflect the full impact of having participated in an eligible workforce program. By establishing a cohort period that is three full award years prior to the current award year, we ensure that a program completer has an amount of time between the completion of the eligible workforce program and obtaining a job that that appropriately captures corresponding increases in income associated with completion of the program. This also means that the 2030–31 award year is the first time the value-added earnings measure can be calculated for programs that begin in the 2026–27 award year due to the fact that such programs will first receive Pell Grants during the 2026–27 award year. The Department ultimately accepted the negotiators’ reasoning and adopted the change.

Definitions—Earnings Measurement Period (§ 690.91)

Statute: Section 481(b)(3)(B) of the HEA, as added by Section 83002(b) of the OBBB, states that the value-added earnings for an eligible workforce program are determined by calculating the difference between the median earnings of such students, as adjusted by the State and metropolitan area regional price parities of the Bureau of Economic Analysis based on the

location of such program, and 150 percent of the poverty line applicable to a single individual as determined under Section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) for such year.

Current Regulations: None.

Proposed Regulations: The proposed regulations define an earnings measurement period for the value-added earnings calculation as the first full tax year following the award year in which the student completed the eligible workforce program.

Reasons: The proposed regulation implements the statutory requirement that the Department obtain median earnings for eligible workforce program completers. The Department originally proposed to obtain from the Federal agency with earnings data “[t]he median earnings of such students during the most recent tax year for which data is available at the time of the calculation, as adjusted by the State and metropolitan area regional price parities of the Bureau of Economic Analysis based on the location of such programs.”³ The Department did not define an earnings measurement period in the original proposal sent to negotiators. During negotiated rulemaking, one negotiator asserted that the Department needs to more clearly define the specific tax year for which we would obtain median earnings of eligible workforce program completers, which does not need to be the same tax year for all completers. Another negotiator believed that the tax year in question should be the first full tax year following the award year in which the student completed the eligible workforce program. That timeframe would allow the evaluation of earnings for one full working year after having participated in the eligible workforce program. The negotiator noted that if the Department uses the earnings information from the tax year in which the individual completed the eligible workforce program, it may not be indicative of a full year of earnings potential of the completer. The Department ultimately agreed with the negotiator’s assertion that using earnings from the first full tax year following the award year in which the student completed the program is consistent with the statute.

Thus, the proposed regulation defines it here for two reasons: (1) to ensure that all students would have a year’s worth of earnings and (2) to clarify the point

³ Dep’t of ED, AHEAD Negotiated Rulemaking Discussion Draft and Draft Amendatory Text, (December 2025), available at—<https://www.ed.gov/media/document/2025-ahead-discussion-draft-112625.pdf>.

at which the Department is able to perform the value-added earnings calculation after receiving the proper tax information from the Federal agency with earnings data.

In our illustrative example from the prior section (Definitions—Cohort period), the cohort period for the 2030–31 award year includes completers who graduated during the 2026–27 award year. The 2026–27 award year ends June 30, 2027. The first full tax year following the award year is the 2028 tax year (January 1, 2028, through December 31, 2028), therefore, the 2028 tax year is tax year for which the Department would request earnings information for and use as the basis for calculating the program's value-added earnings.

Definitions—In-Demand Industry Sector or Occupation (§ 690.91)

Statute: Section 481(b)(3)(B) of the HEA, as added by Section 83002(b) of the OBBB, states that the term *in-demand sector or occupation* has the meaning given in Section 3 of WIOA. Section 3 of WIOA defines that term to mean (i) an industry sector that has a substantial current or potential impact (including through jobs that lead to economic self-sufficiency and opportunities for advancement) on the State, regional, or local economy, as appropriate, and that contributes to the growth or stability of other supporting businesses, or the growth of other industry sectors; or (ii) an occupation that currently has or is projected to have a number of positions (including positions that lead to economic self-sufficiency and opportunities for advancement) in an industry sector so as to have a significant impact on the State, regional, or local economy, as appropriate.

Current Regulations: None.

Proposed Regulations: The proposed regulation defines an *in-demand industry sector or occupation* identically to how that term is defined in Section 3 of WIOA.

Reasons: The Department is required by law to use the definition of in-demand industry sector or occupation as defined under WIOA. This definition will be used by Governors to decide whether or not to approve a program under § 690.93. We use the term “in-demand industry sector or occupation” under § 690.93(a)(1), which states that an eligible workforce program is (in part) a program that “provides an education aligned with the requirements of high-skill, high-wage (as identified by the State pursuant to Section 122 of the Carl D. Perkins Career and Technical Education Act (20 U.S.C. 2342)), or in-demand industry sectors or

occupations[.]” The Department also proposes using the term in § 690.93(b)(1)(ii) which states that a Governor must have a written policy for determining whether a program meets the hiring requirements of employers in an in-demand sector or occupation and that the program prepares students for such employment.

Definitions—Governor (§ 690.91)

Statute: Section 481(b)(3)(B) of the HEA, as added by Section 83002(b) of the OBBB, states that Governor means the chief executive of a State. Section 103 of the HEA defines *State* to mean “in addition to the several States of the United States, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the Freely Associated States.” Section 103 of the HEA further defines *Freely Associated States* to mean “the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.”

Current Regulations: None.

Proposed Regulations: We propose to define Governor as (1) the chief executive of a *State or outlying area* as defined under Section 3 of WIOA or (2) if an eligible institution is located on Tribal lands, the Tribal government.

Reasons: To the extent possible, the Department has sought to align eligible workforce programs with pre-existing definitions and concepts under WIOA; therefore, we have proposed to use the definition of Governor under WIOA. The Governor's approval is the first step in the full approval process for an eligible workforce program.

The chief executive of a State is the governor of one of the 50 States and mayor of the District of Columbia. The chief executive of an outlying area is the highest public official in the U.S. Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and the Republic of Palau.

Traditionally, for purposes of the title IV, HEA programs, Tribes have had autonomy to make decisions regarding the authorization of postsecondary eligible institutions. See 34 CFR 600.9(a)(2)(ii). The proposed language would provide Tribes the ultimate authority over determinations of approved programs. Tribes would still need to consult with the State board, as required under proposed § 690.93(a) in order to approve the program. The Department believes this compromise achieves the goal of maintaining Tribal sovereignty over these decisions while also ensuring State boards are consulted as required by the statute.

A governor can designate a public official in the State or outlying area, including someone at the State workforce or education department, the State agency overseeing workforce programs to make approval decisions on behalf of the governor. A governor must inform the Department of the designated office through a process as determined by the Secretary.

Definitions—Recognized Postsecondary Credential (§ 690.91)

Statute: Section 481(b)(3)(B) of the HEA, added by Section 83002(b) of the OBBB, states that “recognized postsecondary credential” has the meaning given in Section 3 of WIOA.

Current Regulations: None.

Proposed Regulations: We propose to define “recognized postsecondary credential” as a credential consisting of an industry-recognized certificate or certification, a certificate of completion of a Registered Apprenticeship under 29 CFR part 29, a license recognized by the State involved or Federal Government, or an associate or baccalaureate degree.

Reasons: The training and instruction that an apprentice receives through a Registered Apprenticeship program are designed to provide them with the knowledge necessary to obtain a license. Additionally, the Department is required by law to use the definition of a recognized postsecondary credential as contained in WIOA; however, we amended the definition based on the recommendation of a negotiator, adding the word “Registered” in front of apprenticeship. 29 CFR part 29 establishes the procedures for an apprenticeship to be registered with the Department of Labor's Office of Apprenticeship, and the two terms are synonymous under the WIOA statute and regulations. Therefore, the Department agreed with the rulemaking committee that a certificate, as defined under 29 CFR 29.2, that a student receives from a Registered Apprenticeship would be a recognized postsecondary credential.

A negotiator also requested that the Department clarify the portion of the definition that states a recognized postsecondary credential can be “a license recognized by the State involved or Federal Government.” For context, the “recognized postsecondary credential” is a part of the Governor's approval process of the program under § 690.93(a)(3). The Governor must ensure that the program either (1) leads to a recognized postsecondary credential that is stackable and portable across more than one employer; or (2) prepares students for employment in an occupation for which there is only one

recognized postsecondary credential and provides students with such a credential upon completion of the program.

Several elements of this definition warrant additional discussion. Under the definition of an “educational program” in 34 CFR 600.2, in order to qualify for any type of title IV, HEA program funds, a program must lead to “an academic, professional, or vocational degree, or certificate, or other recognized educational credential . . .” This credential may not be the same as the “recognized postsecondary credential” conferred upon completion of both educational requirements and non-academic requirements such as on-the-job training, work experience, or a licensure exam. The Department understands that licensure for employment in an occupation generally is not granted by the eligible institution upon completion of a program. Instead, licensure is typically granted by a Federal, State or local government, licensure body, or association, and the education a student receives as part of an eligible program may meet only the educational requirements for a license. Similarly, a Registered Apprenticeship program requires a related instruction component that may be met by an eligible workforce program, but the program also requires a substantial amount of on-the-job learning with an employer, which may occur over several years. In these cases where the education included in an eligible workforce program meets the educational requirements for a recognized postsecondary credential but does not meet all the requirements for such a credential, the program nonetheless fulfills the requirement to lead to a recognized postsecondary credential under proposed 34 CFR 690.93(a)(3)(i). This is because it is necessary to obtain the educational component in order to obtain licensure. Additional discussion of this concept as it pertains to Registered Apprenticeship programs can be found under the section Components determined by Governors (§ 690.93(g)).

Definitions—State Board (§ 690.91)

Statute: Section 481(b)(3)(B) of the HEA, as added by Section 83002(b) of the OBBB, states that State board has the meaning given in Section 3 of WIOA.

Current Regulations: None.

Proposed Regulations: We propose to define State board to mean the State workforce development board established under Section 101 of WIOA and 20 CFR 679 Subpart A.

Reasons: The Department is required by Section 481(b)(3)(B) of the HEA,

added by Section 83002(b) of the OBBB, to use the definition of *State board* as contained in WIOA. The Governor would be required to consult with the State board in making his or her decision whether to approve a workforce program. Ultimately, the Governor would need to attest to having consulted with the State board on the certification form developed by the Secretary.

Additionally, we propose making a technical correction due to the incorrect cross-reference. The consensus language referenced 34 CFR 679 Subpart A, but the correct reference here is 20 CFR 679 Subpart A. We have made that technical correction in the amendatory language.

Definitions—Tuition and Fees (§ 690.91)

Statute: Section 481(b)(3)(A)(iv)(IV) of the HEA, as added by Section 83002(b) of the OBBB, states that for each award year, the total amount of the published tuition and fees of the program for such year is an amount that does not exceed the value-added earnings of students who received Federal financial aid and who completed the program 3 years prior to the award year.

Current Regulations: None.

Proposed Regulations: We propose to define *tuition and fees* to mean the institutional charges for an eligible workforce program.

Reasons: As set forth above, Section 481(b)(3)(A)(iv)(IV) of the HEA, added by Section 83002(b) of the OBBB, limits the total amount of tuition and fees that an eligible institution may charge to students enrolled in an eligible workforce program. Therefore, it is necessary for the Department to define what constitutes *tuition and fees*. The Department chose to define *tuition and fees* to mean “the institutional charges for an eligible workforce program” because such charges include those direct education related costs which must be paid to the institution for enrollment in an educational program. Institutional charges do not include living expenses such as food, housing, and transportation. The concept of “institutional charges” has a long regulatory history and has applications throughout the general provisions regulations for the title IV, HEA programs and will be understandable to financial aid staff at schools who are accustomed to the concept.⁴ The concept of “institutional charges” also has the advantage of including most fees charged by institutions, but excluding

discretionary expenses that such as tickets to concerts or athletic events. Discretionary expenses are not fixed nor are they controlled by the institution, so such expenses would not be considered as part of an institution’s compliance with the value-added earnings calculation. We note that the concept of institutional charges traditionally includes food and housing if contracted with the institution; however, for purposes of this definition we are only referring to the published tuition and fee portion of institutional charges associated with the eligible workforce program. This is because the statute refers to tuition and fees, which ordinarily means costs for the educational services provided by the institution.

As set forth in § 690.94(d), on a yearly basis, the Secretary must confirm that each eligible workforce program complies with the requirement that the program’s published tuition and fees do not exceed the value-added earnings of the eligible workforce program. To enable the Secretary to make this determination, under proposed § 690.94(b)(2), the eligible institution would be required to report the published tuition and fees for an eligible workforce program. To collect information regarding tuition and fees charged by the eligible institution to students for enrollment in an eligible workforce program, the Department may be able to utilize the reporting requirements under the current regulations at § 668.408(a)(2)(vi) or our consensus language from the Student Tuition and Transparency System (STATS) and Accountability rulemaking at § 668.406(a)(2)(iv). The Department will provide sub-regulatory guidance to institutions on the reporting of tuition and fees. Additionally, under proposed § 690.95(f), the eligible institution must provide, upon request, evidence satisfactory to the Secretary that its published tuition and fees do not exceed the published value-added earnings for that award year.

Eligible Workforce Program—Program Length Limitations (§ 690.92(a) and (b))

Statute: Section 481(b)(3)(A) of the HEA, as added by Section 83002(b) of the OBBB, states that an eligible workforce program must be at least 150 clock hours of instruction, but less than 600 clock hours of instruction, or an equivalent number of credit hours and be offered by an eligible institution during a minimum of 8 weeks, but less than 15 weeks.

Current Regulations: None.

Proposed Regulations: The proposed regulation establishes the minimum and

⁴ Federal Student Aid Handbook—Volume 4, Chapter 2—<https://fsapartners.ed.gov/knowledge-center/fsa-handbook/2025-2026/vol4/ch2-disbursing-title-iv-funds>.

maximum program length for an eligible workforce program. We propose to require an eligible workforce program to have a duration of between 8 to 14 weeks of instruction. For a program offered in clock hours, we propose to require an eligible workforce program to be between 150 to 599 clock hours. For a program offered in credit hours, we propose to require an eligible workforce program to be between 4 to 15 semester or trimester hours or between 6 to 23 quarter hours.

Reasons: The Department proposes these limitations because Section 481(b)(3)(A) of the HEA, as added by Section 83002(b) of the OBBB, explicitly restricts the types of academic progress measurements for eligible workforce programs to credit and clock hours and establishes clear limits on both the length of time in which an eligible workforce program can be offered and the number of credit or clock hours that may be included in such program.

Rather than explicitly provide the amount of credit hours that may be included in an eligible workforce program, the statutory language states that a program offered in credit hours must be the equivalent of least 150 clock hours of instruction, but less than 600 clock hours of instruction. Section 481(b) of the HEA, when establishing minimum requirements for credit or clock hours in eligible programs, has done so using ratios of 37.5 clock hours to each semester hour and 25 clock hours to each quarter hour. Therefore, to determine the minimum and maximum number of credit hours for an eligible workforce program, we divided 150 and 599 by 37.5 for programs that use semester and trimester hours and by 25 for programs that use quarter hours. This method is also consistent with established instructional measurement equivalencies under § 668.8(d)(1)(ii) and (d)(2)(ii). Therefore, the equivalent number of credit hours for 150 to 599 clock hours is 4 to 15 semester or trimester hours or 6 to 23 quarter hours.

During negotiated rulemaking, several negotiators requested that the Department expand the duration of an eligible workforce program beyond 14 weeks. The Department noted that the statute is clear that the duration of an eligible workforce program is a minimum of 8 weeks, but less than 15 weeks. In other words, a program cannot last or exceed 15 weeks, therefore, the Department is proposing a 14-week maximum duration. The Department lacks the statutory authority to further extend the maximum allowable length of a program.

For all eligible programs, “a week of instructional time” is defined in two

ways under 34 CFR 668.3(b). The term can mean any period of seven consecutive days in which at least one day of regularly scheduled instruction or examinations occurs, or, after the last scheduled day of classes for a term or payment period, at least one scheduled day of study for examinations occurs. For a program offered using asynchronous coursework, it can also mean any period of seven consecutive days in which the institution makes available the instructional materials, other resources, and instructor support necessary for academic engagement and completion of course objectives. This period must also be one in which the institution expects enrolled students to perform educational activities demonstrating academic engagement during the week. The Department proposes, for purposes of consistency and integrity in the title IV, HEA programs, to use this definition in the context of eligible workforce programs. The HEA, as amended by the OBBB, does not require a program to run for a sequential time period, therefore, it is acceptable for an eligible workforce program to have non-sequential weeks of instructional time, as defined in the previous paragraph. The program would be considered an eligible workforce program as long as the weeks of instructional time used to determine the students’ Pell Grant eligibility do not exceed a total of 14 weeks. For example, non-sequential weeks of coursework that occur over a year but only include 14 weeks of instructional time (as defined under 34 CFR 668.3(b)) applicable to the student’s Pell Grant eligibility is acceptable.

We also understand that in rare instances some students may take slightly longer than 14 weeks of instructional time to complete their eligible workforce program. This could be due to illness or other unforeseen circumstances in the student’s life. An individual student may take longer than the published duration of the eligible workforce program; however, this cannot be the norm for most students. If most students in the program take more than 14 weeks of instructional time to complete the program, then the program is not less than 15 weeks of instructional time, and the school’s program length must be adjusted accordingly. This ensures that institutions are not able to circumvent the maximum length requirement by declaring a course to be 14 weeks or less, when in practice it takes most students longer than that to complete it. At the same time, this approach provides flexibility such that

institutions may provide flexible arrangements to students who have difficult life circumstances unrelated to the course.

Eligible Workforce Program—Prohibition on Offering Correspondence Courses, Study Abroad, and Direct Assessment Coursework (§ 690.92(c))

Statute: Section 481(b)(3)(A)(ii) of the HEA, as amended by Section 83002(b) of the OBBB, states that “a program is an eligible program for purposes of the Workforce Pell Grant program under section 401(k) only if it is not offered as a correspondence course. . . .”. Section 401(k)(3)(B) of the HEA, as added by Section 83002(a) of the OBBB, provides that the provisions of subsection (d)(2) of the same section, which allow for the consideration of study abroad coursework in Pell Grant eligibility calculations, shall not be applicable to eligible workforce programs. Section 481(b)(3)(A) of the HEA, added by Section 83002(b) of the OBBB, outlines what makes a workforce program eligible for Pell Grant funds. Section 481(d) of the HEA provides that the term “eligible program” includes an instructional program that, in lieu of credit hours or clock hours as the measure of student learning, utilizes direct assessment of student learning or the direct assessment of student learning by others.

Current Regulations: None.

Proposed Regulations: The proposed regulation prohibits an eligible workforce program from offering correspondence courses, coursework as part of a study abroad program, or credit or clock hour equivalencies that are part of a direct assessment program.

Reasons: The Department believes that the statute explicitly prohibits eligible workforce programs from offering correspondence courses and study abroad coursework. Section 481(b)(3)(A)(ii) of the HEA, as amended by Section 83002(b) of the OBBB, states that “a program is an eligible program for purposes of the Workforce Pell Grant program under section 401(k) only if it is not offered as a correspondence course. . . .”. In addition, Section 401(k)(3)(B) of the HEA, as amended by Section 83002(a) of the OBBB, states that “the provisions of subsection (d)(2) shall not be applicable to eligible workforce programs.” Section 401(d)(2) of the HEA allows study abroad programs to receive Pell Grants, but since this provision is excluded for eligible workforce programs, this means eligible workforce programs are prohibited from offering study abroad. Furthermore, although direct assessment programs are required to

maintain a clock or credit hour equivalence, they do not measure academic progress in credit or clock hours, and therefore an eligible workforce program is not permitted to offer direct assessment coursework. As stated in 34 CFR 668.10, an eligible institution must establish a methodology to reasonably equate each module in the direct assessment program to either credit hours or clock hours. We do not believe academic progress can be measured in a sufficiently uniform way in direct assessment coursework to comply with the statute and thus would not permit such coursework in an eligible workforce program.

Eligible Workforce Program—Requirements for Approval by the Governor (§ 690.92(d))

Statute: Section 481(b)(3)(A)(iii) of the HEA, as added by Section 83002(b) of the OBBB, states that the Governor of a State determines whether a program meets certain requirements to qualify as an eligible workforce program.

Current Regulations: None.

Proposed Regulations: The proposed regulation requires that an eligible workforce program be approved by the Governor of a State through a process meeting the requirements under § 690.93.

Reasons: Section 481(b)(3) of the HEA, added by Section 83002(b) of the OBBB, explicitly states that the Governor of a State, after consultation with the State board, shall determine whether a program meets certain requirements to qualify as an eligible workforce program. States have a major role in the program approval process because they are well positioned to identify high-skill, high-wage, and in-demand sectors or occupations needed within the State and understand the hiring requirements of employers within these industries and occupations. The Department interprets this text to mean that the Governor of a State must approve each eligible workforce program. For more information on the Governor's approval process, see § 690.93 of the *Significant Proposed Regulations* section.

Eligible Workforce Program—Requirements for Approval by the Secretary (§ 690.92(e))

Statute: Section 481(b)(3)(A)(iv) of the HEA, as added by Section 83002(b) of the OBBB, states that after the Governor of a State determines that a program meets certain requirements, the Secretary shall determine whether the program meets other conditions to be

considered an eligible workforce program.

Current Regulations: None.

Proposed Regulations: The proposed regulation requires that an eligible workforce program meet the requirements established by the Secretary as described in § 690.94. The proposed regulations outline the requirements an eligible workforce program must meet, as follows. The program must be offered by an eligible institution and must exist for at least 12 months before the Secretary determines whether the program qualifies as an eligible workforce program. The program must have a verified completion rate of at least 70 percent each award year, within 150 percent of the normal time for completion. The program must have a verified job placement rate of at least 70 percent each award year, measured 180 days after completion. The total amount of the published tuition and fees of the program for such year is an amount that does not exceed the value-added earnings of students who received Federal financial aid under this title and who completed the program 3 years prior to the award year. Earnings are determined by calculating the difference between the median earnings of such students, as adjusted by the State and metropolitan area regional price parity of the Bureau of Economic Analysis based on the location of such program, and 150 percent of the poverty line for a single individual for the appropriate tax year.

Reasons: Section 481(b)(3) of the HEA, as added by Section 83002(b) of the OBBB, explicitly states that after the Governor of a State determines that a program meets the requirements, then the Secretary determines if the program meets other conditions to be considered an eligible workforce program. The Department interprets this text to mean that the Secretary must approve each eligible workforce program. For more information on the Secretary's approval process, see section § 690.94 of the *Significant Proposed Regulations* section.

Eligible Workforce Program—Value-Added Earnings (§ 690.92(f))

Statute: Section 481(b)(3)(A)(iv)(IV) of the HEA, as added by Section 83002(b) of the OBBB, states that for each award year, the total amount of the published tuition and fees of an eligible workforce program for such year is an amount that does not exceed the value-added earnings of students who received Federal financial aid under this title and who completed the program 3 years prior to the award year.

Current Regulations: None.

Proposed Regulations: The proposed regulation requires that an eligible workforce program comply with the annual value-added earnings requirements described under § 690.95.

Reasons: Section 481(b)(3)(A)(iv)(IV) of the HEA, as added by Section 83002(b) of the OBBB, states that “. . . for each award year, the total amount of the published tuition and fees of the program for such year is an amount that does not exceed the value-added earnings of students who received Federal financial aid under this title and who completed the program 3 years prior to the award year.” For more information on the value-added earnings requirements, see section § 690.95 of the *Significant Proposed Regulations* section.

Eligible Workforce Program—Limitations Due to Actions Taken by the Secretary (§ 690.92(g))

Statute: Section 487 of the HEA allows the Department to establish criteria for eligible institutions to follow as part of the eligible institution's PPA to participate in the title IV, HEA programs.

Current Regulations: None.

Proposed Regulations: The proposed regulation prohibits eligible institutions from offering an eligible workforce program if they have been subject to any suspension, emergency action, or termination of programs during the five years preceding the date of the determination.

Reasons: Eligible institutions that have faced suspension, emergency action, or termination of programs within the past five years are at a higher risk for compliance issues because they have had compliance issues in the past. Allowing these eligible institutions to offer eligible workforce programs has a higher likelihood of exposing students to programs that may not meet quality or financial responsibility standards. This limitation has been used in other programs, for example, the prison education program under § 668.236(a)(5)(i), to safeguard program integrity and protect students and Federal funds.

Components Determined by Governors (§ 690.93(a))

Statute: Section 481(b)(3)(A)(iii) of the HEA, added by Section 83002(b) of the OBBB, states that after consultation with the appropriate State board, the Governor must approve the program.

Current Regulations: None.

Proposed Regulations: The proposed regulation requires that prior to the Secretary's review of compliance with

statutory and regulatory requirements to be an eligible workforce program, the Governor, after consultation with the State board, approves the program to be offered to students in that State. The Governor would approve the program by determining that the program meets the four statutory criteria in a sequence to be determined by the Governor. The Governor would determine that the program provides an education aligned with the requirements of high-skill, high-wage (as identified by the State pursuant to section 122 of the Carl D. Perkins Career and Technical Education Act (20 U.S.C. 2342)), or in-demand industry sectors or occupations. The Governor would also examine the program to determine if it meets the hiring requirements of potential employers in the relevant sectors or occupations. The Governor would ensure that the program either (1) leads to a recognized postsecondary credential that is stackable and portable across more than one employer, or (2) prepares such students for employment in an occupation for which there is only one recognized postsecondary credential and provides such students with such a credential upon completion of the program. The Governor would ensure that the program prepares students to pursue one or more certificate or degree programs at one or more eligible institutions (which may include the eligible institution providing the program), including by ensuring that a student, upon completion of the program and enrollment in such a related certificate or degree program, receives academic credit for the program that will be accepted toward meeting such certificate or degree program requirements.

Reasons: This section very closely mirrors the statute, with minor, non-substantive technical edits to account for regulatory formatting. The Department contemplated providing additional regulatory context to the statutory framework in the HEA; however, ultimately, we decided against doing so in § 690.93(a). We believe that Governors may be currently implementing several of the requirements enumerated in the proposed regulations through other programs in their States authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins V) and WIOA; therefore, the Department proposes to provide Governors the flexibility to establish policies that best serve students in their specific States. While Governors would have substantial flexibility, we propose

under § 690.93(b) that Governors would be required to publish written policies that would be used to evaluate if a program meets the four criteria and provide additional context in the regulations as to what these policies must incorporate.

We note that in cases where students enroll in an eligible workforce program through distance education and said students are located in a State other than a State where the Governor approved the program, the program may be subject to a bilateral agreement. For more information on bilateral agreements, please see § 690.93(h) of the *Significant Proposed Regulations* section.

Finally, during negotiated rulemaking, a negotiator asked the Department to encourage Governors to publish lists of eligible workforce programs on a publicly accessible website. The Department agrees with the negotiator's suggestion, and although we are not requiring this as part of our regulations, we strongly encourage Governors to maintain and publish a list of eligible workforce programs in their State. Governors may wish to use the existing processes established to disseminate the State list of WIOA eligible training providers to members of the public, as described in 20 CFR 680.500, or update those processes to more effectively disseminate both eligible workforce programs qualifying for Pell Grant funds and WIOA eligible training providers to the public.

Components Determined by Governors (§ 690.93(b))

Statute: Section 481(b)(3)(A)(iii) of the HEA, added by Section 83002(b) of the OBBB, requires the Governor to approve a program.

Current Regulations: None.

Proposed Regulations: The proposed regulations require that the Governor shall establish, after consultation with the State board, a process for an institution to request a determination that a program meets the requirements of § 690.3(a) and that is publicly available and includes the criteria the Governor will use to determine if a program meets each of the requirements. This shall include the State's methodology to determine and periodically review which occupations and industry sectors are high-skill, high-wage (as identified by the State pursuant to Section 122 of the Carl D. Perkins Career and Technical Education Act (20 U.S.C. 2342)), or in-demand, including the competencies needed in such industries and occupations, as identified by the State pursuant to

Section 102 of WIOA, and where the list of such occupations and sectors will be made publicly available. The Department encourages States to make the list of such occupations and sectors publicly available in searchable and easy to navigate formats. The aforementioned periodic review must be done not less than every two years concurrent with development and modification of the State Plan under Section 102(c) of WIOA. In addition, we encourage Governors to include such lists in their State's WIOA State Plan as soon as possible.

The Governor's process must include a written policy for determining whether a program meets the hiring requirements of employers in the high-skill, high-wage, or in-demand sectors and occupations for which the program prepares students for employment. The review must consider whether the expected competencies for which the recognized postsecondary credential intends align with the competencies needed in such high-skill, high-wage, or in-demand sectors and occupations. Further, these determinations must incorporate direct input from employers, which may be secured from the state board and local workforce development boards, industry or sector partnerships, sponsors of Registered Apprenticeship programs, joint labor-management partnerships, or through other methodologies established by the State.

The process would be required to include a written policy for determining if a credential is stackable and portable. The process must also document connections to additional credentials, consider, if available, real-time labor market information and other data showing whether students have obtained additional credentials through career pathways, and include a process for employer validation.

The proposed process must include a written policy for institutions to establish that an eligible workforce program will ensure the award of academic credit toward a certificate or degree program upon a student's successful completion of the eligible workforce program and enrollment in such certificate or degree program. Furthermore, it requires that such credit will be accepted at one or more eligible institutions through written agreements, including established articulation agreements, transfer-of-credit agreements, consortium or partnership agreements, or similar arrangements.

The process must include the information an institution must submit to the Governor to assess an eligible workforce program on the criteria

established, including the job placement standards under 36 CFR 690.94(a)(2)(ii), and, if applicable, alternative completion and placement standards under 34 CFR 690.94(a)(2)(i). Those standards shall include the information necessary for the Governor to make the appropriate job placement calculations using administrative data, such as wage records.

The proposed regulations require that the Governor's process includes the timeline for the Governor's consultation with the state board and a determination that a program meets the requirements. There also must be a process for an institution to appeal that determination, and such process must include clear, transparent and timely procedures that are applied consistently and equitably at all eligible institutions. Finally, the process would need to include an attestation affirming that a State board consultation occurred.

Reasons: The Department believes it is important for Governors to have written policies on how programs would be approved and transparency when policies change. Written policies establish a framework for consistent and standardized program approval. Written policies would also make the approval process clear and transparent for eligible institutions by outlining what information is necessary for said institutions to submit its program to the Governor for approval.

We note that these proposed requirements for written policies are all based on the statutory requirements contained in the regulations under § 690.93(a) and are cross-referenced to the written policies below with the requirements under § 690.93(a). We encourage Governors to post all written policies prominently to appropriate websites and to use plain language.

Included in the first component of the proposed process is the State's methodology for determining and periodically reviewing high-skill, high-wage, or in-demand sectors or occupations as required by § 690.93(a)(1). During negotiated rulemaking, the Department accepted a recommendation from several negotiators to align the periodic review process with development and modification of the WIOA State Plans. WIOA State Plan development or modifications include reviews of occupations and sectors that occur every two years, which would eliminate overlap or redundancy between WIOA and title IV regulations. The list of occupations must be posted publicly, and as noted above, the Department encourages the list to be posted prominently and in plain language.

The second component that would require a written policy for how the Governor will determine whether the program meets the hiring requirements of employers is tied to the requirements proposed under § 690.93(a)(2). We propose for a State's policy to incorporate consideration of the alignment between the expected competencies for which the recognized postsecondary credential intends and the competencies needed in the relevant sectors and occupations to ensure students are equipped with the skills needed to obtain employment. Additionally, the proposed regulations require direct input from employers because employers can speak directly to their own hiring needs. We note that this information could be obtained through many methodologies as determined by the Governor, including from the State board. Governors are already required by statute to consult with the State board; therefore, we believe this would not be an overly burdensome policy to establish. The proposed regulation provides Governors with broad latitude to determine how these requirements should be incorporated in their written policy.

The third component, requiring a written policy for how the Governor will determine if a credential obtained upon completion of the program is stackable and portable, is tied to requirements proposed under § 690.93(a)(3). The written policy must include a means to establish if the credential has documented connections to additional credentials. The policy must also consider, if available, data showing whether students have obtained additional credentials through career pathways and real-time labor market information, where available, and include a process for employer validation. Further, as many states have established strategies to assess credentials and identify "credentials of value", these components are commonly used evidence for establishing stackability and portability.⁵ We received several proposals from negotiators during negotiated rulemaking to define "stackable" and "portable." As noted throughout this preamble, we attempted to align as much of the proposed regulations as possible with WIOA. WIOA does not define stackable or portable. The Employment and Training Administration at the Department of Labor released guidance in its

publication entitled: Understanding Postsecondary Credentials in the Public Workforce System,⁶ that provides a sub-regulatory definition of stackable and portable credentials that may be useful for States as they develop their written policies.

The fourth component that would require a written policy to ensure that academic credit will be awarded to students, and that credit will be accepted at one or more eligible institutions and is tied to requirements under proposed § 690.93(a)(4). We accepted a suggestion from multiple negotiators that the arrangements should be written and ratified through a formal arrangement between eligible institutions. A formalized arrangement is important for consistency, clarity, and transparency for students. Note that under HEA Sec. 481(b)(3)(A)(iii)(IV) the written policy can be within the same eligible institution offering the eligible workforce program.

The fifth component would require Governors to have a process to inform eligible institutions what to submit to the Governor in order for the Governor to calculate placement and completion calculations. This is tied to requirements under § 690.94(a)(2) and (b)(1). These provisions require specific annual placement and completion rates for eligible workforce programs. The Department believes that it is important for Governors to clearly publish what information is necessary for them to calculate the completion and placement rates because it would standardize the process and make the data expectations clear for the stakeholders.

The sixth component, which is explained within the regulatory text itself, requires Governors to provide a process and timeline for consultation with the State board and a process for an appeal of a program's denial. This policy would provide clear, transparent, and timely procedures for eligible institutions which can be applied consistently and equitably across all eligible institutions.

Finally, the Governor would be required to include in their attestation that the Governor consulted with the State board. This requirement is intended to provide a written record of the consultation with the State board.

Components Determined by Governors (§ 690.93(c))

Statute: Section 481(b)(3)(A)(iii) of the HEA, added by Section 83002(b) of the

⁵ Advance CTE, The State of Career Technical Education, (2025), available at, https://careertechnology.org/wp-content/uploads/2025/09/StateofCTE_Credentials_2025_FullReport.pdf.

⁶ Understanding Postsecondary Credentials in the Public Workforce System—https://www.dol.gov/sites/dolgov/files/ETA/advisories/TEN/2020/TEN_25-19.pdf.

OBBB, states that after consultation with the appropriate State board, the Governor must determine whether to approve the program.

Current Regulations: None.

Proposed Regulations: The proposed regulations require that the Governor shall not approve a program until it meets all the requirements of paragraph (a) and paragraph (b) of § 690.93.

Reasons: The proposed regulations are designed to ensure that a Governor has established written and published policies for eligible institutions to follow prior to reviewing a program and has reviewed each program based on those policies prior to approval.

Components Determined by Governors (§ 690.93(d))

Statute: Section 481(b)(3)(A)(iii) of the HEA, added by Section 83002(b) of the OBBB, states that after consultation with the appropriate State board, the Governor must determine whether to approve the program.

Current Regulations: None.

Proposed Regulations: The proposed regulation requires that the Secretary documents the Governor's approval and determination that a program meets all applicable requirements by accepting a certification by the Governor that includes the following—

- (1) The name of the program;
- (2) The 6-digit Classification of Instructional Programs (CIP) Code of the program;
- (3) The Standard Occupational Classification (SOC) codes(s) for the occupation(s) for which the program prepares individuals for employment;
- (4) A signed statement that the program was approved by the Governor and that the program currently meets, and has met for the 12 months immediately preceding the certification, the requirements described in § 690.93(a);
- (5) The date the eligible workforce program was approved;
- (6) If applicable, a certification that the State determined that the program meets the alternative completion and placement standards under 34 CFR 690.94(a)(3)(i);
- (7) An agreement that, upon request of the Secretary of Education or Secretary of Labor, the Governor will make available to the Secretary of Education and Secretary of Labor documentation of its process for making the determination in paragraph (a) of § 690.93;
- (8) An agreement that the Governor will inform the Department of Education and Department of Labor and the eligible institution within 15 calendar days of its final decision to

withdraw approval of the eligible workforce program;

(9) A certification that the Governor takes into consideration the cost of the program and the anticipated wages of the industry or occupation prior to the initial determination of the program's value-adding earnings is made under § 690.95; and

(10) Such other information as the Secretary of Education or Secretary of Labor may require.

Reasons: The Secretary must know the name of the program in order to fulfill the statutory and regulatory requirements, including but not limited to being able to approve the correct program once an eligible institution's application is received for review by the Secretary of Education under § 690.94. We must obtain the CIP code and the 6-digit SOC code to fulfill the statutory and regulatory requirements, including but not limited to, enforcing the two-year prohibition on a program regaining eligibility due to loss of eligibility due to a program's failure to meet the placement and completion rates under § 690.97(a). Additionally, such data elements facilitate important information sharing about how to find training programs that prepare individuals for in-demand occupations.

The Department proposes to collect a signed statement that the program meets, and has met for the 12 months immediately preceding the certification, all of the requirements under § 690.93(a) and we propose to collect the date the eligible workforce program was approved. This requirement is necessary because Section 481(b)(3)(A)(iv)(I) of the HEA requires that the program be offered by the eligible institution “for not less than 1 year prior to the date on which the Secretary makes a decision. . .”. Note that this proposed regulation would not require the Governor's process to have been in place to assess the requirements under 690.93(a) for one full year, but merely requires the Governor to validate that, at the time of the determination, the program had met those criteria for at least the 12 months prior.

The Department also proposes that an eligible workforce program must submit placement and completion rates to have the program approved by the Secretary. Under proposed § 690.94(a)(2)(i), for the 2026–27, 2027–28, and 2028–29 award years only, as determined through a certification from the Governor, based on the Governor's analysis using administrative data, including wage records, a program use alternative data to assess completion and placement rates. After the 2028–29 award year, the placement and completion rate

calculations would be different. The alternative data are intended to provide an “on ramp” to States and institutions that do not yet have the administrative data to conduct the full placement and completion rate calculations. We also discuss the rates in further detail in the § 690.94(a) section of this preamble.

The Department of Education and the Department of Labor will work in close partnership to implement the eligible workforce program process. Neither Department intends to dictate a state's written policies or approval process of an eligible workforce program. However, to ensure program integrity, both Departments must reserve the right to request additional documentation from the Governors, if necessary, regarding the policies and program approval. In addition, both Departments need to know within 15 calendar days of a Governor's final decision to withdraw approval of an eligible workforce program. We note that the Department of Education would not need to be informed of an ongoing investigation; we only need to be informed of the Governor's final decision to withdraw approval of the program.

As noted in the definition of *cohort period* under § 690.91, the first time the Department would calculate the value-added earnings under § 690.95 is during the 2030–31 award year. During negotiated rulemaking, a negotiator requested that the Department develop an alternative method to calculate the value-added earnings prior to 2030–31. The statute says that the value-added earnings is calculated based on the earnings of individuals that completed the program three years prior to the current year, therefore, the Department does not have the authority to require institutions to implement the value-added earnings prior to 2030–31.

During negotiated rulemaking, the Department accepted a proposal from one of the negotiators to add a requirement for the Governor to certify that he or she has taken into consideration the cost of the program as it compares to the anticipated wages of the industry or occupation prior to the Department's determination of the program's value-adding earnings. The negotiator argued that such an evaluation was necessary given the time between the establishment of a program and the first time that the value-added earnings for the program would be calculated, during which there would be no required evaluation of the economic value of the program to students. The Department believes that such an evaluation is likely to occur even without this requirement and that it is

reasonable to expect a Governor to consider whether the program provides adequate economic value to program completers while also considering the overall economic impact of additional entrants to high-skill, high-wage, or in-demand industry sectors or occupations. The Department also clarified during negotiated rulemaking that it would not expect a State to conduct additional comparisons of the program's cost versus anticipated wages in the field after the initial evaluation described in the regulation; such additional evaluations would be duplicative of the value-added earnings calculation performed by the Department.

Finally, because these are Federal funds, the Department may request other information to ensure program efficacy and integrity. This is a provision we have incorporated into many of our regulations. For example, in the application process for prison education programs under § 668.239(b)(9) we state that the Secretary can request "[s]uch other information as the Secretary deems necessary."

Components Determined by Governors (§ 690.93(e) and (f))

Statute: Section 481(b)(3)(A)(iii) of the HEA, added by Section 83002(b) of the OBBA, states that after consultation with the appropriate State board, the Governor must determine whether to approve the program.

Current Regulations: None.

Proposed Regulations: The proposed regulations require that the Governor's approval, under paragraph (a) of this section, ends at the expiration of the eligible institution's PPA. We also propose that prior to the expiration of an eligible institution's PPA, the Governor must provide, through a process determined by the Secretary, a certification of continued approval of each eligible workforce program offered by the eligible institution.

Reasons: The Department seeks to ensure that the Governor remains active in the oversight and accountability of an eligible workforce program. After the Governor approves the program, the eligible institution would apply to the Secretary for approval. After the Secretary approves the program, it would become an eligible workforce program. The Department does not believe that approval of the eligible workforce program should last in perpetuity without any further evaluations by the Governor of the eligible workforce program's regulatory compliance with the criteria required to be an eligible workforce program. An eligible institution's PPA can be in

effect from one to six years, ensuring some level of periodic review of programs.

Components Determined by Governors (§ 690.93(g))

Statute: Section 481(b)(3) of the HEA, as added by Section 83002(b) of the OBBA, establishes the requirements for Governors to approve eligible workforce programs.

Current Regulations: None.

Proposed Regulations: We propose that a program which serves as a related technical instruction component of a Registered Apprenticeship Program meets the requirements of paragraph (a)(1) and (a)(2) of § 690.93.

Reasons: The related technical instruction component of a Registered Apprenticeship Program provides apprentices with the knowledge of subjects related to the occupation and is the component of the Registered Apprenticeship program that would commonly seek to become Pell Grant eligible after approval by the Secretary. Registered Apprenticeship Programs go through a rigorous registration process administered by the Department of Labor under 29 CFR part 29. Since Registered Apprenticeships are paid jobs with an employer that operate under approved program standards structured to prepare apprentices with the qualifications for a specific occupation, all programs that serve as a related technical instruction component of a Registered Apprenticeship program meet the requirement of paragraph (a)(2) of § 690.93. Further, as Registered Apprenticeships are linked to demonstrated hiring needs, the Department of Labor has consistently asserted that Registered Apprenticeship programs qualify as occupations in-demand in the local labor market under WIOA and Registered Apprenticeships are automatically eligible for inclusion on state eligible training provider lists under WIOA section 122.⁷ Accordingly, a Governor must consider a program that serves as a related technical instruction component of a Registered Apprenticeship program to provide education that aligns with the requirements high-skill, high-wage, or in-demand industry sectors or occupations and that the program meets the hiring requirements of potential employers. While the proposed regulation does not extend such treatment to the requirement at paragraph (a)(3) of § 690.93, the

Department notes that a program that serves as a related technical instruction component of a Registered Apprenticeship program does in all cases lead to a Registered Apprenticeship Certificate of Completion, as defined in 29 CFR 29.2 Definitions, including interim credentials, which are considered to be a recognized postsecondary credential that is nationally portable. Further, there are many ways a Registered Apprenticeship Certificate of Completion may be determined to meet the state's criteria for being a recognized postsecondary credential that is stackable, including those described in guidance from the Department of Labor.⁸

Components Determined by Governors (§ 690.93(h))

Current Regulations: None.

Proposed Regulations: The Department proposes that the Governors of two States may enter into a bilateral agreement, that is published publicly, regarding the enrollment of students located in one of those States into some or all of the programs located in the other State, under certain conditions.

First, the Governor in the State in which the student is located, in consultation with the State board, would need to include the occupation(s) or sector(s) on the list developed under the process set forth in 34 CFR 690.93(b)(1)(i). Second, the Governor of the State in which the eligible institution(s) offering such program(s) is located would be required to determine, in consultation with the State board, that the program meets the conditions under 34 CFR 690.93(a). Finally, the bilateral agreement would be required to include provisions for data-sharing among the States for purposes of completion and placement rate calculations.

Reasons: The Department recognizes that there may be instances where students who live in one State may wish to use Pell Grants to pay for eligible workforce programs offered by an institution that is located in another State (where the program is approved by the other State). Further, during rulemaking, several negotiators asked if an eligible workforce program could be offered through distance education (defined under 34 CFR 600.2) to students located in a different State than where the eligible institution is located. The Department has two significant

⁷ Dep't of Labor, Training and Employment Guidance Letter No. 08, (May 17, 2021), available at https://www.dol.gov/sites/dolgov/files/ETA/advisories/TEGL/2021/TEGL_8-19_Change-1.pdf.

⁸ Dep't of Labor, Training and Employment Notice No. 25-19, (June 8, 2020), available at https://www.dol.gov/sites/dolgov/files/ETA/advisories/TEN/2020/TEN_25-19.pdf.

concerns about allowing nationwide reciprocity for eligible workforce programs offered via distance education.

First, such reciprocity is more likely to lead to rapid proliferation of certain types of eligible workforce programs offered through distance education that are not aligned to local workforce needs, and because the oversight framework for these programs is only now being developed, there is significant risk associated with allowing rapid widespread adoption of programs. Rapid expansion of eligible workforce programs could reduce the Department's ability to provide oversight of institutions, and has the potential to incentivize educational offerings at scale rather than to smaller groups of students. Both of those risks were realized during the rapid expansion of distance education during the 2000s.

Second, the Department is concerned that nationwide reciprocity, without constraints, would circumvent statutory intent that eligible workforce programs fulfill specific local, regional, and State workforce needs. Many components of an eligible workforce program center on high-wage, high-skill, or in-demand occupations and sectors and employability in the State where the eligible workforce program is approved. For example, if a Governor of a State on the east coast of the United States approves an eligible workforce program based on the factors in his or her State, those same factors may not apply to students seeking to enroll in the same eligible workforce program on the west coast of the United States.

At the same time, the Department does not seek to discourage high-quality eligible workforce programs offered through distance education. We propose to permit bilateral agreements between two Governors, as opposed to multilateral agreements that allow multiple Governors to offer eligible workforce programs to students through distance education. The bilateral agreements would ensure that Governors are more intentional about program offerings and students' Pell Grant eligibility is not used for enrollment in eligible workforce programs that will not lead to job opportunities and will have insufficient return on investment where the student lives. The Governor of the State where the student is located would be required to ensure that the list developed under 690.93(b)(1)(i) includes the occupation(s) or sector(s) that are relevant in the State where the student program is located because students should only enroll in eligible workforce programs that will prepare them to enter the workforce upon completion.

The bilateral framework encourages two Governors to speak directly to one another about each other's specific State standards. This is in contrast to a multilateral agreement that may have an independent reciprocity or membership organization that has national standards that may not actually meet the needs of the student where the student is located.

Finally, there are annual completion and placement metrics that must be met each year for the eligible workforce program to maintain eligibility. The bilateral agreement includes provisions for data-sharing among the States for purposes of completion and placement rate calculations so that the Governor where the eligible institution is located can properly evaluate and certify that the eligible workforce program meets all appropriate outcome metrics.

There are also operational aspects that support the efficacy of bilateral agreements. As noted in the previous paragraph, Governors would still need to comply with the completion and job placement metrics discussed under § 690.94(a). Eligible institutions and Governors would need to obtain, analyze, and share information with the Department about students in different states than where the eligible institution is located. This would require complex and thoughtful agreements better suited to bilateral than multilateral agreements. These regulations also would not prevent a State from entering into more than one bilateral agreement with other States. Additionally, the Department's proposal does not prevent an institution from seeking approval in multiple states pursuant to the written policies and processes of each state.

After a written bilateral agreement is ratified, the eligible institutions offering eligible workforce programs in both States would be able to disburse Pell Grants to eligible students not located in the State where the eligible institution is located.

We note that this provision would not apply to an individual who is attending an eligible workforce program in person and resides in a different State than where the eligible workforce program is offered.

The Department has made a technical update to the consensus language under § 690.93(h)(1) and (2). We changed "State Board" with an upper case "B" to "State board" with a lower case "b".

Components Determined by the Secretary (§ 690.94(a))

Statute: Section 481(b)(3)(A)(iv) of the HEA, as added by Section 83002(b) of the OBBB, requires that ". . . after the Governor of such State makes the determination that the program meets

the requirements. . . ." under § 690.93 ". . . the Secretary determines that. . ." the program meets additional requirements prior to approving the program. The requirements as outlined in statute are (1) the program must have been offered by the eligible institution for not less than 1 year, (2) the program must meet completion and job placement rates and (3) the program's tuition and fees cannot exceed value-added earnings.

Current Regulations: None.

Proposed Regulations: The proposed regulation states that after the Governor determines that the program meets the requirements under 34 CFR 690.93, the Secretary will use documentation from the eligible institution to determine that the program has met the conditions under 34 CFR 690.92(a) and (b) for the 12 months preceding the date on which the eligible institution applied for eligibility for the program.

The proposed regulation also requires the program to meet specific placement and completion rate requirements for the 2026–27 through 2028–29 award years, as determined through a certification from the Governor and based on the Governor's analysis using administrative data, including wage records. The program would need to have a completion rate of at least 70 percent, within 150 percent of the normal time to completion, and a job placement rate of at least 70 percent, calculated as the percentage of students that are employed during the second quarter after exiting the program.

The Department's proposal states that for each award year after the 2028–29 award year, the program would be required to have a completion rate of at least 70 percent, within 150 percent of the normal time of completion. Specifically, the job placement rate of at least 70 percent is calculated as the percentage of students who are employed in the occupation(s) for which the program prepares students (as established under 34 CFR 690.93 (b)) or in a comparable high-skill, high-wage, or in-demand occupation during the second quarter after successfully completing the program. This is determined through a certification from the Governor and based on the Governor's analysis using available administrative data, including wage records.

Reasons: Under 34 CFR 600.10, we propose to require Department approval of each eligible workforce program, and under this section we describe this approval, which eligible institutions initiate by submitting satisfactory documentation to the Secretary through

a process that would be outlined in sub-regulatory guidance.

While Governors would play an initial role by evaluating the elements of workforce program under their purview, the Secretary's determination provides a final layer of oversight to maintain consistency and integrity across States and eligible institutions. These requirements provide a uniform framework for evaluating eligible workforce programs across States and eligible institutions, limiting disparities that could undermine program integrity. By setting minimum standards such as instructional duration, alignment with workforce needs, and performance benchmarks, the Department improves the likelihood that Pell Grant funds are directed to eligible workforce programs that deliver meaningful educational and economic outcomes. This approach reinforces accountability and fulfills the Department's responsibility to protect both students and taxpayer resources.

Under the proposed regulations, the Secretary would determine that the program comprises 8–14 weeks of instruction, 150–599 clock hours, 4–15 semester hours, or 6–23 quarter hours, and that the program had met these conditions for the 12 months preceding the date on which the eligible institution applied for eligibility of the program. As discussed under § 690.92(a) and (b), the limits on hours and calendar duration of the program are statutory. The OBBB also requires that “the program has been offered by the eligible institution for not less than 1 year prior to the date on which the Secretary makes a determination. . . .” We note that our proposal under § 690.93(d)(4) also requires that the Governor determine that the program has met all the requirements for the Governor's approval for at least 12 months preceding the Governor's certification.

The OBBB states that “for each award year, the program has a verified completion rate of at least 70 percent. . . .” and “. . . the program has a verified job placement rate of at least 70 percent. . . .”, therefore, in regulation we propose that the program would need to meet completion and placement outcomes to establish and maintain Pell Grant eligibility. The rates would be submitted to the Department each year through a process determined by the Secretary.

The Department seeks to provide flexibility for the upcoming award years regarding the completion rate. We understand that many Governors and eligible institutions may not collect standardized data, and we propose an alternative to the strict standards in the

initial years following the implementation of eligible workforce programs. For the 2026–27, 2027–28, and 2028–29 award years, the Governor would use the appropriate administrative data source and methodology for their state to certify a 70 percent completion rate within 150 percent of normal time to completion. For example, at least 70 percent of individuals that enroll in an 8-week program must complete the program within 12 weeks. The proposed regulation would also require the Governor to use administrative data to calculate the completion rate during these award years. If the Governor does not collect completion information for programs, then he or she must begin collecting the necessary information to certify the completion rate.

For the 2029–30 award year and beyond, the completion rate would be calculated under § 668.8(f), where the eligible institution would calculate the completion rate instead of the Governor. The components of the calculation and the process for performing it are prescribed in that section of the regulations. Similar to the proposal for the completion rates, the Department also proposes to provide an interim approach that aligns with an existing WIOA performance indicator for the calculation of job placement rates during the initial implementation period for these regulations. For the 2026–27, 2027–28, and 2028–29 award years, the Governor would use administrative data to certify a 70 percent job placement rate, calculated as the percentage of students that are employed during the second quarter after exiting the program. The Department chose this approach because all states currently report on this indicator for their WIOA programs and should be able to use existing administrative data sources, including wage records, and collection methodologies to assess and certify this requirement. The use of administrative data sources data collection burden for the Governor as well as provides a highly credible source for determination of participant employment. WIOA currently requires reporting on all participants who leave a program, not just those who finish it, and the Department proposes to align directly with the WIOA indicator. In order to align with current WIOA reporting requirements, the Department's proposal also does not include parameters for the sector or occupation for which the exiting student must be employed for this reason.

The Department proposes that exiting students must be employed at any point

during the second quarter after exiting the program in order to align with requirements under WIOA. This is generally consistent with the 180-day timeframe for capturing placements under the statute and it is also consistent with the Department's intent, described throughout this preamble, to align our regulations with requirements under WIOA. Section 116 of WIOA requires job placement outcomes for participants in several WIOA-funded programs to be measured during the second quarter after exiting the program. For example, if an individual exits the program in March, he or she would need to be employed between July and September in order to be counted as a placement. Additionally, the Department's proposal measures job placement in the second quarter after exit because quarterly wage records are the primary administrative data set that will be used to verify job placement.

For the 2029–30 award year and beyond, 70 percent of students who complete the program (not just exit), must be employed in the occupation or occupations for which the program prepares the student or in a comparable high-skill, high-wage, or in-demand occupation, as determined by Governors using administrative data. The Department believes it is important that students benefit from the program by obtaining employment in occupations in the workforce program's applicable field and that this proposal is the most appropriate way to measure the job placement rate of a program. Accordingly, the Department believes it would not be adequate to count a program completer who obtains employment or retains his or her current employment in a field that is unrelated to the education provided through the workforce program towards the program's job placement rate. We have chosen not to define “comparable” occupation. During negotiated rulemaking, a negotiator suggested providing some examples in the preamble of comparable occupations; however since States determine which occupations are high-skill, high-wage, or in-demand, we believe the Governor should have considerable autonomy to determine how to assess if an occupation is comparable to the training received. The Department intends to work with the Department of Labor to develop sub-regulatory guidance for Governors to support State implementation of this requirement. We propose to only measure completers in job placement for the 2029–30 award year and beyond to provide States time to develop the appropriate reporting

mechanisms and administrative data sources, such as enhancing wage records to include occupational information. Note that during negotiated rulemaking the proposal was to measure completers in job placement for the 2028–29 award year, however, a negotiator requested an additional year to provide States additional time and the Department agreed.

During negotiated rulemaking, a negotiator requested that the Department publicly publish the completion and job placement rates for transparency purposes. While the Department does not commit in regulation or in this preamble to publicly publish the completion or placement rates for each eligible workforce program, we will explore the benefits and practicability of publishing rates in the future. We seek comments on the benefit of publishing these rates and how best to do this.

Components Determined by the Secretary (§ 690.94(b))

Statute: Section 481(b)(3)(A)(iv)(II), (III), and (IV) of the HEA, as added by Section 83002(b) of the OBBB, provides that as a condition of eligibility for an eligible workforce program, such program must have completion and placement rates of at least 70 percent. That section also provides that an eligible workforce program's published tuition and fees may not "exceed the value-added earnings of students who received Federal financial aid under this title and who completed the program 3 years prior to the award year . . .".

Current Regulations: None.

Proposed Regulations: The proposed regulations require that for each award year after the date that the eligible workforce program is approved, the eligible institution must submit to the Governor a list of students who completed the program during the award year and the information necessary for the Governor to verify the job placement rate for that year. We also propose that the eligible institution report the published tuition and fees for the workforce program to the Secretary.

Reasons: For 2029–30 and each year thereafter, the Governor must determine the job placement rate based on program completers; therefore, an institution offering an eligible workforce program must submit a list of all students that completed the eligible workforce program each award year. Also, under paragraph (d) of this section, the Secretary would confirm that the eligible workforce program's published tuition and fees do not exceed the value-added earnings, and an institution's submission of tuition and fees for

eligible workforce programs is the intended mechanism for the Secretary to make that confirmation.

Components Determined by the Secretary (§ 690.94(c))

Statute: Sections 481(b)(3)(A)(iv)(II) and (III) of the HEA, as added by Section 83002(b) of the OBBB, state that ". . . for each award year, the program has a verified completion rate of at least 70 percent, within 150 percent of the normal time to completion" and ". . . for each award year, the program has a verified job completion rate of at least 70 percent, measured 180 days after completion".

Current Regulations: None.

Proposed Regulations: The proposed regulation states that the Secretary may waive some or all of the requirements related to submission of completion rates and the Governor's certification of job placement rates if the Secretary determines that completion or placement rates will be calculated under a separate process established by the Secretary. Or, alternatively, in the case of the job placement rate certification described in 34 CFR 690.94(a)(2)(ii)(B), the Secretary determines that the Governor is making progress towards that certification but needs an additional award year using the certification described in 34 CFR 690.94(a)(2)(i)(B).

Reasons: Regarding the completion rates, the Department continually updates and modernizes its systems. In the future, we may be able to calculate completion rates for eligible workforce programs internally, reducing burden and costs to eligible institutions. If the Department or its vendors are eventually able to calculate completion rates, these proposed regulations establish clear authority for the Department to waive the completion rate calculations in favor of a more efficient and streamlined process.

Regarding the job placement rate, the Department understands that establishing new data systems is a major undertaking. For that reason, we have proposed flexibility in these regulations for three full award years. However, we also acknowledge that some States may need additional time to fully establish sufficient systems. Governors may contact the Secretary, through a process determined by the Secretary, to request an additional year of flexibility in calculating job placement rates under the approach described in 34 CFR 690.94(a)(2)(i)(B) after the 2028–29 award year. This is a similar one-year extension that the Department provides to certain States under the ability-to-benefit state process in § 668.156(g).

Components Determined by the Secretary (§ 690.94(d))

Statute: Section 481(b)(3)(A)(iv)(IV) of the HEA, added by Section 83002(b) of the OBBB, states that ". . . for each award year, the total amount of the published tuition and fees of the program for such year is an amount that does not exceed the value-added earnings of students who received Federal financial aid under this title and who completed the program 3 years prior to the award year."

Current Regulations: None.

Proposed Regulations: The Department proposes that for each award year, the Secretary will confirm that the published tuition and fees of the eligible workforce program do not exceed its value-added earnings, consistent with 34 CFR 690.95.

Reasons: The proposed regulation was suggested by a negotiator during negotiated rulemaking in order to ensure that the Department will monitor and evaluate institutional compliance with the value-added earnings requirements using data provided by institutions. The Department agreed to the proposal and plans to use the information provided by institutions regarding published tuition and fees to perform an administrative check for compliance.

Components Determined by the Secretary (§ 690.94(e))

Statute: Sections 481(b)(3)(A)(iv)(II) and (III) of the HEA, as added by Section 83002(b) of the OBBB, state that ". . . for each award year, the program has a verified completion rate of at least 70 percent, within 150 percent of the normal time to completion" and ". . . for each award year, the program has a verified job placement rate of at least 70 percent, measured 180 days after completion".

Current Regulations: None.

Proposed Regulations: The proposed regulation states that a student is not included in the numerator or denominator of the completion or placement rates if the student dies; experiences the onset of a medical condition that prevents employment; is ordered to the unincarcerated services, including service performed under Title 10 or Title 32 of the United States Code, for a period of more than 30 days; or becomes incarcerated.

Reasons: During negotiated rulemaking, several negotiators raised concerns that the completion rate could be negatively impacted by factors outside of the control of either the eligible institution or the student which could cause an eligible workforce

program to lose eligibility. The Department agreed that it was reasonable to exclude students from consideration in completion or placement rates in such circumstances, and in collaboration with negotiators the Department developed this list of exclusions. This list of exclusions from the completion rate can also be applied to the calculation when it is performed under the requirements established in § 668.8(f).

Several negotiators suggested the Department to add “continuing education” as a category for exclusion in the numerator and denominator of the completion rate. The negotiators believed that because recognized postsecondary credentials from workforce programs are stackable, students are encouraged to continue their education by enrolling in a sequence of educational programs. The Department clarified that the primary intent of a workforce program is to obtain a job upon completion. While institutions must ensure the stackability of the recognized postsecondary credential a program leads to when developing or enhancing programs, in the Department’s view, the primary focus should be for graduates to obtain a job in the occupation(s) the program prepares students for after program completion. The importance of the job placement rate metric in the statute supports the idea that the intended goal for students is to become employed not long after completing the workforce program in a job related to the eligible workforce program. Additionally, the value-added earnings metric in the statute is designed to ensure that graduates are earning enough to justify the program’s cost. The Department also pointed out that for students who want to enroll in further education than what workforce programs typically provide, students have access to all other, longer title IV eligible programs. The Department believes that the primary focus of obtaining employment is not inconsistent with the requirements for an eligible program to lead to a recognized postsecondary credential that is stackable and prepare students to pursue one or more certificate or degree programs. Instead, the overall objective is for students to gain the specific skills needed to enter high-skill, high-wage, or in-demand occupations or industries while also ensuring that when a student continues their education to upskill throughout the course of their career, they can easily build upon the education received through the eligible workforce program.

We also made technical edits to the consensus language by (1) changing the

romanettes to Arabic numerals and (2) moving the “or” from (e)(2) to (e)(3).

Value-Added Earnings (§ 690.95(a))

Statute: Section 481(b)(3) of the HEA, added by Section 83002(b)(3)(A)(iv)(IV) of the OBBB, states that for each award year the total amount of the published tuition and fees of an eligible workforce program cannot exceed the value-added earnings of students who received Federal financial aid and who completed the program three years prior to the award year.

Current Regulations: None.

Proposed Regulations: The Department proposes that, for each award year, an eligible workforce program’s total published tuition and fees may not exceed the value-added earnings of students who are working, received a Pell Grant for enrollment in the program, and completed the program during the cohort period.

Reasons: The proposed regulation aligns an eligible institution’s eligible workforce program tuition and fee requirements with the requirements of the statute.

The Department proposes to include in the value-added earnings students who were “working” in part to more accurately determine the true earning potential of program completers and avoid any unintentional distorting of the median earnings. In addition, we chose the term “working” to align with current data retrieval procedures within the College Scorecard process that captures non-zero income for individuals without specific employment history.

Similarly, the Department submits a directed question as to whether it should include or exclude in the value-added earnings students who are enrolled at an institution of higher education at the point when earnings are measured after completing the eligible workforce program. The consensus language does not include an exception for these students, but the Department is particularly interested in hearing from the public regarding this provision. Interested commenters should review the Supplementary Information section III (“Directed Questions”), found earlier in this document, for a complete description of the information sought by the Department regarding the changes outlined in § 690.95(a).

Because the statute indicates that the value-added earnings are only to be computed for students who receive Federal financial aid, we further clarified that these earnings only apply to students who receive a Pell Grant given that Pell Grants are the only type

of title IV aid students enrolled in eligible workforce programs can receive. Moreover, the value-added earnings requirement is an outcome-based approach to determine the efficacy of providing Pell Grants to students enrolled in workforce programs.

Finally, to implement the statutory requirement of evaluating students who completed the program three years prior to the award year, we developed a formal cohort period and grouped completers accordingly. We define the cohort period as the award year that ends three full award years prior to the beginning of the award year for which value-added earnings are determined.

Value-Added Earnings (§ 690.95(b))

Statute: Section 481(b)(3) of the HEA, as added by Section 83002(b)(3)(A)(iv)(IV) of the OBBB, states that a value-added earnings measurement will be computed for workforce programs by calculating the difference between the median earnings of applicable students as adjusted by the State and metropolitan area regional price parities based on the location of the program and 150 percent of the poverty line associated with a single individual.

Current Regulations: None.

Proposed Regulations: The Department’s proposed regulatory language indicates that the Department of Education will determine an eligible workforce program’s value-added earnings by calculating the difference between the median earnings of applicable students during the earnings measurement period as adjusted by the State and metropolitan area regional price parities based on the location of the program and 150 percent of the poverty line associated with a single individual for the appropriate tax year.

Reasons: The Department’s regulatory language closely mirrors the statutory text with a few clarifying statements. To obtain a better picture of earning potential for all applicable students over a consistent period and to provide parity among students from different award years as appropriate, the Department developed an earnings measurement period definition within the value-added earnings calculation. The earnings measurement period is the first full tax year following the award year in which the student completed the eligible workforce program. For example, the earnings measurement period for a student that completes a workforce program in the 2026–27 award year is the 2028 tax year. Many negotiators supported this approach to ensure that students completing workforce programs were given an

opportunity to demonstrate their earning potential over a full tax year, avoiding the possibility of calculating median earnings based on partial income from only a portion of a tax year.

In addition, to be consistent with the earnings measurement period, the Department specified that the 150 percent poverty line figure would be computed from the same tax year associated with the earnings measurement period associated with the cohort period. For background information on the Federal poverty guidelines, we guide readers to review the most recent **Federal Register** Notice published by the Department of Health and Human Services.⁹ The notice states—“The poverty guidelines are not defined for Puerto Rico or other outlying jurisdictions. In cases in which a Federal program using the poverty guidelines serves any of those jurisdictions, the Federal office that administers the program is generally responsible for deciding whether to use the contiguous-states-and-DC guidelines for those jurisdictions or to follow some other procedure.” The Department will use the poverty guidelines for the 48 Contiguous States and the District of Columbia in order to calculate the value-added earnings for US territories and the Republic of Palau.

Value-Added Earnings (§ 690.95(c))

Statute: Section 481(b)(3) of the HEA, as added by Section 83002(b)(3)(A)(iv)(IV) of the OBBB, states that for each award year, the total amount of the published tuition and fees of a workforce program cannot exceed the value-added earnings.

Current Regulations: None.

Proposed Regulations: The Department proposes to publish value-added earnings for any eligible workforce programs no later than three months prior to the beginning of the upcoming award year.

Reasons: Since the value-added earnings may cause an eligible institution to have to reduce tuition and fees for an eligible workforce program, the Department is committed to providing value-added earnings as early as possible. Setting a firm timeframe impels the Department to meet specific commitments while giving eligible institutions a set deadline as to the latest the eligible institution can expect to receive the value-added earnings. Negotiators expressed concerns that the

three-month timeframe may prove difficult since many schools will likely have already published their tuition rates for the upcoming award year. Though the Department understands the negotiators' concerns, we are limited when value-added earning calculations can be finalized due to the necessity of obtaining completer lists validated by eligible institutions and ultimately acquiring median earnings for such students from other federal agencies.

The Department commits to providing value-added earnings for eligible workforce programs to affected institutions as soon as possible, which we hope will be earlier than the formal three-month deadline. Because an eligible workforce program's tuition and fees may have to be reduced for the program to remain title IV eligible in the upcoming award year, eligible institutions may want to provide caveats for prospective students when publishing tuition and fee rates for eligible workforce programs. Of course, eligible institutions are under no obligation to reduce tuition and fees associated with eligible workforce programs; however, if tuition and fees are not adjusted as required, the specific workforce program loses title IV eligibility in the upcoming award year.

During negotiated rulemaking, a negotiator requested that in addition to providing the value-added earnings to eligible institutions offering eligible workforce programs, the Department should publicly publish the value-added earnings for transparency and consumer awareness. While the Department will not commit in regulation or in this preamble to publishing value-added earnings publicly for each eligible workforce program, we will explore the practicability and benefits of publishing value-added earnings for the higher education community at large at some point in the future.

Value-Added Earnings (§ 690.95(d))

Statute: Section 481(b)(3) of the HEA, as added by Section 83002(b)(3)(A)(iv)(IV) of the OBBB, states that for each award year, the total amount of the published tuition and fees of a workforce program cannot exceed the value-added earnings.

Current Regulations: None.

Proposed Regulations: The Department proposes that eligible workforce programs, whose tuition and fees do not remain at or below the value-added earnings, will lose eligibility for title IV, HEA program funds for all students who first enroll in the workforce program during the award

year that begins after the annual release of the program's value-added earnings.

Reasons: Consistent with the statute, the Department proposes to establish in regulation that in order for a workforce program to remain eligible for title IV, HEA program funds, the program's published tuition and fees must be at or below the value-added earnings. As described in § 690.95(c), the Department anticipates that it will provide an institution with the value-added earnings for its programs no later than three months prior to the beginning of the award year to which the value-added earnings will apply. By allowing a timeframe by which tuition and fees must be adjusted, the Department provides an option for eligible institutions who seek to keep their workforce program(s) eligible for title IV, HEA program funds. In addition, so as not to penalize students currently attending eligible workforce programs or cause disruptions in these students' enrollment, the loss of program eligibility only impacts students who first enroll in the upcoming award year that starts after the release of the value-added earnings. This provision reduces institutional burden by not requiring eligible institutions to adjust tuition and fees during the current award year or mid-program and allows eligible institutions time to notify prospective students starting in the next award year with regard to any changes in eligibility for title IV, HEA program funds.

Value-Added Earnings (§ 690.95(e))

Statute: Section 481(b)(3) of the HEA, as added by Section 83002(b)(3)(A)(iv)(IV) of the OBBB, states that for each award year, the total amount of the published tuition and fees of a workforce program cannot exceed the value-added earnings.

Current Regulations: None.

Proposed Regulations: The Department proposes that workforce programs that have calculated value-added earnings of zero or a negative value will lose eligibility for title IV, HEA program funds.

Reasons: Value-added earnings are calculated, in part, to demonstrate the financial strength and earning potential of program graduates. Having a zero or negative value-added earnings measurement exhibits a lower earning potential, reducing the efficacy of Pell Grants to assist students in gaining high wage, high skill jobs, and ultimately harms taxpayer investments in these particular programs.

In addition, since the statute prohibits workforce programs' tuition and fees from exceeding value-added earnings, it was noted by Department officials and

⁹Dep't of HHS, Annual Update of the HHS Poverty Guidelines, 91 FR 1797 (Jan. 15, 2026), available at <https://www.federalregister.gov/documents/2026/01/15/2026-00755/annual-update-of-the-hhs-poverty-guidelines>.

negotiators that workforce programs with zero or negative value-added earnings would not be financially sustainable because eligible institutions would be unable to charge students any tuition and fees. And if they were unable to charge fees and tuition, then there would not be eligible expenses that Pell Grants could be used for.

Value-Added Earnings (§ 690.95(f))

Statute: Section 481(b)(3) of the HEA, added by Section 83002(b)(3)(A)(iv)(IV) of the OBBB, states that for each award year, the total amount of the published tuition and fees of an eligible workforce program cannot exceed the value-added earnings.

Current Regulations: None.

Proposed Regulations: The Department proposes that, upon request from the Secretary, an eligible institution must provide satisfactory evidence that its published tuition and fees for an eligible workforce program for a given award year do not exceed the value-added earnings.

Reasons: As outlined in the statute, a key principle of the value-added earnings calculation is to require institutions to keep tuition and fees for eligible workforce programs at or below the value-added earnings result. Though eligible institutions would provide data regarding tuition and fees to the Department through the Department's administrative systems, supporting documentation would not necessarily be required alongside initial submissions of data regarding published tuition and fees. Through this additional requirement, the Department improves its ability to enforce these requirements by requiring institutions to provide supporting evidence of the actual tuition and fees charged to students in a particular eligible workforce program.

Value-Added Earnings (§ 690.95(g))

Statute: Section 481(b)(3) of the HEA, as added by Section 83002(b)(3)(A)(iv)(IV) of the OBBB, states that for each award year, the total amount of the published tuition and fees of a workforce program cannot exceed the value-added earnings of students who received Federal financial aid and who completed the program three years prior to the award year.

Current Regulations: None.

Proposed Regulations: The Department proposes to use student completion data reported by eligible institutions to compile a list of Pell Grant recipients who completed an eligible workforce program during a specific cohort period as defined under § 690.91. The Department will then provide the completer list to eligible

institutions to review and update as appropriate within a 60-day evaluation period. After the completer list has been updated or the evaluation period has ended, the Department will forward the final list to a Federal agency to obtain the median annual earnings of the students on each completer list and use the earnings data to calculate the value-added earnings distributed to all pertinent eligible institutions.

Reasons: To align with statutory requirements of using earnings data of student completers who received Pell Grants during a specific cohort period, the Department aims to utilize Pell Grant and student enrollment information reported by eligible institutions in the Department's Common Origination and Disbursement system (COD) and the National Student Loan Database system (NSLDS). However, since system errors and data input mistakes can occur, once the Department provides the completer list to an eligible institution, the Department seeks to provide the eligible institution adequate time to review the student data and make any necessary corrections. Accurate student completion data is critical to computing official value-added earnings. The Department believes that a 60-day timeframe, which is similar to other institutional review periods, provides a sufficient amount of time for eligible institutions to examine the student completion data while giving the Department adequate time to provide the data to the Federal agency collecting a program's median annual earnings. This process is also aligned with the current process for Financial Value Transparency/Gainful Employment that institutions are accustomed to, and for which the Department has already established an infrastructure and process.

Value-Added Earnings (§ 690.95(h))

Statute: Section 481(b)(3) of the HEA, as added by Section 83002(b)(3)(A)(iv)(IV) of the OBBB, states that for each award year, the total amount of the published tuition and fees of a workforce program cannot exceed the value-added earnings of students who received Federal financial aid and who completed the program three years prior to the award year.

Current Regulations: None.

Proposed Regulations: The Department proposes to require a minimum number of students (50) to have completed an eligible workforce program in the cohort period (as explained in § 690.91) in order to send student information to the Federal agency compiling aggregate earnings

data. If there are not at least 50 students on the final completer list who received a Pell Grant, the Department will add students who completed the same program during the first award year prior to the cohort period to try and obtain 50 completers. If still under 50 completers, the Department will add more students from two award years prior to the cohort period. And finally, if still under 50 completers, the Department will add more students from three award years prior to the cohort period. After going back three award years, prior to the cohort period, if the final completer list has at least 30 completers, the Department will forward the student information to the Federal agency to compile aggregate earnings data necessary for the value-added earnings calculation. If after going back three award years prior to the cohort period (for a total of four award years), the Department is still unable to produce a final list with at least 30 completers, the Department will not calculate a value-added earnings measurement for that particular workforce program for that award year.

Reasons: In order to obtain aggregate earnings data from the Federal agency with the most timely and accurate earnings data, a minimum number of individuals on a completer list (at least 16) must exist with usable income records in order to protect individual income privacy when supplying earnings data to the Department. Since the Department would only request earnings data once a year, the Department believes 50 completers should be adequate to ensure a sufficient number of student completers are provided to a Federal agency in order to obtain the requisite aggregated earnings data to compute value-added earnings. Requiring at least 50 completers in the cohort period and the following two prior award years, if necessary, allows for the removal of students from the earnings data for myriad reasons (e.g., data corruption, missing data, no reported income, etc.) while still meeting the minimum number of individuals with valid income necessary to produce aggregated earnings data. In the third and final award year completer list prior to the cohort period, the Department reduces the final completer list figure to 30 students in order to make every effort to compute value-added earnings for an eligible workforce program. Though less than the initial 50 student completer requirement, 30 completers are still almost double the minimum number of individuals with income needed to generate aggregated earnings data and

should be adequate in most instances to assist with the Department's aim in minimizing the number of eligible workforce programs where no value-added earnings can be computed, thus reducing occurrences where no tuition and fee evaluation can occur.

The Department chose these cohort size thresholds (between 30 and 50 completers) because some individuals who attend eligible workforce programs may not be participating in the labor market, elevating the likelihood that the Federal agency with earnings data is unable to match them to income data during the period when earnings are measured. Requiring that all cohorts have at least 30 individuals through this cohort aggregation process enhances the ability of the Department to calculate the value-added earnings metric for programs to better protect students and taxpayer investment.

In addition, similar to other formulaic computations where minimum student cohort sizes are necessary, such as with cohort default rates or Gainful Employment calculations, the Department believes that the value-added earnings component is such a critical part of validating the efficacy of eligible workforce programs that using aggregate student earnings across multiple periods is preferable to not computing any value-added earnings for a particular workforce program, as the law does not specifically exempt programs with small student populations.

Though the statute does not set a minimum number of completers nor discuss using student data from multiple award years, the Department believes that calculating the value-added earnings for the maximum possible number of eligible workforce programs is consistent with the statutory requirement. Additionally, because the inability to calculate a value-added earnings for a given program would result in no constraints on that program's tuition and fees, maximizing the number of programs for which the Department can calculate value-added earnings is crucial in order to protect students and taxpayers while promoting viable workforce programs that have a positive impact on local and state workforce needs.

The Department acknowledges that there are numerous ways small programs could be aggregated for the purpose of computing the value-added earnings metric. Therefore, the Department submits a directed question about the process it has proposed, with a focus on the maximum number of prior award years that should be potentially included when aggregating

small programs. The proposed rule suggests aggregating a maximum of four cohorts (completers from the current award year and the three prior award years), and the Department is interested in public feedback as to whether more or less years should be considered. Interested commenters should review the **SUPPLEMENTARY INFORMATION** section III ("Directed Questions"), found earlier in this document, for a complete description of the information sought by the Department regarding the changes outlined in § 690.95(h).

Value-Added Earnings (§ 690.95(i))

Statute: Section 481(b)(3) of the HEA, as added by Section 83002(b)(3)(A)(iv)(IV) of the OBBB, states that a value-added earnings measurement will be computed for workforce programs by calculating the difference between the median earnings of applicable students as adjusted by the State and metropolitan area regional price parities based on the location of the program and 150 percent of the poverty line associated with a single individual.

Current Regulations: None.

Proposed Regulations: The Department proposes that when receiving median annual earnings from Federal agencies for all applicable students on an eligible workforce program's final completer list, the earnings data will be provided to the Department in aggregate, not individual form. In addition, the Department will only use the aggregate earnings data to compute value-added earnings when median annual earnings information exists for at least 16 students who completed the program. If the reports from records of earnings contain information from fewer than 16 students who completed the program, the Department will not calculate the value-added earnings for an eligible workforce program for that award year. The Department seeks comment on this approach.

Reasons: The Department consistently prioritizes the protection of privacy. By only requiring the receipt of aggregate earnings, the Department minimizes the risk that any individual student earnings amount can be surmised. In addition, after consultation with Federal agencies, Department economists, and data security specialists, the Department has determined that the standards for the federal agency with the most accurate and up-to-date wage information require at least 16 unique earning sources when aggregating data to protect individual student income data. Therefore, if the Department cannot obtain the aggregated median

earnings data from at least the minimum number of student records (16) necessary to safely and securely protect individual student earnings data, the Department would not use any aggregated earnings data and, as a result, would not calculate the value-added earnings for a particular eligible workforce program. With this approach, the Department seeks to balance Congress' expectation that eligible workforce programs are subject to value-added earnings requirements against the need to safeguard individual student data integrity and privacy.

Value-Added Earnings (§ 690.95(j))

Statute: Section 481(b)(3) of the HEA, as added by Section 83002(b)(3)(A)(iv)(IV) of the OBBB, states that for each award year, the total amount of the published tuition and fees of a workforce program cannot exceed the value-added earnings of students who received Federal financial aid and who completed the program three years prior to the award year.

Current Regulations: None.

Proposed Regulations: The Department proposes that when calculating value-added earnings, completers from all eligible workforce programs with the same six-digit CIP code are included.

Reasons: First, the Department seeks to align the process for obtaining earnings for workforce programs with our current Gainful Employment (GE) and eligible non-GE program definitions found in § 668.2(b). Programs are defined as a combination of the eligible institution's six-digit Office of Postsecondary Education ID (OPEID) number, the program's six-digit CIP code as assigned by the eligible institution or determined by the Secretary, and the program's credential level. In addition, the Department is concerned that due to the nature of short-term career focused programs, eligible institutions may attempt to create several programs geared to similar occupations with varying results of student success, which could result in very small cohorts that are not large enough for the Department to calculate the value-added earnings. Therefore, by incorporating completers from all eligible workforce programs within the same six-digit CIP code, the Department seeks to avoid a situation where an eligible institution creates a similar workforce program with the same six-digit CIP code in an effort to avoid value-added earnings' concerns in another workforce program.

Furthermore, combining all completers from like programs with the same six-digit CIP codes may also

reduce the need to roll-up completer earnings data from prior award years (§ 690.95(h)), thus potentially allowing for calculation of the value-added earnings using primarily students in the first available cohort period rather than those from prior years. Using completer earnings from similar programs is also more likely to produce more accurate earning evaluations across comparable careers and occupations.

Finally, we note that although this methodology may result in limitations on tuition and fees for multiple programs with the same six-digit CIP code, eligible institutions would be permitted to charge different amounts of tuition and fees for individual programs so long as the amounts charged per program are at or below the value-added earnings figure.

Value-Added Earnings (§ 690.95(k))

Statute: Section 481(b)(3) of the HEA, as added by Section 83002(b)(3)(A)(iv)(IV) of the OBBB, states that a value-added earnings measurement will be computed for workforce programs by calculating the difference between the median earnings of applicable students as adjusted by the State and metropolitan area regional price parities based on the location of the program and 150 percent of the poverty line associated with a single individual.

Current Regulations: None.

Proposed Regulations: The Department proposes that when calculating value-added earnings, if more than 50 percent of the student completers described in § 690.95(a) are not located in the state in which the eligible institution offering the eligible workforce program is located, the Department will adjust the program's median earnings as defined in § 690.95(b) by the national price parity, which is equivalent to multiplying the program's median earnings by a factor of 1.0.

Reasons: Regional price parities for state and metropolitan areas are traditionally used to demonstrate how prices for goods and services vary geographically, allowing for accurate comparisons of buying power and real income across different regions. Regional price parities were introduced into the value-added earnings process to modify the median annual earnings of program completers (either by increasing or decreasing the value) to more fairly account for regional differences with respect to earning potential.

However, since eligible workforce programs can be taught via distance education, the Department sought to

account for instances where a majority of students enrolled in a workforce program do not live in the state where the eligible institution is located. In those instances, the Department would use the national price parity when determining the program's median annual earnings and simply utilize the national median earnings. This methodology was adopted, in part, because the Department is unable to obtain individual student earnings data from Federal agencies due to data security and privacy issues. We believe this approach will help minimize incorrect adjustments (positive or negative) to median earnings where a majority of student completers live outside the state where the eligible institution is located, thus creating the most accurate earnings measurement possible in the value-added earnings calculation based upon the available data.

Since this approach directly impacts the value-added earnings outcomes and may influence whether eligible institutions choose to create distance education workforce programs, the Department indicated during negotiated rulemaking that we would specifically seek feedback from the community to ensure that we consider all possibilities when finalizing this regulation. Therefore, interested commenters should review the **SUPPLEMENTARY INFORMATION** section III ("Directed Questions"), found earlier in this document, for a complete description of the information sought by the Department regarding the changes outlined in § 690.95(k).

Loss of Eligibility (§ 690.96(a))

Statute: While the HEA does not reference what happens when an eligible workforce program loses eligibility, Section 481(b)(3) of the HEA, added by Section 83002(b) of the OBBB, states that the Governor of a State determines whether a program meets certain requirements to qualify as an eligible workforce program.

Current Regulations: None.

Proposed Regulations: The Department proposes that any eligible workforce program that loses a Governor's approval would lose eligibility for title IV, HEA program funds. The program would become ineligible at the end of the payment period that begins following the date that the Governor acts to withdraw approval or the date the Governor fails to reapprove the program.

Reasons: A Governor's approval serves as a critical safeguard to ensure that workforce programs meet State-established standards and align with

local workforce priorities. When a Governor withdraws approval or fails to reapprove a program, it indicates that the program no longer satisfies these requirements. Continuing eligibility under such circumstances would undermine program integrity and expose students and Federal funds to unnecessary risk. Therefore, the Department proposes that any eligible workforce program losing a Governor's approval be deemed ineligible at the end of the payment period following the Governor's action. This approach would reinforce accountability, protect students, and ensure that Federal resources support only programs that maintain State endorsement.

During negotiated rulemaking, one negotiator requested that the Department clarify its position regarding an eligible workforce program's loss of eligibility. The negotiator expressed concern that under § 690.171(d)(10) an eligible institution may be deemed financially irresponsible if the eligible institution or one or more of its programs loses eligibility to participate in another Federal educational assistance program due to an administrative action against the eligible institution or its programs. The Department clarifies that § 690.171(d)(10) is a discretionary trigger, and it is unlikely that an eligible institution would be considered financially irresponsible solely based on the closure of one eligible workforce program.

Loss of Eligibility (§ 690.96(b))

Statute: While the HEA does not reference what happens when an eligible workforce program loses eligibility, Section 481(b)(3) of the HEA, added by Section 83002(b) of the OBBB, states that the Secretary shall determine whether a program meets the conditions to be considered an eligible workforce program.

Current Regulations: None.

Proposed Regulations: The Department proposes that an eligible workforce program will become ineligible at the end of the payment period that begins after the date that the Secretary determines that the eligible institution failed to meet the completion rate or job placement rate requirements. However, the Secretary would not make such a determination while a program's eligibility, approval, or reported completion rate of job placement is in an appeal status or awaiting the Governor's final certification.

Reasons: The Department's proposed approach reflects the statutory mandate to ensure that Pell Grant funds support programs that deliver meaningful

outcomes for students. By tying eligibility to these performance metrics, the Department would reinforce accountability and program integrity while minimizing disruption for students currently enrolled. Additionally, during negotiated rulemaking, one negotiator encouraged the Department to explicitly state that the Secretary would act only after the Governor had made final determinations on pending appeals. The Secretary discourages Governors from allowing institutions to engage in lengthy completion and job placement rate appeal process, which could result in students continuing to enroll in programs that do not meet the legal requirements for an extended period. The Department agreed with the negotiator and proposed that the Secretary would not make such a determination while a program's eligibility, approval, or reported rates are under appeal or awaiting a Governor's final approval. This safeguard would ensure due process for eligible institutions and prevent premature loss of eligibility during ongoing administrative or State reviews, balancing fairness with the need to protect student and taxpayer resources.

Loss of Eligibility (§ 690.96(c))

Statute: While the HEA does not reference what happens when an eligible workforce program loses eligibility, Section 481(b)(3) of the HEA, added by Section 83002(b) of the OBBB, states that the Secretary shall determine whether a program meets the conditions to be considered an eligible workforce program.

Section 487 of the HEA grants the Secretary the authority to fine, limit, suspend and terminate an eligible program's or an eligible institution's participation in the title IV, HEA assistance programs. The aforementioned actions can include an imposition of a civil penalty whenever the Secretary has determined, after reasonable notice and opportunity for hearing, that such institution has violated or failed to carry out a provision of the HEA.

Current Regulations: None.

Proposed Regulations: The Department proposes for a program to become ineligible at the beginning of the award year following the release of the value-added earnings if it becomes ineligible because its published tuition and fees exceed its value-added earnings, or because its value-added earnings is equal to or less than zero. We also propose that the Secretary would assess a liability for amounts of Pell Grants disbursed for students

enrolled in the eligible workforce program during the award year for which the value-added earnings were calculated and would collect such liability from the eligible institution.

Reasons: The Department's proposed regulations regarding the timing of an eligible workforce program's loss of eligibility are intended to promote clarity and predictability for institutions while minimizing disruption for students enrolled mid-year in such a program. Value-added earnings serve as a critical measure of whether a program provides sufficient economic benefit relative to its cost, consistent with statutory requirements to safeguard the integrity of Pell Grant funds. During negotiated rulemaking, the Department agreed to one negotiator's request to clarify the regulatory text, stating that if an institution receives Pell Grants in its first award year and fails to meet the value-added earnings requirement, those funds would be treated as a liability against the institution, and the Department would seek to recover them. By linking eligibility to these outcomes, the Department reinforces accountability and ensures that taxpayer resources support programs that deliver meaningful value. Additionally, the proposed regulation would authorize the Secretary to assess and collect liabilities for Pell Grants disbursed during the award year for which the value-added earnings were calculated, ensuring that eligible institutions (not students or taxpayers), bear the financial responsibility when programs fail to meet performance standards.

As an illustrative example of § 690.96(c)(2), the Department provides the institution with value-added earnings during the 2029–30 award year on March 1, 2030, more than three months prior to the beginning of the award year. These value-added earnings are applicable to the tuition and fees for the program for the 2030–31 award year. The institution charges \$5,000 in tuition and fees for the eligible workforce program during the 2029–30 award year, and the value-added earnings for the eligible workforce program is \$2,500. For the remainder of the 2029–30 award year, the institution can continue charging enrolled students \$5,000 in tuition and fees. However, for the 2030–31 award year, the institution must reduce its tuition and fees to a maximum of \$2,500 or voluntarily withdraw its program from eligibility for title IV, HEA program funds. If the institution continues to charge students \$5,000 in tuition and fees and offers Pell Grant funds to enrolled students during the 2030–31 award year, the Secretary will assess a liability for the amounts of

Pell Grants disbursed for students enrolled in the program for that award year.

Regaining Eligibility (§ 690.97(a))

Statute: While the HEA does not reference a process for an eligible workforce program to regain eligibility once it has lost it, Section 481(b)(3) of the HEA, added by Section 83002(b) of the OBBB, states that the Secretary shall determine whether a program meets the conditions to be considered an eligible workforce program.

Current Regulations: None.

Proposed Regulations: The Department proposes that if an eligible workforce program loses eligibility because it fails to meet completion rate or job placement rate requirements under 34 CFR 690.94(a)(2), or if an eligible institution voluntarily discontinues a failing eligible workforce program, the eligible institution would be prohibited from reestablishing that program's eligibility or creating a substantially similar program with the same four-digit CIP code and leads to employment in occupations with identical SOC codes for two years following the date the program lost eligibility or the date the eligible institution voluntarily discontinues the failing workforce program, whichever comes earlier.

Reasons: During negotiated rulemaking, several negotiators expressed concern that the Department's original proposal to rely solely on four-digit CIP codes as the criterion for determining program eligibility was overly broad and could lead to program misclassification, inhibit innovation, and impose undue restrictions based on imprecise categorizations. After discussing several alternatives with the committee, the Department agreed to revise its proposed approach to include only programs with the same four-digit CIP code that lead to employment in occupations with identical SOC codes. We believe that this compromise position is a more flexible framework to ensure accurate classification and to support the development of programs that meet workforce needs while maintaining accountability. A SOC code is a 6-digit Federal code used by the Federal government and businesses to classify workers into distinct occupational categories based on job duties. Our proposal narrows the focus to prohibiting institutions from creating new programs that are substantially similar to one another.

The Department proposes a two-year restriction on reestablishing eligibility for a failing workforce program or creating a substantially similar program

with the same four-digit CIP code and identical SOC codes to prevent eligible institutions from circumventing accountability requirements through minor program modifications. This waiting period would ensure that eligible institutions take meaningful steps to address deficiencies that resulted in poor completion or job placement outcomes, rather than make superficial changes to regain eligibility. By requiring a two-year gap, the Department would promote substantive program improvement, protect students from enrolling in programs with a history of failure, and safeguard Pell Grant funds from being used for programs that have not demonstrated compliance with minimum performance standards. This approach aligns with similar guardrails in the Department's GE regulations, which restrict eligible institutions from quickly relaunching failing programs under the same CIP/SOC codes.

Regaining Eligibility (§ 690.97(b))

Statute: While the HEA does not reference a process for an eligible workforce program to regain eligibility once it has lost it, Section 481(b)(3) of the HEA, added by Section 83002(b) of the OBBB, states that after the Governor determines that a program meets certain requirements, the Secretary shall determine whether the program meets other conditions to be considered an eligible workforce program.

Current Regulations: None.

Proposed Regulations: The Department proposes that if an eligible workforce program loses eligibility due to a loss of Governor approval, the program may reestablish eligibility after the Secretary receives the Governor's certification that the program has been approved and after the Secretary determines the program has met eligibility criteria.

Reasons: The Department's proposed requirements for re-establishing eligibility are intended to ensure that State oversight, a critical safeguard for program quality and alignment with workforce priorities, is fully restored before Pell Grant funds are disbursed. Additionally, requiring the Secretary's verification of compliance with Federal standards would prevent programs from reentering without addressing deficiencies that led to the initial loss of eligibility. This dual confirmation process would protect students from enrolling in programs that fail to meet minimum standards and safeguard taxpayer resources by ensuring that only programs with demonstrated integrity and value regain eligibility.

Regaining Eligibility (§ 690.97(c))

Statute: While the HEA does not reference a process for an eligible workforce program to regain eligibility once it has lost it, Section 481(b)(3) of the HEA, added by Section 83002(b) of the OBBB, states that the Secretary shall determine whether a program meets the conditions to be considered an eligible workforce program.

Current Regulations: None.

Proposed Regulations: The Department proposes that if an eligible workforce program loses eligibility because its published tuition exceeds its value-added earnings, the eligible institution may request reinstatement only through a process described by the Secretary. This process would require the eligible institution to obtain a new certification of the Governor's approval, submit documentation of the program's current published tuition and fees, attest that tuition and fees have been reduced and will remain equal to or less than the program's recalculated value-added earnings, and request a recalculation of those earnings to confirm compliance for the next award year.

Reasons: These safeguards would prevent temporary or superficial adjustments, reinforce State and Federal oversight, reestablish compliance with the regulations, and ensure that reinstated programs provide meaningful economic value to students while protecting taxpayer resources.

VIII. Regulatory Impact Analysis

Executive Orders 12866 and 13563

Under Executive Order 12866, the Office of Management and Budget (OMB) must determine whether this regulatory action is "significant" and, therefore, subject to the requirements of the Executive Order and subject to review by OMB. Section 3(f) of Executive Order 12866 defines a "significant regulatory action" as an action likely to result in a rule that may—

(1) Have an annual effect on the economy of \$100 million or more (adjusted every 3 years by the Administrator of OIRA for changes in gross domestic product), or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, territorial, or Tribal governments or communities;

(2) Create serious inconsistency or otherwise interfere with an action taken or planned by another agency;

(3) Materially alter the budgetary impacts of entitlement grants, user fees,

or loan programs or the rights and obligations of recipients thereof; or

(4) Raise legal or policy issues for which centralized review would meaningfully further the President's priorities, or the principles stated in the Executive Order, as specifically authorized in a timely manner by the Administrator of OIRA in each case.

The Department estimates the net budget impact to be \$3.0 billion for FY 2026 to FY 2035. This proposed rule is expected to be considered an Executive Order 14192 regulatory action. We estimate that this rule generates \$16.7 million in annualized costs at a 7% discount rate, discounted relative to year 2024, over a perpetual time horizon.

We have also reviewed these regulations under Executive Order 13563, which supplements and explicitly reaffirms the principles, structures, and definitions governing regulatory review established in Executive Order 12866. To the extent permitted by law, Executive Order 13563 requires that an agency—

(1) Propose or adopt regulations only on a reasoned determination that their benefits justify their costs (recognizing that some benefits and costs are difficult to quantify);

(2) Tailor its regulations to impose the least burden on society, consistent with obtaining regulatory objectives and considering—among other things and to the extent practicable—the costs of cumulative regulations;

(3) In choosing among alternative regulatory approaches, select those approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity);

(4) To the extent feasible, specify performance objectives rather than the behavior or manner of compliance a regulated entity must adopt; and

(5) Identify and assess available alternatives to direct regulation, including economic incentives—such as user fees or marketable permits—to encourage the desired behavior, or provide information that enables the public to make choices.

Executive Order 13563 also requires an agency "to use the best available techniques to quantify anticipated present and future benefits and costs as accurately as possible." The Office of Information and Regulatory Affairs of OMB has emphasized that these techniques may include "identifying changing future compliance costs that might result from technological innovation or anticipated behavioral changes."

Consistent with OMB Circular A–4, we compare the proposed regulations to the current regulations. In this regulatory impact analysis, we discuss the need for regulatory action, potential costs and benefits, net budget impacts, and the regulatory alternatives we considered.

Elsewhere in this section under *Paperwork Reduction Act of 1995*, we identify and explain burdens specifically associated with information collection requirements.

1. Need for Regulatory Action

These proposed regulations are needed to implement statutory changes in the OBBB that expand the Pell Grant Program as of July 1, 2026, to include students who attend eligible workforce programs. The proposed regulations also

implement a separate provision under the OBBB preventing a student from receiving a Pell Grant if the student's non-Federal financial assistance equals or exceeds their cost of attendance. Note this Regulatory Impact Analysis is limited to the provisions in the OBBB that establish Pell Grant eligibility for eligible workforce programs and excludes any analysis of the provisions affecting Pell Grant reductions for students receiving other aid that fully covers their cost of attendance. The Department estimates that the potential costs, benefits, transfers, and net budget effects of the Pell Grant reduction provision are *de minimis*.

The Department has limited discretion in implementing many provisions in the OBBB with respect to establishing a process to allow eligible

workforce programs to receive Pell Grants. Most of the changes included in these proposed regulations simply modify the Department's regulations to reflect statutory changes made by the OBBB. In some cases, the Secretary has exercised her limited discretion to implement certain provisions which are discussed in the "alternatives considered" section of this RIA.

Changes included in these proposed regulations represent a consensus between the Department and a Committee of non-Federal negotiators. Consensus was reached after a week of thoughtful negotiated rulemaking as required under the HEA.

2. Summary of Proposed Provisions

A summary of the proposed provisions are listed in Table 2.1.

TABLE 2.1—SUMMARY OF KEY CHANGES IN THE PROPOSED REGULATIONS

Provision	Regulatory section	Description of proposed provision
Pell Grants and Eligible Workforce Programs		
Date, extent, duration, and consequence of eligibility.	§ 600.10	Would require the Secretary's approval of each eligible workforce program in order to establish Pell Grant eligibility.
Written arrangements to provide educational programs.	§ 668.5	Would limit the amount of an eligible workforce program that can be offered by an ineligible institution or organization through a written arrangement to 25 percent or less.
Eligible program	§ 668.8	Would add eligible workforce programs as a new type of Pell Grant eligible program.
Limitations on remedial coursework that is eligible for title IV, HEA program assistance.	§ 668.20	Would prohibit noncredit, remedial, and English as a second language coursework from inclusion in the calculation of title IV awards for students enrolled in an eligible workforce program.
Student eligibility	§ 668.32	Would prohibit an individual that is enrolled or accepted for enrollment in a program that leads to a graduate credential or has attained a graduate credential from receiving a Pell Grant to enroll in an eligible workforce program.
Definitions	§ 690.2	Would add a definition of an eligible workforce program to § 690.2.
Ineligibility due to grant or scholarship assistance from non-Federal grants.	§ 690.5	Would prohibit a student from receiving a Pell Grant if the student received grant or scholarship assistance from non-Federal sources that equals or exceeds the student's COA for the award year.
Duration of student eligibility.	§ 690.6	Would allow an otherwise eligible student with a bachelor's degree to receive a Pell Grant to enroll in an eligible workforce program.
Federal Pell Grant payments from more than one institution.	§ 690.11	Would prohibit a student from receiving concurrent Pell Grant awards for two or more different eligible programs.
Recalculation of a Federal Pell Grant.	§ 690.80	Would require an eligible institution to reduce a student's non-Federal grant or scholarship assistance or return all the Pell Grant funds and cancel any future disbursements of such funds if a student receives non-Federal grant or scholarship assistance that equals or exceeds the student's COA.
Scope and purpose	§ 690.90	Would provide a high-level scope and purpose of eligible workforce programs and clarify that eligible students in these programs are only eligible to receive Pell Grants and not any other title IV aid.
Definitions	§ 690.91	Would define key terms, including "cohort period," "earnings measurement period," "in-demand industry sector or occupation," "Governor," "recognized postsecondary credential," "State board," and "tuition and fees."
Eligible workforce program	§ 690.92	Would establish that an eligible workforce program is an undergraduate program that is at least 8 but less than 15 weeks of instruction and is 150–599 clock hours, 4–15 semester or trimester hours, or 6–23 quarter hours. Would prohibit correspondence courses, study abroad, or direct assessment in eligible workforce programs. Would prevent an eligible institution from offering an eligible workforce program if it has been subject to any suspension, emergency action, or termination action by the Secretary during the five years preceding the date of the determination.

TABLE 2.1—SUMMARY OF KEY CHANGES IN THE PROPOSED REGULATIONS—Continued

Provision	Regulatory section	Description of proposed provision
Components determined by Governors.	§ 690.93	Would require the Governor to approve each program by confirming that the eligible workforce program provides an education aligned with the requirements of high-skill, high-wage, or in-demand industry sections or occupations, meets the hiring needs of employers, leads to a recognized postsecondary credential that is stackable and portable (or prepares students for employment for which there is only one recognized postsecondary credential), and ensures that a student receives academic credit for the program for at least one certificate or degree program at one or more eligible institutions. Would require Governors to establish written policies and processes to evaluate whether a program meets the requirements. Would establish a process in which a Governor provides a certification of continued approval of each eligible workforce program offered by the eligible institution prior to the expiration of an eligible institution's Program Participation Agreement. Would ensure programs serving as related instruction for Registered Apprenticeship Programs meet certain approval criteria. Would allow the Governors of two States to enter into a bilateral agreement regarding the enrollment of students located in one of those States into some or all the programs located in the other State.
Components determined by the Secretary.	§ 690.94	Would require the Secretary to approve each program, after the Governor has approved the program. Would require the program to meet eligibility conditions for the 12 months preceding the date on which the eligible institution applied for eligibility for the program. Would require the program to meet completion and job placement rates prior to application to the Department and each year subsequent to the eligible workforce program's approval. Would create procedures for submission of the completion and job placement rates, such as flexibilities through the 2029–30 award years, waivers and exclusions for certain groups of students in the calculations.
Value-added earnings	§ 690.95	Would prohibit an eligible workforce program's total published tuition and fees from exceeding the value-added earnings for all students who first enroll in the eligible workforce program during the award year that begins following the annual release of the program's value-added earnings. Would establish that value-added earnings is determined by calculating the difference between the adjusted median earnings of student completers (who are working) during the earnings measurement period and 150 percent of the Federal Poverty Line applicable to a single individual for such tax year. Would establish the number of students needed for the Secretary to calculate the value-added earnings for the eligible workforce program. Would establish that programs that have a value-added earnings of zero or a negative value are not eligible programs.
Loss of eligibility	§ 690.96	Would establish a process for programs that lose eligibility. A program will become ineligible at the end of the payment period that begins following the date that the Governor acts to withdraw approval, the Governor fails to reapprove the program, or the Secretary determines that the eligible institution failed to meet the completion rate or job placement rate requirements. Would provide that if an eligible workforce program fails to meet the value-added earnings requirements, the program will become ineligible at the beginning of the award year following the release of the value-added earnings, and the Secretary will assess a liability to the eligible institution.
Regaining eligibility	§ 690.97	Would establish a process for an eligible workforce program to regain eligibility once it has lost it. Would prohibit an eligible institution from reestablishing the eligibility of a failing program or establish eligibility for a substantially similar program until two years following the date the program loses eligibility or the date the eligible institution voluntarily discontinues the failing eligible workforce program, whichever date is earlier. Would establish that if an eligible workforce program loses eligibility due to a loss of Governor approval, the program may reestablish eligibility after the Secretary receives the Governor's certification that the program has been approved, and after the Secretary determines the program has met eligibility criteria. Would allow an eligible institution to request that a program's eligibility be reinstated if the program loses its eligibility due to the published tuition being higher than its value-added earnings.

3. Discussion of Costs and Benefits

The proposed regulations establishing Pell Grants for eligible workforce programs result in benefits to students, employers, institutions of higher education, and taxpayers. The Department, States, and eligible institutions will bear new administrative costs to implement the program. Note that costs for one party which are completely offset by benefits to another party are classified as transfers, as required by OMB Circular A–4. Transfers and the net budget impacts of the proposed regulation are discussed later in this RIA.

Prior to the enactment of the OBBB, Pell Grants were restricted to programs

that were at least 600 clock hours, (16 semester or trimester credit hours) in length during a minimum of 15 weeks of instruction or programs that were at least 300 clock hours (8 semester or trimester credit hours) during a minimum of 10 weeks of instruction, provided that they admit only students who have completed the equivalent of an associate degree.

The OBBB included statutory changes to expand the Pell Grant Program as of July 1, 2026, to allow workforce programs with a shorter duration to be eligible for Pell Grants if those programs also meet additional requirements to be considered eligible workforce programs.

Specifically, eligible workforce programs must meet a minimum and

maximum length requirement, including duration in calendar time (8–14 weeks of instruction), as well as clock hours (150–599 clock hours) or credit hours (4–15 semester/trimester hours and 6–24 quarter hours). Eligible workforce programs must also align with high-skill, high-wage, or in-demand industry occupations and meet the hiring needs of employers as determined and approved by the State Governor in the State in which the program is offered. The credential must be stackable and portable or prepare students for employment for which there is only one recognized postsecondary credential.

Eligible workforce programs also must meet several outcome and quality

assurance rules that are not currently required of other programs for Pell Grant eligibility. Specifically, eligible workforce programs must have completion rates and job placement rates of at least 70 percent. Computing and verifying these outcome-based metrics will be administered by Governors and the Department. Additionally, the program's published tuition and fees may not exceed the value-added earnings of Pell Grant recipients who complete the program, adjusted according to the relevant price parity (Metropolitan Statistical Area, State, or National). Value-added earnings are defined as the median earnings of working individuals, less the 150 percent of the poverty line for a single individual. The Department will compute the value-added earnings metric and assess whether programs are in compliance.

Costs of the Proposed Regulations

The proposed regulations would impose costs on the Department, Governors, and eligible institutions. These costs are discussed in order.

First, the proposed regulations will create new administrative costs for the Department related to operating the Pell Grant Program. We estimate that, based on comparable changes made in the past, those administrative costs would average \$5.3 million (using a 3 percent discount rate) in systems and other changes on an annualized basis over the 2026–2035 period (Table 4.2). These are costs associated with activities such as collecting data and making alterations to Department systems.

Most of these estimated costs will be incurred during the first two years of implementation. The Department is developing its own internal systems and working with a Federal agency with earnings data to provide the information needed to determine if programs pass the value-added earnings test. The Department will also establish a new system and data collection for assessing program tuition levels to determine whether programs meet the value-added earnings test. The Department is updating the Common Origination and Disbursement (COD) system, the National Student Loan Data System (NSLDS), and other systems to receive new data, enable the disbursement of Pell Grant funds to individuals who have already obtained a bachelor's degree, and support ongoing operations of the expanded Pell Grant Program.

The COD system is designed to support origination, disbursement, and reporting for Direct Loan, Pell Grant, and the Teacher Education Assistance for College and Higher Education

(TEACH) Grant programs. The system uses a single “Common Record” (XML format) for efficiency and eliminating duplicate student and borrower data, providing a centralized system for title IV, HEA program administration used by the Department and all institutions across the country that participate in the delivery of federal student aid. NSLDS is the central database for all federal student aid, tracking title IV loans and grants (like Pell Grants) through their entire lifecycle, from approval to repayment or closure. The system provides an integrated view for students, institutions, and servicers to manage aid, loan status, balances, and enrollment. It consolidates data from institutions, lenders, and programs, enabling users to access loan history, disbursement details, and servicer information via the FSA Partner Connect portal.

The Department must also establish systems and processes for coordinating with Governors who will have to certify that each program in each State meets eligibility requirements prior to the institution submitting the program to the Department for final approval of Pell Grant eligibility.

The long-term administrative costs to implement the proposed regulations are minimal. There will be some additional costs to maintain the necessary data sharing with a Federal agency with earnings data, as well as to maintain the Department's COD, NSLDS, and other system changes in future years to account for ongoing development, operations, and maintenance. Additional costs will be incurred to train and support institutions of higher education and to monitor the program.

Second, the proposed regulations will create new administrative costs for States, although participation in the program is voluntary. Specifically, Governors will have to determine industry occupations that are “in-demand” and “meet the hiring needs of employers” in the State. While many States may classify industry occupations associated with eligible workforce programs as “high-skill, high-wage,” others may have to establish a new process for doing so. Further, States that have existing processes for classifying industry occupations in this manner may wish to amend their process given the new availability of federal funding. This may occur, for example, if Governors decide they wish to target Pell Grants to workers in a particular set of industries. Because of this, we anticipate that State governments will incur new costs related to the process for defining which industry occupations

meet the definition of an “in-demand industry sector or occupation.”

States will also incur costs associated with administering Pell Grants for eligible workforce programs. Specifically, States are tasked with calculating program completion rates (until the 2028–29 award year) and job placement rates (in perpetuity) to determine which programs meet the definition of an eligible workforce program. To do so, States will have to establish new processes to verify that programs have completion rates and job placement rates above 70 percent. This process may require new personnel costs, data assembly costs, communication costs, and other administrative costs. States must compute completion rates and job placement rates annually, meaning States will incur initial start-up costs establishing the process and additional costs associated with computing these metrics on an annual basis.

Third, higher education institutions will incur minimal costs related to compliance with the proposed rule regarding Pell Grant eligibility for students who receive non-Federal grant or scholarship assistance that equals or exceeds cost of attendance. Institutions would need to modify their systems and train staff to monitor whether additional non-Federal grant or scholarship assistance is awarded to a Pell Grant recipient that affects that individual's eligibility for Pell Grant funds.

Institutions already monitor the receipt of new assistance but would experience additional burden to evaluate whether the total non-Federal grant or scholarship assistance equals or exceeds the student's COA. While the Department estimates only a small number of students would potentially be affected by this change (approximately 5,040 students), all institutions must still establish systems to monitor aid awards and will therefore incur costs under the proposed rule.

Benefits of the Proposed Regulations

The proposed regulations provide benefits to four groups: students, institutions of higher education, employers, and taxpayers. These benefits are discussed in that order.

First, students will benefit through several channels, the first of which is from the positive effect the proposed rule will have on postsecondary enrollment, persistence, and completion outcomes. An abundance of research, including IES studies on the Workforce Pell Grant experimental sites initiative, finds that these grant programs

positively affect these outcomes,¹⁰ implying that students will attain higher levels of postsecondary education due to the expanded availability of Pell Grants to enroll in eligible workforce programs relative to the current baseline. This, in turn, may result in additional benefits for students, given that postsecondary participation is associated with higher levels of happiness, health, and civic engagement, among other benefits.¹¹ Furthermore, it is possible that some students who would otherwise unsuccessfully attend a two- or four-year program are instead diverted to short-term programs, saving these students in terms of lost time away from the labor market and higher expenses for tuition and fees.

To better understand potential effects on enrollment, we estimate how much enrollment in short-term certificate programs may increase as a result of the regulation. In the “Net Budget Impact” section (Table 4.1), the Department estimates that there will be an average of 187,000 Pell Grant recipients per year in eligible workforce programs between FY 2026 and FY 2035. As a high-end estimate (where we assume all of these

Pell Grant recipients are new college students), this suggests that the proposed rule would increase enrollment in short-term certificate programs by approximately 13 percent relative to current levels.¹² As a low-end estimate (where we assume one in five of these recipients are new college students), this suggests enrollment in these programs would increase by approximately 3 percent relative to current levels. As a middle-ground estimate, we take the midpoint between the low-end and high-end estimates. Under this method, this implies an estimated 8 percent enrollment growth in short-term certificate programs relative to current levels.

Second, students will benefit because the proposed rule will expand the supply of potentially high-value, short-term certificate programs. Research suggests that Federal subsidies allow institutions to create new programs and expand the sizes of existing ones, especially for short-term programs that are intended to “stack” with other credentials.¹³ This implies that the proposed rule may prompt institutions to create and expand the number of potentially high-value, short-term certificate programs they offer.

To estimate how institutions may expand their short-term certificate programs due to the proposed rule, we first used data from the Integrated Postsecondary Education Data System (IPEDS) to examine the current landscape of undergraduate certificate programs. Approximately 60 percent of undergraduate certificate programs that are less than one year (or approximately 900 clock hours) in length are offered at public two-year institutions, and an additional 28 percent are offered at public four-year institutions (Table 3.1). A majority of undergraduate certificate programs that are less than one year in length are offered in fields related to STEM, Consumer and Public Service,

Business, and Skilled Trades (Table 3.2).

The data suggest that, as an upper-bound estimate, as many as 28,000 existing undergraduate certificate programs could potentially qualify as eligible workforce programs given the length of these programs. This estimate was derived by summing the total number of programs shown in columns 1 and 2 of Table 3.1.¹⁴ In addition to these currently existing programs, some number of new programs will also be created and will meet the requirements to be classified as an eligible workforce program. Assuming a proportional growth in new programs to match the estimated 8 percent enrollment growth, this would imply that there could be as many as 2,200 new undergraduate certificate programs that get created as a result of the proposed rule.¹⁵

In practice, however, the Department anticipates that a much smaller share of undergraduate certificate programs will ultimately qualify as eligible workforce programs given the other requirements (beyond program length) that programs must meet. It is difficult for the Department to provide a precise estimate on how many programs may qualify as eligible workforce programs using existing data on short-term certificate programs because we currently lack visibility into those programs’ completion rates and job placement rates, and whether the programs will be classified as aligned with requirements of high-skill, high-wage, or in-demand sectors or occupations by States — all of which are important determinants for estimating the number of programs that could be eligible, among other requirements.

¹⁴ Eligible workforce programs must be between 150 and 600 clock hours (or the equivalent of 8–14 weeks) in length. Unfortunately, data in IPEDS do not classify programs using these thresholds. Instead, they categorize undergraduate certificate programs as “less than 12 weeks in length” and “between 12 weeks and 1 year in length.” Therefore, it is not possible to distinguish the precise number of existing certificate programs that meet the criteria to be an eligible workforce program. Instead, we sum the two categories (in columns 1 and 2) together. This method results in overcounting programs because it includes programs that are shorter than 150 clock hours in length and also programs that are longer than 600 clock hours in length—neither of which meet the definition to be an eligible workforce program.

¹⁵ The 8% enrollment growth projection comes from the middle-ground estimate described above when discussing the first benefit to students.

¹⁰ Thomas, J. Gonzalez, N. Paxton, N., Wiegand, A., & Hebbard, L., (2020). The Effects of Expanding Pell Grant Eligibility for Short Occupational Training Programs: Results for the Experimental Sites Initiative. US Department of Education: Institute for Education Sciences, https://ies.ed.gov/sites/default/files/migrated/nces_pubs/ncee/pubs/2021001/pdf/2021001.pdf; Thomas, J. Gonzalez, N., Williams, B., Paxton, N., Hu, J., Wiegand, A., Hebbard, L., (2024). The Effects of Expanding Pell Grant Eligibility for Short Occupational Programs: New Results on Employment and Earnings from the Experimental Sites Initiative. U.S. Department of Education: Institute for Education Sciences, <https://ies.ed.gov/sites/default/files/ncee/document/2025/01/NCEE%202025-005r.pdf>; Deming D., & Dynarski S. (2010). College aid. In Levine P.B., Zimmerman D.J. (Eds.), *Targeting investments in children: Fighting poverty when resources are limited* (pp. 283–302). Chicago, IL: University of Chicago Press; and Nguyen, T.D., Kramer, J.W., & Evans, B.J. (2019). The effects of grant aid on student persistence and degree attainment: A systematic review and meta-analysis of the causal evidence. *Review of educational research*, 89(6), 831–874.

¹¹ Milligan, K., Moretti, E., & Oreopoulos, P. (2004). Does education improve citizenship? Evidence from the United States and the United Kingdom. *Journal of Public Economics*, 88(9–10), 1667–1695; Oreopoulos, P. & Salvanes, K.G. (2011). Priceless: the nonpecuniary benefits of schooling. *Journal of Economic Perspectives*, 25(1), 159–184; Doyle, W.R., & Skinner, B. T. (2017). Does postsecondary education result in civic benefits? *The Journal of Higher Education*, 88(6), 863–893; and Cutler, D.M., & Lleras-Muney, A. (2010). Understanding differences in health behaviors by education. *Journal of health economics*, 29(1), 1–28.

¹² This estimate is derived by assuming that all of the 187,000 new Pell Grant recipients per year are new college students, and by using a denominator of 1.4 million students, which is the number of completers in undergraduate certificate programs that are less than 900 clock hours in length using IPEDS completers data from the 2024 award year.

¹³ Anderson, D. M., & Daugherty, L. (2023). Community colleges can increase credential stacking by introducing new programs within established technical pathways. *The Journal of Higher Education*, 94(6), 745–765.

Table 3.1 - Undergraduate Certificate Programs by Sector, Level, and Program Length

Sector	Program Length				Total
	Less than 12 Weeks	12 Weeks to Less than 1 Year	1 Year to Less than 2 Years	2 or More Years	
	(1)	(2)	(3)	(4)	(5)
A. 4-Year Institutions					
Public	697	6,969	3,151	187	11,004
Private Nonprofit	64	1,113	477	74	1,728
For-profit	24	289	342	21	676
B. 2-Year Institutions					
Public	1,216	14,410	10,506	613	26,745
Private Nonprofit	3	35	100	75	213
For-profit	94	391	779	189	1,453
C. Less-Than 2-Year Institutions					
Public	252	668	1,155	5	2,080
Private Nonprofit	4	40	74	0	118
For-profit	211	1,463	1,655	9	3,338
Total	2,565	25,378	18,239	1,173	47,355

Notes: The sample of programs is limited to certificate programs (award levels 1, 4, 20, and 21) that had at least one reported completer during Award Years 2022-23 or 2023-24. Second majors are not included. Source: Integrated Postsecondary Education Data System (IPEDS).

Table 3.2 - Undergraduate Certificate Programs by Field of Study and Program Length

Broad Field of Study	Program Length				Total
	Less than 12 Weeks	12 Weeks to Less than 1 Year	1 Year to Less than 2 Years	2 or More Years	
	(1)	(2)	(3)	(4)	(5)
Skilled Trades	427	3,698	3,920	489	8,534
Business	202	3,801	1,902	36	5,941
Consumer and Public Services	465	5,632	4,047	211	10,355
Law and Protective Services	95	1,423	747	21	2,286
Health	952	3,504	4,211	185	8,852
Liberal Arts & Humanities	84	1,944	606	64	2,698
STEM	340	5,376	2,806	167	8,689
Total	2,565	25,378	18,239	1,173	47,355

Notes: See Table 3.1 above for information on sample of programs. Field of Study categories come from Christensen & Turner (2022) and are created by grouping two-digit CIP codes ("Skilled Trades"=47,48,46,49; "Business"=52; "Consumer and Public Services"=31,9,50,10,25,13,44,12,19); "Law and Protective Services"=22,43; "Health"=51; "Liberal Arts, Humanities, and Social Sciences"= 5,24,30,23,42,16,45,38,39,54; and "STEM"= 14,41,15,11,4,26,27,29,40,1,3).

Source: Integrated Postsecondary Education Data System (IPEDS).

Despite the lack of data on key eligibility criteria among existing certificate programs, it remains likely that the influx of Federal funding from Pell Grants for eligible workforce

programs will result in an expansion in short-term certificate programs, creating a more-robust set of programmatic options for students to consider. Program creation and growth will be

abetted by the \$107 million in funding the Departments of Education and Labor provided to help institutions of higher education create and expand high-

quality, short-term certificate programs.¹⁶

The Department's analysis of existing short-term certificate programs provides some insight into the fields that may be most common among eligible workforce programs. Given the current distribution of short-term undergraduate certificate programs (Table 3.2), programs in Health, Consumer and Public Service, Business, and Skilled Trades could be the most common types of programs that expand due to the proposed rule.

The third way students will benefit from the proposed rule is through the higher earnings they achieve after participating in high-value, short-term certificate programs. A large body of empirical research from multiple States finds that short-term certificate programs provide lucrative returns to participants. On average, the earnings gains associated with completing a short-term certificate program range from \$1,200–\$2,000 per year,¹⁷ with some studies finding even larger earnings gains ranging between \$3,800–\$5,200 per year.¹⁸ These earnings gains

are realized by students over a number of years following program exit, and for many students, these gains represent a sizeable earnings increase that is often enough to pull the individual out of poverty.

One reason the proposed rule is likely to result in an average increase in students' earnings is because eligible workforce programs must pass a value-added earnings test on an annual basis to remain in the program (which will first be computed for the 2030–31 award year under the proposed rule). When the value-added earnings test is in effect, this means the average earnings gains (defined as the difference between a program's adjusted median earnings¹⁹ and 150 percent of the Federal poverty line) of Pell Grant recipients who complete the program must equal or exceed the program's tuition prices. Eligible workforce programs that fail to clear this benchmark must reduce tuition until it is at or below the value-added earnings or they are not eligible to access Pell Grants.

To better understand the impact of this provision, we again analyzed current undergraduate certificate programs as a proxy to better understand the programs that would likely pass the value-added earnings test. To do so, we used program-level earnings data from the College Scorecard, program-level completer counts from IPEDS, and program-level data on tuition and fees reported by institutions to the Department of Education.²⁰

Annenberg Institute for School Reform at Brown University.

¹⁹Median program earnings are adjusted using the regional price parity (all items) from the metropolitan statistical area where the college is located. If the program is offered at a college that is not in a metropolitan statistical area, the state-level regional price parity is used. The median earnings at programs who enroll a majority of students from out of state are not adjusted using regional price parities. Regional price parity data comes from the Bureau of Economic Analysis.

²⁰Specifically, using 4-digit CIP codes, credential level, and OPEID, we merge College Scorecard data, IPEDS completers data, and data reported by colleges to the Department of Education on program-level tuition and fees. When necessary, we used College Scorecard crosswalks to link UNITIDs (from IPEDS) to 6-digit OPEIDs. A small share of undergraduate certificate programs may be omitted from our analysis because their college did not report tuition and fees data to the Department of Education through the Financial Value and Transparency (FVT) data reporting.

Results are shown in Tables 3.3, 3.4, 3.5, and 3.6. There are two important caveats to these analyses. First, these results are likely to represent upper-bound estimates on program pass rates because this analysis only includes undergraduate certificate programs *with earnings data*. This means our analysis does not include program-level earnings outcomes for any undergraduate certificate program that is less than 300 clock hours (or equivalent) in length. This limitation may upwardly bias our tuition and earnings estimates relative to the subset of programs that may ultimately qualify as eligible workforce programs.²¹ Second, these estimates are based on the stock of *existing* undergraduate certificate programs. Our estimates do not account for the possible interactive effects that could occur if newly created certificate programs (due to the availability of Federal funding) alter composition of existing programs. Similarly, the analysis does not account for the possibility that newly created undergraduate certificate programs will have different tuition levels and earnings outcomes than the stock of undergraduate certificate programs that currently exist.

With those caveats in mind, we begin by presenting information on the average tuition and fees of short-term undergraduate certificate programs (Table 3.3). The data come from program-level tuition data reported by institutions to the Department of Education for students who completed their education during the 2023–24 award year. There is large variation in the sticker prices of undergraduate certificate programs, ranging from \$4,100 (the average for public institutions) to \$19,300 (the average for private non-profit institutions). Programs that are less than one year in length are typically less expensive. At public institutions, these programs have an average sticker price of just under \$3,600.

²¹In other words, the average length of undergraduate certificate programs in our sample is necessarily longer, on average, than the programs that will qualify as eligible workforce programs. If the earnings outcomes of shorter certificate programs (not observed in our data) differ from the earnings outcomes of longer certificate programs (included in our data), then the pass rates we estimate could vary from actual program pass rates.

¹⁶Department of Education (2025). "FIPSE–SP Program FY 2025 Awards: Supporting Capacity-Building for High-Quality Short-Term Programs." www.ed.gov/media/document/fy-2025-fipse-sp-awards-funding-summary-short-term-programs-112923.pdf. Department of Labor (2025). "US Department of Labor Announces Availability of \$65M in Grants to Help Community Colleges Increase Access to In-Demand, High-Quality Training." www.dol.gov/newsroom/releases/eta/eta20260217.

¹⁷Bahr, P.R., & Columbus, R. (2025). Labor Market Returns to Community College Noncredit Occupational Education. *Educational Evaluation and Policy Analysis*, 01623737251360029; Carruthers, C.K., & Sanford, T. (2018). Way station or launching pad? Unpacking the returns to adult technical education. *Journal of Public Economics*, 165, 146–159; Darolia, R., Guo, C., & Kim, Y. (2025). The Labor Market Returns to Very Short-Term Rapid Postsecondary Certificates. *Economics of Education Review*, 107, 102681; Jepsen, C., Troske, K., & Coomes, P. (2014). The labor-market returns to community college degrees, diplomas, and certificates. *Journal of Labor Economics*, 32(1), 95–121; and Stevens, A.H., Kurlaender, M., & Grosz, M. (2019). Career technical education and labor market outcomes: Evidence from California community colleges. *Journal of Human Resources*, 54(4), 986–1036.

¹⁸Bahr, P.R., Dynarski, S., Jacob, B., Kreisman, D., Sosa, A., & Wiederspan, M. (2015). Labor Market Returns to Community College Awards: Evidence from Michigan. A CAPSEE Working Paper. *Center for Analysis of Postsecondary Education and Employment*; and Xu, D., Bird, K.A., Cooper, M., & Castleman, B.L. (2024). Noncredit Workforce Training, Industry Credentials, and Labor Market Outcomes. EdWorkingPaper No. 24–959.

Table 3.3 – Median Tuition and Fees of Undergraduate Certificate Programs, by Length and Sector

Sector	Program Length		Total
	Less-Than One Year	One Year or Longer	
Public	\$3,588	\$4,578	\$4,083
Private Nonprofit	\$15,038	\$23,630	\$19,334
For-Profit	\$15,148	\$20,152	\$17,650
Total	\$11,258	\$16,120	\$13,689

Notes: The sample of programs includes all undergraduate certificate programs that appear in both IPEDS Completers data and Financial Value Transparency program-level reporting as submitted by September 30, 2025. Program tuition data corresponds to the median sticker price (tuition and fees) charged to students who completed the program during the 2023-24 award year excluding individuals charged no tuition and fees. Monetary values are in 2024 dollars. Program medians are averaged by sector, weighting them by the number of completers in the program (from IPEDS). Some certificate programs may be omitted because their college did not report program tuition data to the Department of Education.

Source: Integrated Postsecondary Education Data System (IPEDS) and data reported by colleges to the Department of Education on program-level tuition and fees.

Next, in Table 3.4 we formally estimate the share of undergraduate certificate programs that pass the value-added earnings test. To pass, the following must be true of the program:

(Published Tuition & Fees) (Adjusted Median Earnings) – (150 percent Poverty Line)

where “Published Tuition & Fees” is the sticker price of the program and “Adjusted Median Earnings” is the median earnings of Pell Grant recipients

measured three years after program exit, adjusted using regional price parity based on where the institution is located.²² All monetary values are adjusted to 2024 dollars using the Consumer Price Index for All Urban Consumers. In 2024, 150 percent of the Federal Poverty Line for a single individual was equal to \$22,590.

As an upper-bound estimate, we estimate that 46 percent of existing undergraduate certificate programs could pass the value-added earnings

test. Pass rates are highest at undergraduate certificate programs offered at public institutions (84 percent), while pass rates are lowest at undergraduate certificate programs offered at for-profit institutions (14 percent). However, approximately half of programs at for-profit institutions could pass the value-added earnings test if they lowered tuition prices because median earnings of their completers exceed 150 percent of the poverty line.

²² In our analyses, we estimate “Published Tuition & Fees” by using the median sticker price (published tuition and fees) charged to title IV students in the program. For “Adjusted Median Earnings,” we use the median earnings of title IV

completers from the program measured 1-year after exit, adjusted using the regional price parity (RPP) based on where the college is located. Colleges located in a metropolitan statistical area (MSA) are adjusted using the MSA’s RPP, and colleges not

located in an MSA are adjusted using the state’s RPP. 1-year program earnings are used because they correspond to when program earnings will be measured (3 years after exit) of Pell Grant recipients in eligible workforce programs.

Table 3.4 - Estimated Value-Added Earnings of Undergraduate Certificate Programs, by Sector

Sector	Adjusted Median Earnings	Value- Added Earnings (VAE)	% Failing the VAE Test		% Passing the VAE Test
			VAE <= FPL150	FPL150 < VAE < Tuition	VAE >= Tuition
	(1)	(2)	(3)	(4)	(5)
Public	\$41,812	\$19,222	9.4	7.0	83.6
Private Nonprofit	\$36,460	\$13,870	31.5	36.6	31.9
For-Profit	\$28,876	\$6,286	36.8	49.7	13.5
Total	\$35,020	\$12,430	24.0	29.8	46.2

Notes: The sample includes all undergraduate certificate programs with data on program-level earnings (from the College Scorecard), tuition and fees (from Financial Value & Transparency reporting), and program completer counts (from IPEDS). When necessary, programs are aggregated to the 4-digit CIP and averages are weighted by program completers (from IPEDS). All monetary values are in 2024 dollars. The value-added earnings (VAE) is the difference between column 1 and \$22,590, which is the Federal Poverty Line for a single individual in 2024. Adjusted median earnings are the median earnings of title IV, HEA program completers who are working and not enrolled in college measured one year after program exit for students who existed during the 2017-18/2018-19 and 2018-19/2019-20 award years, adjusted using the regional price parity of where the college is located. Programs are counted as passing the VAE if the estimated VAE equals or exceeds the total tuition and fees of the program.

Source: The College Scorecard, IPEDS, and data reported by colleges to the Department of Education on program-level tuition and fees.

Table 3.5 repeats this analysis, except value-added earnings pass rates are disaggregated by broad field of study. This analysis shows that pass rates vary substantially across fields. For example, over half of undergraduate certificate

programs in Skilled Trades, Business, Law/Protective Services, and STEM are estimated to pass the value-added earnings test. Conversely, fewer than 5 percent of undergraduate certificate programs in Consumer and Public

Services are estimated to pass the value-added earnings test. Approximately a quarter of programs in Consumer and Public Services fields could pass the value-added earnings test if they lowered tuition prices.

Table 3.5 - Estimated Value-Added Earnings of Undergraduate Certificate Programs, by Broad Field of Study

Broad Field of Study	Adjusted Median Earnings	Value- Added Earnings (VAE)	% Failing the VAE Test		% Passing the VAE Test
			VAE <=	FPL150 <	VAE >= Tuition
			FPL150	Tuition	
	(1)	(2)	(3)	(4)	(5)
Skilled Trades	\$42,174	\$19,584	4.1	34.7	61.2
Business	\$37,793	\$15,203	13.0	3.0	84.0
Consumer and Public Services	\$20,035	-\$2,555	72.7	23.2	4.1
Law and Protective Services	\$55,451	\$32,861	1.2	3.4	95.4
Health	\$38,490	\$15,900	9.3	39.1	51.6
Liberal Arts & Humanities	\$29,156	\$6,566	20.9	33.9	45.2
STEM	\$43,766	\$21,176	6.1	24.2	69.7

Notes: See Table 3.4 for information on the programs in the sample, variable definitions, and calculations. Programs are grouped into Broad Field of Study categories using the method described in Table 3.2.
Source: The College Scorecard, IPEDS, and data reported by colleges to the Department of Education on program-level tuition and fees.

Lastly, Table 3.6 displays the characteristics of the 15 largest undergraduate certificate programs²³ (measured by number of completers during the 2022–23 and 2023–24 award years) and whether these programs are likely to pass the value-added earnings test. Like the prior table, these results reveal the large variation in pass rates

across programs. Among the 15 largest undergraduate certificate programs, some fields (such as Cosmetology and Somatic Body Work) have pass rates below 5 percent. Many of these programs, however, could pass the value-added earnings test if they lowered tuition prices. Programs in other fields (such as Ground

Transportation, Allied Health, Criminal Justice & Corrections, and Business Administration) have pass rates above 90 percent, implying that the earnings gains experienced by graduates from these certificate programs almost always exceed tuition prices.

²³ Programs are defined using 4-digit CIP codes.

Table 3.6 - Estimated Value-Added Earnings of Undergraduate Certificate Programs (15-Largest Undergraduate Certificate Programs)

Program (4-digit CIP)	Adjusted Median Earnings	Value-Added Earnings (VAE)	% Failing the VAE Test		% Passing the VAE Test
			VAE <= FPL150	FPL150 < VAE < Tuition	VAE >= Tuition
	(1)	(2)	(3)	(4)	(5)
Cosmetology and Related Personal Grooming Services	\$19,227	-\$3,363	77.8	21.3	0.9
Practical Nursing, Vocational Nursing and Nursing Assistants	\$47,805	\$25,215	1.3	12.4	96.3
Allied Health and Medical Assisting Services	\$29,557	\$6,967	9.0	70.5	20.5
Precision Metal Working	\$41,447	\$18,857	0.9	31.0	68.1
Vehicle Maintenance and Repair Technologies	\$39,363	\$16,773	7.3	40.4	52.3
Health and Medical Administrative Services	\$30,314	\$7,724	14.4	57.0	28.6
Business Administration, Management and Operations	\$38,888	\$16,298	3.7	0.9	95.4
Liberal Arts and Sciences, General Studies and Humanities	\$28,570	\$5,980	22.1	32.4	45.5
Allied Health Diagnostic, Intervention, and Treatment Professions	\$56,646	\$34,056	0.7	8.3	91.0
Electrical and Power Transmission Installers	\$47,559	\$24,969	5.2	41.7	53.1
Dental Support Services and Allied Professions	\$26,541	\$3,951	26.3	59.6	14.1
Criminal Justice and Corrections	\$57,949	\$35,359	0.3	3.7	96.0
Heating, Air Conditioning, Ventilation & Refrigeration Maintenance	\$38,868	\$16,278	0.2	51.8	48.0
Ground Transportation	\$46,237	\$23,647	0.0	1.9	98.1
Somatic Bodywork and Related Therapeutic Services	\$21,684	-\$906	54.6	43.7	1.7

Notes: This table displays the 15 largest undergraduate certificate programs (defined at the 4-digit CIP level) and ranked using the number of completers in the program during the 2022-23 and 2023-24 award years. See Table 3.4 for information on the programs in the sample, variable definitions, and calculations.

Source: The College Scorecard, IPEDS, and data reported by colleges to the Department of Education on program-level tuition and fees.

Together, the estimates from Tables 3.4, 3.5, and 3.6 suggest that programs offered in certain sectors and fields are more likely to pass the value-added earnings test than others. Our estimates suggest that students who attend short-term certificate programs offered at public colleges and in fields related to health, transportation, and business will experience the largest earnings gains, and are therefore likely to benefit the most from the proposed rule. In summary, this analysis reveals that many students will benefit from the proposed rule through the positive earnings gains they experience by attending eligible workforce programs.

The final benefit to students is the way the proposed rule will influence students' decisions to pursue higher levels of postsecondary education. Research shows that short-term certificate programs may serve as an "on-ramp" for students to pursue additional levels of postsecondary education, with low-income students experiencing the largest effects.²⁴ Thus,

as low-income students use the Pell Grant to pursue high-value, short-term programs, some subset of those enrollees will be motivated and prepared to pursue higher levels of postsecondary education such as an associate or bachelor's degree program—an outcome they would not have considered in the absence of their enrollment in the short-term program. These students are likely to experience additional earnings gains when they obtain additional credentials. Eligible workforce programs are required to provide stackable credentials, a requirement that will likely increase the likelihood that students pursue additional credentials.

The second group who will benefit from the proposed rule are institutions of higher education. Like students, institutions of higher education will benefit through several channels. First, institutions of higher education may experience increases in enrollment in high-value, short-term certificate

programs due to the expansion in Pell Grant eligibility to eligible workforce programs.²⁵ Ultimately, these enrollment increases will lead to greater revenue for institutions. Much of this revenue will come from the Pell Grant Program directly. However, institutions may earn revenue beyond what is provided by Pell Grants in situations where the Pell Grant does not fully cover the cost of the program and students or other entities pay those additional costs with their own funds.

Second, institutions of higher education will benefit from greater enrollment in other types of postsecondary programs (such as associate and bachelor's degree programs). This is because high-value, short-term certificate programs serve as an "on-ramp" for students to pursue additional levels of postsecondary education.²⁶ As the Pell Grant Program drives enrollment into eligible workforce programs, some of these students will choose to pursue enrollment in additional postsecondary programs. As a result, institutions of

²⁴ Daugherty, L., Anderson, D.M., Kramer, J.W., & Bozick, R. (2021). Building Ohio's Workforce through Stackable Credentials. Research Brief. RB-A207-1. RAND Corporation; Daugherty, L., Bahr, P.R., Nguyen, P., May-Trifiletti, J., Columbus, R., & Kushner, J. (2023). Stackable Credential Pipelines and Equity for Low-Income Individuals: Evidence

from Colorado and Ohio. Research Report. RR-A2484-1. RAND Corporation; Bohn, S., & McConville, S. (2018). Stackable credentials in career education at California community colleges. Public Policy Institute of California; and Zaber, M.A., Phillips, B.M., & Daugherty, L. (2025). Examining Short-Term Certificate Credentials and Student Outcomes in Indiana. RAND.

²⁵ See previously cited research by Thomas et al. (2020), Thomas et al. (2024), Deming & Dynarski (2010), and Nguyen et al. (2019).

²⁶ See previously cited research by Daugherty et al. (2021), Daugherty et al. (2023), Bohn & McConville (2018), and Zaber et al. (2025).

higher education will benefit from the additional tuition and fees revenues they receive from these new enrollments.

Third, institutions of higher education will benefit because the new eligibility requirements for Pell Grants will allow institutions to create and expand short-term programs.²⁷ Currently, short-term certificate programs (those that are less than 300 clock hours in length) are relatively limited in scale because they are typically ineligible for Federal financial assistance. Because of the proposed rule, institutions may choose to expand these short-term certificate programs since they will now be eligible for Federal Pell Grants. This growth will benefit the institution through the effect it has on tuition revenue and through the spillover effects that short-term certificate programs have on enrollment in other types of postsecondary education programs.

The third group that will benefit from the proposed rule are employers. Employers from many industries regularly cite a “skills gap” in the American labor force, meaning there is a mismatch between the skills that potential workers have and the skills that employers are looking for.²⁸ The proposed rule will enhance the skills of the American labor force by increasing the rate at which individuals pursue high-value, short-term certificate programs.²⁹ Employers may benefit from the proposed regulation because it increases the pool of skilled individuals they are able to find and hire.³⁰ In turn,

this may allow firms to expand, ultimately increasing revenues and profits.

Lastly, taxpayers will benefit from the proposed rule in two ways. First, taxpayers (and society at large) will benefit due to the higher level of earnings experienced by individuals who participate in potentially high-value, short-term programs. As discussed above, there are significant earnings gains for participants in short-term certificate programs, and those earnings gains translate into higher levels of revenue collected through Federal and State taxes.³¹ Those revenues can then be used to pay down the national debt or spent on other policy priorities that benefit taxpayers and society.

We provide a back-of-the-envelope estimate on how much tax revenue could be generated through the proposed rule (note these estimates are illustrative and not included in the net budget impact estimates). To do so, we assume that 187,000 individuals will receive a Pell Grant per year to attend an eligible workforce program, and that the average annual earnings gain experienced by these individuals is \$2,000. Assuming the \$2,000 earnings gain is taxed at a 12 percent rate, this provision could yield an additional \$449 million in tax revenue over 10 years.³²

Bank of Dallas. www.dallasfed.org/cd/communities/2024/2408.

³¹ See previously cited research by Bahr & Columbus (2025), Carruthers & Sanford (2018), Darolia et al. (2025), Jepsen et al. (2014), Stevens et al. (2019), Bahr et al. (2015), and Xu et al. (2024).

³² This estimate is calculated by multiplying the \$2,000 earnings increase by 12% by 187,000 individuals, times ten years. The 187,000 estimate comes from ED's recipient estimates in the Net Budget Impact (Table 4.1), and the \$2,000 earnings gain estimate comes from previously cited research by Bahr & Columbus (2025), Carruthers & Sanford (2018), Darolia et al. (2025), Jepsen et al. (2014), Stevens et al. (2019), Bahr et al. (2015), and Xu et

Second, the positive effects on earnings will result in fewer individuals in poverty. In turn, this means that fewer individuals will rely on social safety net programs such as Unemployment Insurance, the Supplemental Nutrition Assistance Program (SNAP), Medicaid, and the Women, Infants, and Children (WIC) program. Taxpayers will benefit due to the reduction in costs associated with these safety net programs.

To better understand this benefit to taxpayers, Table 3.7 displays data on the pre-enrollment earnings levels of independent students prior to enrolling in an undergraduate certificate program.³³ On average, these individuals report annual earnings between \$20,400 to \$24,500 prior to their enrollment. Given that 150 percent of the Federal poverty threshold for a single individual is \$22,590 (in 2024) and that the average estimated earnings gains of short-term programs (from the literature) ranges between \$1,200 to \$2,000 per year, this implies that the median independent student who enrolls in short-term certificate program will be pulled above 150 percent of the Federal poverty threshold after completing a short-term certificate program. Ultimately, this increase in earnings reduces the cost burden on Federal safety net programs, benefiting both students as well as taxpayers and society (these effects are not included in the net budget impact estimates).

al (2024). The 12% marginal tax rate is the current Federal tax rate for individual tax filers earning between \$11,001 and \$44,725 annually.

³³ Income data comes from information title IV recipients filed on the FAFSA prior to enrolling in their program. The sample includes independent students in undergraduate certificate programs (regardless of program length) who enrolled in an undergraduate certificate program during the 2023–24 award year. Individuals with zero earnings are excluded from the median.

²⁷ See previously cited research by Anderson & Daugherty (2023).

²⁸ Bessen, J. (2014). Employers aren't just whining—the “skills gap” is real. *Harvard Business Review*, 25.

²⁹ See previously cited research by Deming & Dynarski (2010) and Nguyen et al. (2019).

³⁰ Crockett, A., Perlmeter, E.R., & Zhang, X. (2024). “How Valuable is a Short-Term Credential for a Job Seeker? It's Complicated.” Federal Reserve

Table 3.7 - Estimated Pre-Enrollment Earnings of Independent Students in Undergraduate Certificate Programs, by Sector

Sector	Median Pre-Enrollment Earnings
Public	\$24,518
Private Nonprofit	\$21,718
For-Profit	\$20,448
Total	\$22,228

Notes: Earnings values come from the income of individuals reported on the FAFSA prior to entering their program. Earnings include the income of independent students entering an undergraduate certificate program during the 2023-24 award year. Individuals with zero pre-enrollment earnings are excluded from the median value. Monetary values are measured in 2024 dollars.

Source: Data from the Office of Federal Student Aid (FAFSA Submissions).

4. Net Budget Impact

Table 4.1 provides an estimate of the net Federal budget impact of these

proposed regulations that are summarized in Table 2.1 of this RIA. The baseline for the estimated net budget impact is the President's Budget

for FY 2026 (PB 2026) in order to capture the full impact of the legislative changes implemented by the proposed regulations.

Table 4.1 - Estimated Costs, New Recipients, and Outlays Associated with Workforce Pell

Award Years (AY) 2026-27 - 2030-31					
	AY 2026-27	AY 2027-28	AY 2028-29	AY 2029-30	AY 2030-31
Discretionary Program Cost (\$m)	263	264	265	267	268
Mandatory Program Cost (\$m)	51	51	51	52	52
Total Program Cost (\$m)	314	315	316	319	320
New Recipients	184,000	184,000	185,000	187,000	187,000
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Discretionary Outlays (\$m)	79	260	264	266	267
Mandatory Outlays (\$m)	16	51	51	51	52
Total Outlays (\$m)	95	311	315	317	319

Continued for Award Years (AY) 2031-32 - 2035-36					
	AY 2031-32	AY 2032-33	AY 2033-34	AY 2034-35	AY 2035-36
Discretionary Program Cost (\$m)	269	270	271	273	274
Mandatory Program Cost (\$m)	52	52	52	52	52
Total Program Cost (\$m)	321	322	323	325	326
New Recipients	188,000	188,000	189,000	190,000	191,000
	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Discretionary Outlays (\$m)	268	269	270	272	273
Mandatory Outlays (\$m)	52	52	52	52	52
Total Outlays (\$m)	320	321	322	324	325

The Pell Grant Program has traditionally served students in bachelor's and associate degree programs, with a smaller number of certificate students. Moving forward, the number of certificate and credential programs that are eligible for Pell Grants will expand, resulting in an estimated increase in Pell Grant recipients of over 180,000 each year between award years 2026–27 and 2035–36.

The recipient estimates in Table 4.1 reflect the portion of projected undergraduate enrollment, who are not in a degree program and would be financially eligible for a Pell Grant (*i.e.*, have a sufficiently low Student Aid Index, which considers income and family size). The Department's recipient

estimates are informed by the National Center for Education Statistics (NCES) enrollment projections and National Postsecondary Student Aid Study (NPSAS) data on the percentage of undergraduates in non-degree programs. The estimated cost reflects an average award of approximately \$1,710, which is prorated from the Short-term Pell Experimental Sites Initiative. The experiment piloted an expansion of Pell Grants for short-term programs aligned with regional workforce needs to a limited group for evaluation from 2012 to 2017. The average award for the experiment was \$1,312 at a time when the Pell Grant maximum award ranged from \$5,550 (in 2012) and \$5,815 (in 2017).³⁴ The recipient estimate

combined with the average award results in a program cost estimate of over \$300 million per award year and outlays of \$3.0 billion for FY 2026 to 2035.

Accounting Statement:

As required by OMB Circular A–4, we have prepared an accounting statement showing the classification of the expenditures associated with the provisions of these proposed regulations. Table 4.2 provides our best estimate of the changes in annual monetized transfers that may result from these proposed regulations. Expenditures are classified as transfers from the Federal government to affected student loan borrowers.

TABLE 4.2—ACCOUNTING STATEMENT: CLASSIFICATION OF ESTIMATED ANNUALIZED EXPENDITURES

[In millions]

Category	Benefits	
Expanded Pell Grant availability benefits recipients as grant aid is positively associated with postsecondary enrollment, persistence, and completion outcomes	Not quantified.	
Expanded supply of high-value, short-term certificate programs	Not quantified.	
Increased earnings for recipients who achieve a certificate from a high-value, short-term programs	Not quantified.	
Potential influence of short-term programs on students' decisions to pursue higher levels of postsecondary education	Not quantified.	
Increased enrollment and associated non-Pell Grant revenues at institutions with successful Workforce Pell programs	Not quantified.	
Increased pool of skilled individuals employers are able to hire, ultimately increasing revenues and profits	Not quantified.	
Taxpayer benefits from higher level of earnings experienced by individuals who participate in high-value, short-term programs and reduced poverty and reliance on social safety nets	Not quantified.	
	Costs	
	3 percent	7 percent
Costs of compliance with paperwork requirements	\$13.88	\$13.58
Costs to State Governments to administer Workforce Pell programs	Not quantified.	
Costs of system changes for the Department to implement the proposed regulations	0.57	0.67
Federal implementation staffing and contract costs	1.4	1.6
Federal long-term staffing increases	0.90	0.87
Additional ongoing contract costs to operate and maintain systems to administer regulatory provisions	2.14	2.09
	Transfers	
	3 percent	7 percent
Increased transfers from Federal government to Pell recipients at Workforce Pell programs	294	289

5. Alternatives Considered

During the negotiated rulemaking process, the Department received more than 80 proposals from non-Federal negotiators representing numerous impacted constituencies on a variety of issues. Throughout the *Significant Proposed Regulations*, we noted proposals that were accepted by the committee, all other proposals were

discussed and declined. To view all proposals submitted, see here: <https://www.ed.gov/laws-and-policy/higher-education-laws-and-policy/higher-education-policy/negotiated-rulemaking-for-higher-education-2025-2026>.

This section will outline significant alternatives of the proposed regulations

not discussed during negotiated rulemaking.

§ 600.10 Date, Extent, Duration, and Consequence of Eligibility

In this rule, we propose that the Secretary approve every eligible workforce program. During initial discussions, the Department considered requiring the Secretary to proactively approve only the first eligible workforce

³⁴ Institute of Education Sciences (2020). “The Effects of Expanding Pell Grant Eligibility for Short Occupational Training Programs: Results from the

Experimental Sites Initiative.” <https://ies.ed.gov/use-work/resource-library/report/evaluation-report/effects-expanding-pell-grant-eligibility-short->

[occupational-training-programs-results-experimental](https://ies.ed.gov/use-work/resource-library/report/evaluation-report/effects-expanding-pell-grant-eligibility-short-occupational-training-programs-results-experimental).

program offered by an institution. Requiring the Secretary to approve one eligible workforce program is similar to the Department's current process for the Direct Assessment Program (§ 668.10) and Prison Education Programs (§ 668 Subpart P). After internal discussion, we determined that the OBBB requires the Secretary to approve each eligible workforce program. Section 481(b)(3) of the HEA states “. . . after the Governor of such State makes the determination that the program meets the requirements . . . the Secretary determines that— . . .” the program meets other requirements like the minimum and maximum number hours and weeks in the program. The Department interprets that language to mean that the Secretary is required to proactively ensure that the program meets all the statutory and regulatory requirements to become an eligible workforce program.

§ 668.5 Written Arrangements To Provide Educational Programs

In this rule, we propose to limit the amount of an eligible workforce program that can be offered by an ineligible institution or organization through a written arrangement to 25 percent or less. Currently up to 50 percent of an eligible program can be offered by an ineligible institution or entity with the approval of the institution's accrediting agency. During initial discussions, the Department considered allowing institutions to contract out more than 25 percent of the eligible workforce program, but determined that an institution that seeks to offer an eligible workforce program should be able to demonstrate that it can provide and offer at least three-quarters of the program without relying on outside vendors. The Department is open to feedback on written arrangements; therefore, we have asked a specific question in the *Directed Questions* section.

§ 668.20 Limitations on Noncredit or Remedial Coursework That Is Eligible for Title IV, HEA Program Assistance

In this rule, the Department proposes to prohibit inclusion of noncredit or remedial courses in a student's eligibility. The Department is aware that many institutions currently offer noncredit programs that do not confer academic credit and also are not measured in clock hours. These noncredit programs usually culminate in a certificate or credential conferred by the institution. The Department considered allowing noncredit programs that are not offered in clock hours to be considered eligible programs; however,

we are constrained by statute. Section 401(k) of the HEA which states, “. . . the provisions of subsection (d)(2) shall not be applicable to eligible workforce programs;”. Section (d)(2) of the HEA states, “(2) Noncredit or remedial courses; study abroad.— Nothing in this section shall exclude from eligibility courses of study which are noncredit or remedial in nature (including courses in English language instruction) which are determined by the eligible institution to be necessary to help the student be prepared for the pursuit of a first undergraduate baccalaureate degree or certificate or, in the case of courses in English language instruction, to be necessary to enable the student to use already existing knowledge, training, or skills . . .”.

Programs must be offered in either credit hours or clock hours to be considered eligible workforce programs for the purposes of receiving a Pell Grant. This means noncredit programs offered in clock-hours could be considered an eligible workforce program, so long as the noncredit program also meets all of the other eligibility criteria.

§ 668.32 Student Eligibility and § 690.6 Duration of Student Eligibility

In this rule, the Department proposes to allow eligible students who have already obtained a bachelor's degree who then enroll in an eligible workforce program under § 668.32 (and a conforming change in § 690.6) to be eligible to receive a Pell Grant. Currently, under § 668.32(c)(2), “For purposes of the Federal Pell Grant Program [the student]. . . Does not have a baccalaureate or first professional degree . . .”. The Department considered applying the bachelor prohibition on Pell Grants to students enrolled in an eligible workforce program. Section 401(k)(2)(B)(i) of the OBBB states that a student, “be enrolled, or accepted for enrollment, in a program of study that leads to a graduate credential. Section 401(k) of the OBBB makes no mention of a student with a bachelor's degree; therefore, we do not believe eligible individuals enrolled in an eligible workforce program after obtaining a baccalaureate degree are prohibited from receiving Pell Grants.

§ 690.5 Ineligibility Due To Grant or Scholarship Assistance From Non-Federal Grants, and § 690.80 Recalculation of a Federal Pell Grant Award

In this rule, the Department proposes to prohibit a student from receiving a Pell Grant if the student receives grant

or scholarship assistance from non-Federal sources that equals or exceeds the student's COA for the award year. For example, a student is eligible for \$7,000 in Pell Grants for the year based on SAI, enrollment intensity, and COA. If a Pell-eligible student's COA is \$7,000, and the student receives a scholarship for \$6,000, then the student can receive their full calculated Pell Grant for the award year.

The Department considered the alternative that, if at any time during the award year the student receives assistance from non-Federal sources that, in combination with the student's Pell Grant disbursements, exceeds the student's COA, the institution must reduce either the Federal Pell Grant or the non-Federal grant or scholarship assistance until the amount that exceeds the COA is eliminated. For example, a student is eligible for \$6,000 in Pell Grants for the year based on SAI and enrollment intensity. If the student's COA is \$7,000, and the student receives a scholarship for \$6,000, then the institution would have to either reduce the student's Pell award by \$5,000 (to not exceed COA) or reduce the scholarship by \$5,000 (to not exceed COA). We determined that we did not have the authority to require a reduction in Pell Grant or non-Federal grant or scholarship assistance in this manner. The proposed text is a more direct read of the statute.

§ 690.90 Scope and Purpose

In this rule, the Department proposes to limit eligible workforce programs to Pell Grant Program eligibility. We considered expanding eligibility to other title IV aid programs, such as the Federal Direct Loan program. However, because the OBBB amended section 401 of the HEA, we determined that the statutory framework only allows eligible workforce programs to access Pell Grants.

§ 690.91 Definitions

The OBBB defines a Governor as “the chief executive of a State.” In this rule, the Department proposes to align the definition of *Governor* with WIOA to mean “the chief executive of a State or outlying area as defined under section 3 of the Workforce Innovation and Opportunity Act. . .”. In WIOA, an outlying area is American Samoa, Guam, the Northern Mariana Islands, Palau, and the U.S. Virgin Islands. A conflict exists between WIOA and the HEA. In addition to all States, territories, and countries covered under the WIOA definition, the HEA definition of a “State” includes the Republic of the Marshall Islands and the

Federated States of Micronesia. The Department considered extending eligibility to eligible institutions in the Republic of the Marshall Islands and the Federated States of Micronesia to offer eligible workforce programs. The Department determined that eligible institutions in neither the Republic of the Marshall Islands nor the Federated States of Micronesia could offer an eligible workforce program because section 481 of the OBBB requires the Governor of a State to approve the eligible workforce program “. . . after consultation with the State board. . . .”. Neither the Republic of the Marshall Islands nor the Federated States of Micronesia have a State board as defined in WIOA.

§ 690.93 Components Determined by Governors

Prior to negotiated rulemaking, the Department considered not regulating on the Governor's approval process. We intended to copy the exact text from the OBBB regarding the Governor's approval making no additional clarifications nor add any additional requirements.

As noted throughout this proposed rule, we worked in direct collaboration with the U.S. Department of Labor (DOL). During our discussions, DOL recommended the framework under § 690.93(b) that requires written and published methodologies, policies, and timeframes for how Governors will approve an eligible workforce program. The Department believes it is important for Governors to have written policies on how programs would be approved. Written policies establish a framework for consistent and standardized program approval. Written policies would also make the approval process clear and transparent for eligible institutions outlining what information is necessary for eligible institutions to submit to the Governor for program approval.

The Department's original proposal³⁵ for the Components determined by Governors did not contain proposed rules on bilateral agreements between Governors to offer eligible workforce programs through distance education to students outside the State where the institution is located. As noted under the *Significant Proposed Regulations*, several negotiators asked if an eligible workforce program could be offered through distance education (defined under 34 CFR 600.2) to students located in a different State than where the eligible institution is located. The

Department has two significant concerns about allowing nationwide reciprocity for eligible workforce programs offered online.

First, the Department is concerned that nationwide reciprocity, without constraints, would bypass Congressional intent that eligible workforce programs fulfill specific local, regional, and State workforce needs. Second, such reciprocity is more likely to lead to rapid proliferation of certain types of eligible workforce programs offered through distance education, and because the oversight framework for these programs is only now being developed, there is significant risk associated with allowing rapid widespread adoption of programs that may or may not be of low quality.

We understand that the proposal is likely to receive significant interest and have asked for specific feedback in the *Direct Questions* section.

§ 690.94 Components Determined by the Secretary

The OBBB requires that eligible workforce programs annually meet a completion outcome for enrolled students. The completion outcomes are detailed in our proposal under § 690.94(a)(2)(i)(A) and (a)(2)(ii)(A). The Department did not initially consider exempting any population of student from the completion rate calculation because the OBBB does not specifically instruct the Department to do so. Indeed, there could be a number of reasons why a student does not complete an eligible workforce program, many of which should be considered in order to reflect the true completion rate for the eligible workforce program.

However, during negotiated rulemaking, several negotiators raised concerns that the completion rate could be negatively impacted by factors completely outside of the eligible institution's control, which would not reflect the true completion rate, and which then could cause an eligible workforce program to lose eligibility. In collaboration with negotiators, the Department developed this list of exclusions. A student is not included in the numerator or denominator of the completion or placement rate if the student dies; experiences the onset of a medical condition that prevents employment; is ordered to the uniformed services, including service performed under Title 10 or Title 32 of the United States Code, for a period of more than 30 days; or becomes incarcerated.

§ 690.95 Value-Added Earnings

The Department considered three alternatives related to the calculation of the value-added earnings metric. These include: the “cohort period” and “earnings measurement period” for the value-added earnings metric; the method for computing earnings for small programs; and the method for adjusting earnings using regional price parities (RPPs).

Value-Added Earnings Timeline

The statute does not specify the first award year that value-added earnings will be measured. The statute is also ambiguous about which completer cohort should be used to measure earnings. Under the Department's initial proposal, we determined that because Congress specified that a program's value-added earnings shall be based on “. . . the earnings of students who received Federal financial aid under this title and who completed the program 3 years prior to the award year . . .”, the first award year in which the value-added earnings could be calculated is the 2029–30 award year using the earnings of students who graduated during the 2026–27 award year.³⁶

Non-Federal negotiators raised two concerns regarding the Department's proposal. First, the Department's initial proposal does not always allow for three full years to transpire before earnings are measured. Second, negotiators argued that this timeline is incongruent with the timeline for when Federal tax records are filed each year.

Alternatively, non-Federal negotiators proposed measuring earnings for the first time during the 2030–31 award year using completers from the 2026–27 award year. Under this alternative, all Pell Grant completers who graduate from an eligible workforce program would then have at least three full years between when they graduated and when earnings are measured.

The Department agreed with the negotiators' recommendation. Measuring earnings in 2029–30 (as the Department initially proposed) rather than 2030–31 (which the Department and negotiators ultimately agreed upon) could result in some scenarios where program earnings are measured less than three full after students complete their program, which the Department believes would be incongruent with statutory intent.

³⁵ Discussion Draft and Amendatory Text—
<https://www.ed.gov/media/document/2025-ahead-discussion-draft-112625.pdf>.

³⁶ Under this proposal, there is exactly three years between the start date of the 2029–30 award year (July 1, 2030) and the start of the 2026–27 award year (July 1, 2026).

Value-Added Earnings Computation for Small Programs

To protect individual privacy when the Department obtains earnings data to compute the median earnings of each program, data must include a minimum number of individuals (at least 16) with usable income records for which the median earnings value is derived. Programs with fewer than 16 completers during an award year will not meet this threshold.

The Department considered several options to address this issue. First, the Department considered excluding these small programs and exempting them from the value-added earnings requirement.

As discussed earlier in this proposed rule, the Department ultimately rejected such an approach. The Department and non-Federal negotiators believe that the value-added earnings component is a critical part of validating the efficacy of an eligible workforce program. Furthermore, the Department believes that Congress intends the Department to make every effort to produce a value-added earnings metric for all programs to protect students and taxpayers. Failing to calculate this metric for small programs could risk program expansion in unpredictable ways.

Second, to ensure small programs will be included in the value-added earnings test, the Department considered aggregating small programs with cohorts of completers from up to three prior award years or until between 30 to 50 completers are reached. The Department ultimately adopted this overall approach in this proposed rule but also considered different variations, both of which related to the tax years used to measure income for individuals in aggregated cohorts.

Some non-Federal negotiators argued that the earnings of individuals in aggregated cohorts should all be measured using tax records from the most-recently available year. Other non-Federal negotiators argued that measuring earnings using data from the most-recent tax year would create an inconsistent earnings metric, where some individuals would have earnings measured three years after program exit, and others (from prior cohorts that are included due to cohort aggregation) would have their earnings measured between 4 and 6 years after exit. Ultimately, the Department rejected this approach because we believe measuring earnings for a period longer than three full years after program exit is inconsistent with statutory intent and would unfairly benefit small programs by upwardly biasing program earnings.

Instead, the Department proposed consistently measuring earnings 3 full years after program exit for all individuals in the cohort period, including for individuals in aggregated cohorts.³⁷ Earnings values would then be adjusted for inflation to align with a single year.

The Department and non-Federal negotiators ultimately agreed that this method was preferable because all students in the aggregated cohort would be measured three full years after they exit from their program, preventing the scenario where some individuals (those from prior cohorts) have a longer time horizon for measuring earnings.

Regional Price Parities

When adjusting program earnings by the regional price parities index, the Department initially considered the following process. First, the Department would identify the location of the institution (using the six-digit OPEID of the institution) that the program was offered at. If that location was in a metropolitan statistical area (MSA), the earnings value would be adjusted using the regional price parity of that MSA. If the location was not in an MSA, the earnings value would be adjusted using the regional price parity of the state.

Non-Federal negotiators raised concerns about programs that enrolled few students from the area in which the college is physically located. They argued programs that enroll a majority of students from out of state would unfairly have their earnings adjusted using a price parity metric that is not representative of the prices their students pay.

The Department subsequently considered an alternative approach (which it adopted in this proposed rule) whereby the earnings of completers from programs that enroll a majority of students from out of State are adjusted using the national regional price parity (rather than the MSA or State-level measure). The Department and negotiators believed that the national-level regional price adjustment (which multiplies median earnings by a factor of 1.0, the national average) more accurately represents the price differentials students in these programs experience.

³⁷ To provide an example, if a program is small and therefore includes completers from the aggregated 2026–27, 2027–28, and 2028–29 award years, the earnings of the 2026–27 completers would be measured in 2030–31 (three full years after these students exited), the earnings of 2027–28 would be measured in 2031–32 (three full years after these students exited), and the earnings of 2028–29 completers would be measured in 2032–33 (three full years after these students exited).

§ 690.97 Regaining Eligibility

Programs may regain eligibility immediately after losing eligibility by following the steps in § 690.97(b) and (c) due to revocation or the Governor's approval or failure of value-added earnings. The Department considered mirroring this timeline for failure of completion or job placement rates under § 690.96(a); however, during internal discussions, concerns arose that a program's failure of placement and completion rates is indicative of a more serious problem. An eligible workforce program is short by nature; therefore, we believe that enrolled students should complete the programs at a high rate, and also the programs are meant to result in a high-skill, high-wage, and in-demand job. Due to these concerns expressed by Department staff, we propose that the institution may not seek to reestablish the eligibility of the failing program or to establish eligibility for a substantially similar program until two years following the earlier of the date the program loses eligibility or the date the institution voluntarily discontinues the failing workforce program.

Regulatory Flexibility Act

This section considers the effects that the proposed regulations may have on small entities in the Educational Sector as required by the Regulatory Flexibility Act (RFA, 5 U.S.C. *et seq.*, Public Law 96–354) as amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA). The purpose of the RFA is to establish as a principle of regulation that agencies should tailor regulatory and informational requirements to the size of entities, consistent with the objectives of a particular regulation and applicable statutes. The RFA generally requires an agency to prepare a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements under the Administrative Procedure Act or any other statute unless the agency certifies that the rule will not have a “significant impact on a substantial number of small entities.”

These proposed regulations are needed to implement statutory changes in the OBBB that expand the Pell Grant Program as of July 1, 2026, to include students who attend eligible workforce programs. The proposed regulations also implement a separate provision under the OBBB preventing a student from receiving a Pell Grant if the student's non-Federal financial assistance equals or exceeds their cost of attendance.

The Secretary certifies, under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), that this proposed regulatory action will not have a significant economic impact on a substantial number of small entities. For the purposes of this certification the Department has defined “significant economic impact” as increasing or reducing a small entity’s revenues by more than 3 percent, and a “substantial number of small entities” as more the 5 percent of institutions that meet the Department’s definition of a small

entity. The Department estimates that fewer than 5 percent of small entities would see their revenues affected by more than 3 percent as a result of the proposed rule. For the purposes of this certification, the Department of Education defines “small entities” by reference to enrollment, to allow meaningful comparison of regulatory impact across all types of higher education institutions. We construct four different categories of small entities for the purposes of classifying higher education institutions: (1) Extremely

Small (1–249 FTE, full-time equivalent student enrollees); (2) Very Small (250–499 FTE); (3) Moderately Small (500–749 FTE); and (4) Small (750–999 FTE). Table 5.1 summarizes the number of institutions in each of these categories. In total, 53 percent of institutions are classified as small institutions under the enrollment-based definition. Specifically, 33 percent are Extremely Small (1–249 FTE), 9 percent are Very Small (250–499 FTE), 6 percent are Moderately Small (500–749 FTE), and 5 percent are Small (750–999 FTE).

Table 5.1 - Number of Small Institutions Under Enrollment-Based Definition

	Small Entities					All Colleges	Percent Small
	Extremely Small	Very Small	Moderately Small	Small	Small		
	(1-249 FTE)	(250-499 FTE)	(500-749 FTE)	(750-999 FTE)	Subtotal		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Public	181	73	74	91	419	1,780	23.54
2-Year	181	68	68	81	398	1,233	32.28
4-Year	0	5	6	10	21	547	3.84
Non-Profit	455	138	142	111	846	1,638	51.65
2-Year	159	34	21	8	222	251	88.45
4-Year	296	104	121	103	624	1,387	44.99
For-Profit	983	242	80	63	1,368	1,540	88.83
2-Year	954	227	70	57	1,308	1,438	90.96
4-Year	29	15	10	6	60	102	58.82
Total	1,619	453	296	265	2,633	4,958	53.11

Notes: Institutions are defined using OPEID6 identification codes.
Source: Department analysis using 2022-23 and 2023-24 IPEDS data.

As seen in Table 5.2, small entities (all four categories combined) in the public sector generate \$3.5 billion in revenues annually, small entities (all four categories combined) in the private non-profit sector generate \$12.3 billion in revenues annually, and small entities

(all four categories combined) in the for-profit sector generate \$4.2 billion in revenues annually. An outsized share of these revenues come from institutions in the largest category of small entities (institutions with 750–999 FTE). These institutions make up just 9 percent of all

institutions classified as a small entity (having fewer than 1,000 FTE) but comprise 38 percent of the annual revenues generated by these institutions.

Table 5.2 - Total Revenue at Small Institutions and All Institutions in 2023-24 (\$ in millions).

	Small Entities					All Colleges	Percent Small
	Extremely Small (1-249 FTE)	Very Small (250-499 FTE)	Moderately Small (500-749 FTE)	Small (750-999 FTE)	Small Subtotal		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Public	203.5	431.4	956.9	1,939.7	3,531.6	433,146.1	0.82
2-Year	203.5	340.9	799.2	1,498.8	2,842.3	104,190.5	2.73
4-Year	0.0	90.5	157.8	441.0	689.3	328,955.6	0.21
Non-Profit	1,998.1	2,293.1	3,192.2	4,769.0	12,252.5	275,556.3	4.45
2-Year	294.6	213.0	241.9	106.2	855.8	12,257.1	6.98
4-Year	1,703.5	2,080.0	2,950.3	4,662.8	11,396.7	263,299.3	4.33
For-Profit	1,361.8	1,157.6	705.6	934.5	4,159.4	18,684.4	22.26
2-Year	1,299.2	1,042.8	555.9	754.6	3,652.5	9,581.4	38.12
4-Year	62.6	114.7	149.7	179.9	506.9	9,102.9	5.57
Total	3,563.4	3,882.1	4,854.7	7,643.3	19,943.5	727,386.8	2.74

Notes: Institutions are defined using OPEID6 identification codes. Monetary values are measured in 2023 nominal dollars.

Source: Department analysis using 2022-23 and 2023-24 IPEDS data.

To determine the extent to which the proposed rule would impact small entities, the Department implemented a two-step process. First, the Department used data from IPEDS and NSLDS to estimate the share of completers from programs that are less than 12 weeks in length who would be Pell Grant recipients. Second, using the values from step 1 and the average estimated Pell Grant disbursement to eligible workforce programs (\$1,710), the Department then estimated the total revenue that could be derived annually from such disbursements relative to institutions' total annual revenues.

Using this methodology, the Department estimates that just 45 small entities (or approximately 2 percent) could have an increase in total revenues of 3 percent or more due to the proposed rule. Additionally, this regulatory action does not impose new reporting requirements or compliance burdens on these entities. Any potential effects are minimal, indirect, or result from voluntary participation in a Federal program. Therefore, the Department concludes that this rule will not have a significant economic impact on a substantial number of small entities, in accordance with 5 U.S.C. 605(b).

Paperwork Reduction Act of 1995

As part of its continuing effort to reduce paperwork and respondent burden, the Department provides the general public and Federal agencies with an opportunity to comment on

proposed and continuing collections of information in accordance with the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3506(c)(2)(A)). This helps make certain that the public understands the Department's collection instructions, respondents can provide the requested data in the desired format, reporting burden (time and financial resources) is minimized, collection instruments are clearly understood, and the Department can properly assess the impact of collection requirements on respondents.

690.5 Ineligibility Due To Grant or Scholarship Assistance From Non-Federal Grants; § 690.80 Recalculation of a Federal Pell Grant Award

Summary

Proposed § 690.5 would make a student ineligible for a Pell Grant during an award year in which the student receives non-Federal grant or scholarship assistance that equals or exceeds the student's COA. Under § 690.80(d), we propose that, if prior to the final disbursement of a student's Pell Grant for the award year, the institution becomes aware that the student has or will receive grant or scholarship assistance from non-Federal sources that equals or exceeds the student's COA, the institution must either: reduce the non-Federal grant or scholarship assistance until it does not equal or exceed the student's COA or return all of the Pell Grant funds that

the student received for the award year and cancel any future disbursements.

Burden

Proposed § 690.5 would now require an institution to monitor, through the final Pell Grant payment for an award year, whether additional non-Federal grant or scholarship assistance is awarded to a Pell Grant recipient that impacts that individual's eligibility for Pell Grant funds. Institutions already monitor the receipt of new assistance; however, institutions would experience additional burden to evaluate whether the total non-Federal grant or scholarship assistance equals or exceeds the student's COA. If the grant or scholarship assistance does not equal or exceed the COA, the school does not have to adjust the student's Pell Grant award. If non-Federal grant or scholarship assistance equals or exceeds the COA, the school will either (1) reduce the total non-Federal grant or scholarship aid to be at least \$1 less than the COA or (2) return the full Pell Grant amount. An institution would need to work with the sources of the non-Federal grant or scholarship and the student to determine what option best meets the student's specific needs.

The Department estimates that currently 18,000 students per year receive non-Federal grants and scholarships that exceed their program's COA. Of those, we estimate approximately 28 percent also receive a Federal Pell Grant. This would result in approximately 5,040 students who

could lose Pell Grant eligibility each year due to non-Federal funds exceeding their program's COA.

Complying with these new regulations would require an institution to review the regulations and regulatory guidance, train staff, update policies and procedures, and potentially make system changes for purposes of tracking non-Federal aid. Financial aid offices will need to adjust a student's aid package for this new reason, increasing burden on institutions. We believe this will add a total of 1.5 hours of burden per student that is potentially impacted by this regulation.

1.5 hours × 5,040 students = 7,560 burden hours.

§ 690.11 Concurrent Federal Pell Grant Payments

Summary

Proposed § 690.11 clarifies that a student cannot receive a Pell Grant for enrollment in an eligible workforce program concurrently with any other educational programs, including another eligible workforce program.

Burden

Institutions are already required to ensure a student is not receiving Pell Grant funds concurrently with another institution. This regulation would add a small amount of burden to highly automated processes that already exist at financial aid offices by requiring the institution to evaluate whether a student enrolled in an eligible workforce program is also enrolled in and receiving Pell Grant funds for another program at the same institution. The Department estimates it will take 1 minute per 1,000 students to perform this additional check. With approximately 6 million Pell recipients per year, we estimate there will be an increase of 100 additional burden hours.

6,000,000/1000 = 6,000 minutes = 100 additional burden hours.

§ 668.32 Student Eligibility; § 690.6 Duration of Student Eligibility

Summary

In nearly all cases, a student who has already obtained a bachelor's degree is not eligible for a Pell Grant. Under proposed regulations, students holding bachelor's degrees, and who are otherwise eligible for a Pell Grant, would not be disqualified for a Pell Grant if they are enrolled in an eligible workforce program. Proposed § 690.32(c)(2)(i)(B)(2)(i) and (ii) would, however, disqualify a student from eligibility for a Pell Grant to enroll in an eligible workforce program if the student is enrolled or accepted for

enrollment in a program of study that leads to a graduate credential or has attained a graduate credential.

Burden

Institutions receive information from a student's FAFSA regarding the highest level of education attained by the student. For eligible workforce programs, there will no longer be a burden associated with an institution's verification that the student has not obtained a bachelor's degree. However, that burden is replaced with documenting a student is not enrolled or accepted for enrollment in a program that leads to a graduate credential, nor have they already attained a graduate credential.

Institutions must update their systems and train staff to account for these changes in regulations. The Department believes it will take 3 hours per eligible institution to make these updates. This adds 16,878 additional burden hours.

5,626 institutions × 3 hours = 16,878 burden hours.

Once relevant updates have been made, the use of automation and technology reduces much of the burden on schools for this requirement. Because of this, the Department does not believe there will be any increase in burden for an institution on a day-to-day basis.

§ 668.20 Limitations on Noncredit or Remedial Coursework That Is Eligible for Title IV, HEA Program Assistance

Summary

Proposed § 668.20 prevents students enrolled in eligible workforce programs measured in credit hours from using a Pell Grant for noncredit or reduced credit courses such as remedial coursework or English as a second language courses.

Burden

Institutions must identify noncredit or reduced credit remedial courses and exclude them from their aid packaging policies for eligible workforce programs measured in credit hours. Under § 668.20(c)(2), institutions are currently permitted, but not required, to include some or all noncredit and reduced credit remedial courses for consideration when packaging title IV, HEA program assistance. Since this new requirement deviates from regular processes, we anticipate there will be an increase of burden on institutions.

Institutions will need to review and become familiar with the regulations (4 hours), train staff (2 hours), update policies and procedures (5 hours), update relevant technical systems (8 hours), and update materials and

websites (3 hours). This increases burden by 22 hours for schools implementing eligible workforce programs. If there are 100 institutions with eligible workforce programs after year one of implementation of these regulations, there would be an increase in 2,200 burden hours.

100 schools × 22 hours = 2,200 total burden hours.

§ 690.91 Definitions; § 690.2 Definitions; § 600.10 Date, Extent, Duration, and Consequence of Eligibility; § 690.90 Scope and Purpose; § 690.92 Eligible Workforce Program; § 668.5 Written Arrangements To Provide Educational Programs; § 668.8 Eligible Program; § 690.90 Scope and Purpose; § 690.92 Eligible Workforce Program; § 668.32 Student Eligibility; § 668.5 Written Arrangements To Provide Educational Programs

Summary

§ 690.91 defines terms used in 34 CFR 690 Subpart H. § 690.2 defines an eligible workforce program. § 600.10 establishes title IV eligibility for workforce programs if the workforce program is approved by the Secretary. § 668.8 and § 690.90 limit title IV, HEA program eligibility to only Pell Grants for students enrolled in an eligible workforce program. § 690.92 contains the program requirements of an eligible workforce program. § 668.5 would limit eligible workforce programs to offer no more than 25 percent of their program with an ineligible institution through a written arrangement.

Burden

These proposed regulations create a new type of program eligible for Pell Grants. Institutions must consider whether or not these regulations have an impact on their programs and whether or not any updates need to be made to their internal processes and procedures. Even institutions not interested in pursuing approval of an eligible workforce program will have an increase of burden due to the proposed regulations. For example, an institution may currently offer programs similar to eligible workforce programs but decide not to seek Secretary approval for them. An institution who otherwise participates in the title IV, HEA programs would want to ensure their staff was familiar these changes so they can determine whether or not a particular program was eligible for a Pell Grant.

The Department estimates it will take an average of 4 burden hours for institutions to review and consider the

changes to title IV regulation. In 2024, there were 5,626 title IV eligible institutions. This results in a total of 22,504 additional burden hours.

$$5,626 \times 4 \text{ hours} = 22,504 \text{ burden hours.}$$

§ 690.93 Components Determined by Governors

Summary

Proposed § 690.93 outlines requirements for the Governor to approve an institution's application for an eligible workforce program.

Burden

These regulations would create burden on States. In order to approve an eligible workforce program, the Governor will need to review statutory and regulatory requirements (3 weeks), consult with their State board (4 weeks), create and publicly publish steps in their eligible workforce program approval process (7 weeks), review applications for eligible workforce programs (7 weeks), and finally, approve or deny the program (2 weeks.)

"Governor" is defined as the chief executive of a State or outlying area or the Tribal government where an institution is located. The Department estimates there will be 59 Governors that decide to create the new approval process required for establishing an eligible workforce program.

If we assume a 40-hour workweek and 23 weeks, this totals an additional 920 hours per Governor. This adds 54,280 burden hours.

$$920 \text{ hours} \times 59 \text{ Governors} = 54,280 \text{ burden hours.}$$

Governors will also need to report to the Department the approval of an eligible workforce program. The Department plans to seek OMB approval of a new form for the requirements of Governor approval. Burden hours for a Governor to complete the actual application will be assessed under the development of a new form, 1845-NEW. This form will be created and made available for comment through a full public clearance package before being made available for use by the effective date of the regulations.

§ 690.94 Components Determined by the Secretary

Summary

Proposed § 690.94 outlines the requirements for Secretary approval of an eligible workforce program. Institutions will be required to seek Secretary approval by submitting an application in order to offer Pell Grants to otherwise eligible students enrolled in eligible workforce programs. § 690.94

also requires an institution with an eligible workforce program to submit to the Governor a list of students who completed the program during the award year and other information necessary for the Governor to verify a job placement rate. Institutions offering eligible workforce programs will also be required to report to the Department the published tuition and fees for the eligible workforce program.

Burden

The application requirements involve burden. Eligible workforce programs will have additional application requirements beyond what an institution is accustomed to when applying for a new program qualifying for title IV, HEA program funds. Institutions will be required to develop and prepare to apply for an eligible workforce program by seeking approval from the Governor prior to seeking program approval from the Secretary. We believe that it will take 15 weeks for internal preparation at the institution which could consist of reviewing new statutory requirements, identifying which programs may qualify, compiling program details, and gaining any relevant internal approvals needed prior to their submission to the Governor.

The submission of the application itself will be completed through a process institutions are already accustomed to using. Proposed regulations would require an update to the form an institution completes: 1845-0012, Application for Approval to Participate in Federal Student Aid Programs. The Department anticipates that eligible workforce programs will increase the number of programs qualifying for title IV, HEA program funds overall and therefore increase the number of responses to 1845-0012. Section 690.94 contains burden for institutions. The Department estimates it will take an institution approximately 20 weeks to prepare to seek Governor approval of their programs. Assuming a 40-hour work week, this creates an additional 800 burden hours on institutions. With 100 programs, this would create an additional 80,000 burden hours to this collection.

$$100 \text{ programs} \times 800 \text{ hours} = 80,000 \text{ burden hours.}$$

Section 690.94 would also result in additional burden for States. Institutions with an eligible workforce program would submit to their Governor a list of students that completed the program during the award year each award year. States would be required to review this information to verify the job placement rate each year. The Department believes that ten different states will be

completing these requirements during the first three years these regulations are effective. If it takes a State 20 hours to review and verify the information submitted by the institution, this would add 200 additional burden hours to States.

$$10 \text{ States} \times 20 \text{ hours} = 200 \text{ burden hours.}$$

§ 690.95 Value Added Earnings

Summary

Proposed regulations would require an institution to ensure an eligible workforce program's published tuition and fees do not exceed value-added earnings. There will be no additional burden on institutions to calculate the value-added earnings as the Secretary will publish the value-added earnings that apply to an eligible workforce program each award year. However, the regulations do require an institution to evaluate the accuracy of the data submitted to NSLDS that is ultimately used to construct cohorts of students for purposes of the value-added earnings calculation. Institutions are already accustomed to doing this for all other programs to comply with Financial Value Transparency. Due to technology and automation, the Department does not believe this regulation will have any meaningful impact on burden for institutions to comply with.

Institutions would also be required to publish their tuition and fees for their eligible workforce programs. Should tuition and fees exceed the calculated value-added earnings, the eligible workforce program would lose eligibility for title IV, HEA program funds.

Burden

The Department estimates it will take 1.5 hours each award year to publish their tuition and fees. If there are 100 programs that would create 150 additional burden hours.

$$100 \text{ programs} \times 1.5 \text{ hours} = 150 \text{ burden hours.}$$

An institution with an eligible workforce program must provide to the Secretary documentation that their published tuition and fees do not exceed the value-added earnings. We believe that the Department will request this information from 1 percent of eligible workforce programs each award year. If only one institution is required to provide this additional information to the Secretary, the number of respondents to this proposed requirement falls below the PRA threshold of 10 respondents and therefore does not impact burden on this proposed regulation.

§ 690.96 Loss of Eligibility

Summary

§ 690.96 proposes that a program will become ineligible for title IV aid if it fails to meet any of the prescribed requirements or if an institution voluntarily discontinues a failing workforce program.

Burden

The Department anticipates there will not be many programs, if any, to lose eligibility within the next 3 years. Upon renewal of this information collection, we will have more data to support whether an eligible workforce program

will lose eligibility. At this time, we do not believe ten 10 or more programs will lose eligibility and therefore do not believe this proposed regulation adds burden to the regulatory collection.

§ 690.97 Regaining Eligibility

Summary

Proposed § 690.97 outlines the requirements to regain program eligibility should an eligible workforce program lose eligibility for any reason.

Burden

The Department does not anticipate there will be many, if any, losses of

eligibility within the next 3 years. Because of this, we do not think enough programs that have lost eligibility will seek to regain eligibility. This means that this proposed regulation does not add burden to this regulatory collection.

Collection of Information

For institutions, we used the median hourly wage for Education Administrators, Postsecondary (11–9033) from the U.S. Bureau of Labor Statistics. In 2024 this was \$49.98. To account for overhead costs and benefits, the Department has multiplied by this wage by two, resulting in hourly costs of \$99.96.

Regulation	Requirement	OMB control #	Burden hours	Costs
§ 690.5 Ineligibility due to grant or scholarship assistance from non-Federal grants; § 690.80 Recalculation of a Federal Pell Grant award.	Students receiving nonfederal grant and scholarship that exceed Cost of Attendance are not eligible for Pell. Schools must update their current processes and procedures.	1845–NEW	1.5 hours × 5,040 students = 7,560 additional burden hours.	\$99.96 × 7,560 = \$755,698.
§ 690.11 Concurrent Federal Pell Grant payments.	Institutions must ensure a student does not receive a Pell Grant in an eligible workforce program concurrently with any other title IV eligible programs.	1845–NEW	6,000,000/1000 = 6,000 minutes = 100 additional burden hours.	\$99.96 × 100 = \$9,996.
§ 668.32 Student eligibility; § 690.6 Duration of student eligibility.	Allows students who have already received bachelor degrees to otherwise qualify for a Pell Grant to enroll in an eligible workforce program. Prevents a student with a master's credential from receiving a Pell Grant for an eligible workforce program.	1845–NEW	5,626 institutions × 3 hours = 16,878 burden hours.	\$99.96 × 16,878 = \$1,687,125.
§ 668.20 Limitations on remedial coursework that is eligible for title IV, HEA program assistance.	Prevents Pell from funding noncredit or reduced credit hour courses to students enrolled in eligible workforce programs.	1845–NEW	100 schools × 22 hours = 2,200 total burden hours.	\$99.96 × 2,200 = \$219,912.
§ 690.91 Definitions; § 690.2 Definitions; § 600.10 Date, extent, duration, and consequence of eligibility; § 690.90 Scope and purpose; § 690.92 Eligible workforce program; § 668.5 Written arrangements to provide educational programs; § 668.8 Eligible program; § 690.90 Scope and purpose; § 690.92 Eligible workforce program; § 668.32 Student eligibility; § 668.5 Written arrangements to provide educational programs.	Schools must review and consider new regulations.	1845–NEW	5,626 schools × 4 hours = 22,504 additional burden hours.	\$99.96 × 22,504 = \$2,249,500.
§ 690.93 Components determined by Governors.	Various requirements for Governor approval, including ensuring programs meet workforce needs and have been operating for at least one year.	1845–NEW	920 hours × 59 Governors = 54,280 burden hours.	\$99.96.98 × 54,280 = \$2,712,914.

Regulation	Requirement	OMB control #	Burden hours	Costs
§ 690.94 Components determined by the Secretary.	Various requirements for Secretary approval, including ensuring program length, completion rate, and placement rate requirements are met. States must verify the calculated job placement rate each year.	1845–NEW	100 programs × 800 hours = 80,000 burden hours 10 States × 20 hours = 200 burden hours.	\$99.96 × 80,000 = \$7,996,800 \$99.96 × 200 = \$19,992.
690.95 Value added earnings	Requirements for institutions to publish tuition and fees for eligible workforce programs.	1845–NEW	100 programs × 1.5 hours = 150 burden hours.	\$99.96 × 150 = \$14,994.
§ 690.96 Loss of eligibility	Regulations for when an eligible workforce program loses eligibility.	N/A	N/A	N/A.
§ 690.97 Regaining Eligibility	Regulations for regaining eligibility after an eligible workforce program loses eligibility.	N/A	N/A	N/A.
Total .....	.....	.....	183,872	\$15,666,931.

Intergovernmental Review

This program is subject to Executive Order 12372 and the regulations in 34 CFR part 79. One of the objectives of the Executive Order is to foster an intergovernmental partnership and a strengthened Federalism. The Executive Order relies on processes developed by State and local governments for coordination and review of proposed Federal financial assistance.

This document provides early notification of our specific plans and actions for this program.

Assessment of Education Impact

In accordance with Section 411 of the General Education Provisions Act, 20 U.S.C. 1221e–4, the Secretary particularly requests comments on whether these final regulations would require transmission of information that any other agency or authority of the United States gathers or makes available.

Federalism

Executive Order 13132 requires us to provide meaningful and timely input by State and local elected officials in the development of regulatory policies that have Federalism implications. “Federalism implications” means 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. The proposed regulations do not have Federalism implications.

Accessible Format: On request to the program contact person(s) listed under **FOR FURTHER INFORMATION CONTACT**, individuals with disabilities can obtain this document in an accessible format.

The Department will provide the requestor with an accessible format that may include Rich Text Format (RTF) or text format (txt), a thumb drive, an MP3 file, braille, large print, audiotape, or compact disc, or other accessible format.

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List of Subjects

34 CFR Part 600

Colleges and universities, Grant programs-education, Reporting and recordkeeping requirements, Student aid, Vocational education.

34 CFR Part 668

Administrative practice and procedure, Colleges and universities, Consumer protection, Grant programs-education, Reporting and recordkeeping requirements, Student aid, Vocational education.

34 CFR Part 690

Colleges and universities, Education of disadvantaged, Grant programs-education, Reporting and recordkeeping requirements, Student aid.

Nicholas Kent,

Under Secretary of Education.

For the reasons discussed in the preamble, the Secretary of Education proposes to amend parts 600, 668, and 690 of title 34 of the Code of Federal Regulations as follows:

PART 600—INSTITUTIONAL ELIGIBILITY UNDER THE HIGHER EDUCATION ACT OF 1965, AS AMENDED

■ 1. The authority citation for part 600 continues to read as follows:

Authority: 20 U.S.C. 1001, 1002, 1003, 1088, 1091, 1094, 1099b, and 1099c, unless otherwise noted.

■ 2. Amend § 600.10 by revising paragraphs (c)(1)(iii) and (iv) and adding (c)(1)(v) to read as follows:

§ 600.10 Date, extent, duration, and consequence of eligibility.

* * * * *

(c) * * *

(1) * * *

(iii) For an undergraduate program that is at least 300 clock hours but less than 600 clock hours and does not admit as regular students only persons who have completed the equivalent of an associate degree under 34 CFR 668.8(d)(3);

(iv) For an eligible workforce program as defined under 34 CFR 690.92; and

(v) For the first eligible prison education program under subpart P of 34 CFR part 668 offered at the first two additional locations as defined under

§ 600.2 at a Federal, State, or local penitentiary, prison, jail, reformatory, work farm, juvenile justice facility, or other similar correctional institution.

PART 668—STUDENT ASSISTANCE GENERAL PROVISIONS

■ 3. The general authority citation for part 668 continues to read as follows:

Authority: 20 U.S.C. 1001–1003, 1070g, 1085, 1088, 1091, 1092, 1094, 1099c, 1099c–1, and 1231a, unless otherwise noted.

■ 4. Amend § 668.5 by revising paragraph (c)(3)(ii) to read as follows:

§ 668.5 Written arrangements to provide educational programs.

* * * * *

- (c) * * *
(3) * * *

(ii)(A) The educational program is not an eligible workforce program;

(B) The ineligible institution or organization provides more than 25 percent but less than 50 percent of the educational program, in accordance with 34 CFR 602.22(a)(1)(ii)(J);

(C) The eligible institution and the ineligible institution or organization are not owned or controlled by the same individual, partnership, or corporation; and

(D) The eligible institution's accrediting agency or, if the institution is a public postsecondary vocational educational institution, the State agency listed in the **Federal Register** in accordance with 34 CFR part 603 has specifically determined that the institution's arrangement meets the agency's standards for executing a written arrangement with an ineligible institution or organization.

* * * * *

■ 5. Amend § 668.8 by revising paragraph (n) to read as follows:

§ 668.8 Eligible program.

The restructuring and addition read as follows:

* * * * *

(n) *Other eligible programs.* For title IV, HEA program purposes, *eligible program* includes—

(1) A direct assessment program approved by the Secretary under § 668.10;

(2) A comprehensive transition and postsecondary program approved by the Secretary under § 668.232;

(3) An eligible prison education program under subpart P of this part; and

(4) For purposes of the Federal Pell Grant Program only, an eligible

workforce program under 34 CFR 690.92.

* * * * *

■ 6. Amend § 668.20 by:

■ a. Revising paragraph (b).

■ b. Adding paragraph (g).

The revision and addition read as follows:

§ 668.20 Limitations on remedial coursework that is eligible for Title IV, HEA program assistance.

* * * * *

(b) Except as provided in paragraphs (c), (d), and (g) of this section, in determining a student's enrollment status and cost of attendance, an institution shall include any noncredit or reduced credit remedial course in which the student is enrolled. The institution shall attribute the number of credit or clock hours to a noncredit or reduced credit remedial course by—

* * * * *

(g) An institution may not take into account any noncredit or reduced credit remedial course, including a course in English as a second language, for a student enrolled in an eligible workforce program, as defined under 34 CFR 690.92, that is offered in credit hours.

■ 7. Amend § 668.32 by:

■ a. Revising paragraph (c)(2)(i)(B).

■ b. Adding paragraph (c)(2)(i)(B)(1) and (2).

The revision and addition read as follows:

§ 668.32 Student eligibility.

* * * * *

- (c) * * *
(2) * * *
(i) * * *

(B)(1) Is enrolled in a postbaccalaureate teacher certificate or licensing program as described in 34 CFR 690.6(c); or

(2) Is enrolled in an eligible workforce program as defined under 34 CFR 690.92 and —

(i) Is not enrolled or accepted for enrollment in a program of study that leads to a graduate credential; and

(ii) Has not attained a graduate credential; and

* * * * *

PART 690—FEDERAL PELL GRANT PROGRAM

■ 8. The authority citation for part 690 continues to read as follows:

Authority: 20 U.S.C. 1070a, 1070g, unless otherwise noted.

■ 9. In § 690.2 amend paragraph (c) by adding, in alphabetical order, the definition of “Eligible workforce program” to read as follows:

§ 690.2 Definitions.

The addition reads as follows:

* * *

(c) Other terms used in this part are:

* * * * *

Eligible workforce program: A program as defined under 34 CFR 690.92.

* * * * *

■ 10. Add § 690.5 to read as follows:

§ 690.5 Ineligibility due to grant or scholarship assistance from non-Federal grants.

(a) A student shall not be eligible for a Federal Pell Grant for an award year during which the student receives grant or scholarship assistance from non-Federal sources, including States, eligible institutions, or private sources, in an amount that equals or exceeds the student's cost of attendance for the award year.

(b) Grant or scholarship assistance from non-Federal sources does not include sources that are excluded under Section 480(i) of the Higher Education Act of 1965, as amended.

■ 11. Amend § 690.6 by:

■ a. Revising paragraph (a).

■ b. Adding a new paragraph (f).

The revision and addition read as follows:

§ 690.6 Duration of student eligibility.

* * * * *

(a) Except as provided in paragraphs (c), (d), and (f) of this section, a student is eligible to receive a Federal Pell Grant for the period of time required to complete his or her first undergraduate baccalaureate course of study.

* * *

(f) Notwithstanding paragraph (a) of this section, an otherwise eligible student enrolled in an eligible workforce program as defined under 34 CFR 690.92 may receive a Federal Pell Grant.

* * * * *

■ 12. Revise § 690.11 to read as follows:

§ 690.11 Concurrent Federal Pell Grant payments.

(a) A student is not entitled to receive Federal Pell Grant payments concurrently from more than one institution or from the Secretary and an institution.

(b) A student is not entitled to concurrently receive a Federal Pell Grant for enrollment in an eligible workforce program and any other educational program at the same or a different institution, including another eligible workforce program.

■ 13. Amend § 690.80 by adding paragraph (d) to read as follows:

§ 690.80 Recalculation of a Federal Pell Grant award.

* * * * *

(d) *Receipt of assistance from non-Federal grants.* If, prior to the final disbursement of a student's Pell Grant for an award year, the institution becomes aware that the student has received or will receive grant or scholarship assistance from non-Federal sources that equals or exceeds the student's cost of attendance as described in 34 CFR 690.5, the institution must either—

(1) Reduce the non-Federal grant or scholarship assistance until it does not equal or exceed the student's cost of attendance; or

(2) Return all of the Federal Pell Grant funds that the student received for that award year pursuant to 690.79 and cancel any future disbursements of such funds for that award year.

§§ 690.84–690.89 [Removed and reserved]

■ 14. Remove and reserving §§ 690.84–690.89.

■ 15. Add subpart H, consisting of §§ 690.90 through 690.97, to read as follows:

Subpart H Eligible Workforce Program

Sec.

690.90 Scope and purpose.

690.91 Definitions

690.92 Eligible workforce program

690.93 Components determined by Governors

690.94 Components determined by the Secretary

690.95 Value-added earnings

690.96 Loss of eligibility

690.97 Regaining eligibility

§ 690.90 Scope and purpose.

This subpart establishes regulations that apply to eligible institutions that offer eligible workforce programs. An eligible student enrolled in an eligible workforce program is only eligible for Federal financial assistance under the Federal Pell Grant Program and no other title IV, HEA program. Unless provided in this subpart, eligible students and eligible institutions that offer Pell Grants to students enrolled in eligible workforce programs are subject to the same regulations and procedures that otherwise apply to title IV, HEA program participants.

§ 690.91 Definitions

The following definitions apply to this subpart:

Cohort period: The award year that ends three full award years prior to the beginning of the award year for which value-added earnings are being determined.

Earnings measurement period: The first full tax year following the award year in which the student completed the eligible workforce program.

In-demand industry sector or occupation:

(1) An industry sector that has a substantial current or potential impact (including through jobs that lead to economic self-sufficiency and opportunities for advancement) on the State, regional, or local economy, as appropriate, and that contributes to the growth or stability of other supporting businesses, or the growth of other industry sectors; or

(2) An occupation that currently has or is projected to have a number of positions (including positions that lead to economic self-sufficiency and opportunities for advancement) in an industry sector so as to have a significant impact on the State, regional, or local economy, as appropriate.

Governor: (1) The chief executive of a State or outlying area as defined under Section 3 of the Workforce Innovation and Opportunity Act (Public Law 113–128); or

(2) If an institution is located on Tribal lands, the Tribal government.

Recognized postsecondary credential: A credential consisting of an industry-recognized certificate or certification, a certificate of completion of a Registered Apprenticeship under 29 CFR part 29, a license recognized by the State involved or Federal Government, or an associate or baccalaureate degree.

State board: A State workforce development board established under section 101 of the Workforce Innovation and Opportunity Act and 20 CFR 679 Subpart A.

Tuition and fees: The institutional charges for an eligible workforce program.

§ 690.92 Eligible workforce program.

An educational program is an eligible workforce program if the Secretary determines it is an undergraduate program that meets the requirements under 34 CFR 668.8 and—

(a) Requires a minimum of 8 weeks, but less than 15 weeks of instruction;

(b)(i) Is at least 150 clock hours but less than 600 clock hours;

(ii) At least 4 but less than 16 semester or trimester hours; or

(iii) At least 6 but less than 24 quarter hours;

(c) Is not offered using—

(i) Correspondence courses, as defined under 34 CFR 600.2;

(ii) Coursework that takes place as part of a study abroad program; or

(iii) Credit or clock hour equivalencies that are part of a direct

assessment program under 34 CFR 668.10.

(d) Is approved by the Governor through a process as described in 34 CFR 690.93;

(e) Meets the requirements established by the Secretary as described in 34 CFR 690.94;

(f) Complies with the annual value-added earnings requirements as described in 34 CFR 690.95; and

(g) Is offered by an institution that, during the five years preceding the date of the determination, has not been subject to any suspension, emergency action, or termination of programs under this title.

§ 690.93 Components determined by Governors

(a) Prior to the Secretary's evaluation of whether a program is an eligible workforce program, the Governor, after consultation with the State board, approves the program to be offered to students in that State by determining that the program—

(1) Provides an education aligned with the requirements of high-skill, high-wage (as identified by the State pursuant to section 122 of the Carl D. Perkins Career and Technical Education Act (20 U.S.C. 2342)), or in-demand industry sectors or occupations;

(2) Meets the hiring requirements of potential employers in the sectors or occupations described in paragraph (a)(1) of this section;

(3) Either—

(i) Leads to a recognized postsecondary credential that is stackable and portable across more than one employer; or

(ii) With respect to students enrolled in the program—

(A) Prepares such students for employment in an occupation for which there is only one recognized postsecondary credential; and

(B) Provides such students with such a credential upon completion of the program; and

(4) Prepares students to pursue one or more certificate or degree programs at one or more eligible institutions (which may include the eligible institution providing the program), including by ensuring—

(i) That a student, upon completion of the program and enrollment in such a related certificate or degree program, will receive academic credit for the program that will be accepted toward meeting such certificate or degree program requirements; and

(ii) The academic credit described in paragraph (i) will be acceptable toward meeting such certificate or degree program requirements.

(b) The Governor shall establish, after consultation with the state board, a process for an institution to request a determination that a program meets the requirements in paragraph (a) of this section that is made publicly available and includes—

(1) The criteria the Governor will use to determine if a program meets each of the requirements described under paragraph (a), which shall include—

(i) The State's methodology to determine and periodically review which occupations and industry sectors are high-skill, high-wage (as identified by the State pursuant to section 122 of the Carl D. Perkins Career and Technical Education Act (20 U.S.C. 2342)), or in-demand, including the competencies needed in such industries and occupations, as identified by the State pursuant to section 102 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3112), and where the list of such occupations and sectors will be made publicly available. Such review shall be done not less than every two years concurrent with development and modification of the State Plan under Section 102(c) of the Workforce Innovation and Opportunity Act;

(ii) A written policy for determining whether a program meets the hiring requirements of employers in the high-skill, high-wage, or in-demand sectors and occupations that the program prepares students for employment in, that—

(A) Considers whether the expected competencies for which the recognized postsecondary credential intends, align with the competencies needed in such high-skill, high-wage, or in-demand sectors and occupations;

(B) Incorporates direct input from employers, which may be secured from the state board and local workforce development boards, industry or sector partnerships, sponsors of Registered Apprenticeship programs, joint labor-management partnerships, or through other methodologies established by the State; and

(iii) A written policy for determining if a credential is stackable and portable that establishes documented connections to additional credentials, considers, if available, data showing whether students have obtained additional credentials through career pathways, real-time labor market information, and includes a process for employer validation; and

(iv) A written policy for institutions to establish that an eligible workforce program will ensure the award of academic credit towards a certificate or degree program upon a student's successful completion of the eligible

workforce program and enrollment in such certificate or degree program, and that such credit will be accepted at one or more eligible institutions through written agreements, including established articulation agreements, transfer-of-credit agreements, consortium or partnership agreements, or similar arrangements;

(2) The information an institution must submit to the Governor to assess an eligible workforce program on the criteria established under paragraph (1), including the job placement standards under 36 CFR 690.94(a)(2)(ii), and, if applicable, alternative completion and placement standards under 34 CFR 690.94(a)(2)(i), which shall include the information necessary for the Governor to make the appropriate job placement calculations using administrative data, such as wage records;

(3) The process and timeline for the Governor's consultation with the state board and a determination that a program meets the requirements in paragraph (a), and the process for an institution to appeal that determination and that such process shall include, clear, transparent and timely procedures that are applied consistently and equitably at all eligible institutions; and

(4) An attestation that the state board has been consulted.

(c) The Governor shall not approve a program until it meets all the requirements of paragraph (a) of this section, as determined through the process established under paragraph (b) of this section.

(d) The Secretary documents the Governor's approval and determination that a program meets the requirements in paragraph (a) of this section by accepting a certification by the Governor that includes the following—

(1) The name of the program;

(2) The 6-digit Classification of Instructional Programs (CIP) Code of the program;

(3) The Standard Occupational Classification (SOC) codes(s) for which the program prepares individuals for employment;

(4) A signed statement that the program was approved by the Governor and that the program currently meets, and has met for the 12 months immediately preceding the certification, the requirements described in paragraph (a);

(5) The date the eligible workforce program was approved;

(6) If applicable, a certification that the State determined that the program meets alternative completion and placement standards under 34 CFR 690.94(a)(3)(i);

(7) An agreement that, upon request of the Secretary of Education or Secretary of Labor, the Governor will make available to the Secretary of Education and Secretary of Labor documentation of its process established under paragraph (b) for making the determination in paragraph (a) of this section;

(8) An agreement that the Governor will inform the Department of Education and Department of Labor and the institution within 15 calendar days of its final decision to withdraw approval of the eligible workforce program;

(9) A certification that the Governor takes into consideration the cost of the program and the anticipated wages of the industry or occupation prior to the initial determination of the program's value-adding earnings is made under 34 CFR 690.95; and

(10) Such other information as the Secretary of Education or Secretary of Labor may require.

(e) The Governor's approval, under paragraph (a) of this section, expires at the expiration of the institution's PPA.

(f) Prior to the expiration of an institution's PPA, the Governor must provide, through a process determined by the Secretary, a certification of continued approval of each eligible workforce program offered by the institution.

(g) A program that serves as a related technical instruction component of a Registered Apprenticeship Program meets the requirements of paragraph (a)(1) and (a)(2) of this section.

(h) The Governors of two States may enter into a bilateral agreement, that is published publicly, regarding the enrollment of students located in one of those States into some or all of the programs located in the other State, so long as—

(1) The Governor in the State in which the student is located, in consultation with the State board, includes the occupation(s) or sector(s) on the list developed under the process set forth in 34 CFR 690.93(b)(1)(i);

(2) The Governor of the State in which the institution(s) offering such program(s) is located has determined, in consultation with the State board, that the program meets the conditions under 34 CFR 690.93(a); and

(3) The bilateral agreement includes provisions for data-sharing among the States for purposes of completion and placement rate calculations.

§ 690.94 Components determined by the Secretary

(a) After the Governor determines that the program meets the requirements

under 34 CFR 690.93, the Secretary evaluates documentation from an eligible institution to determine that the following requirements have been met—

(1) The program has met the conditions under 34 CFR 690.92(a) and (b) for the 12 months preceding the date on which the institution applied for eligibility for the program.

(2) The program meets placement and completion rate requirements—

(i) For the 2026–27, 2027–28, and 2028–29 award years only, as determined through a certification from the Governor, based on the Governor's analysis using administrative data, including wage records, that the program meets the following standards—

(A) A completion rate of at least 70 percent, within 150 percent of the normal time to completion; and

(B) A job placement rate of at least 70 percent, calculated as the percentage of students that are employed during the second quarter after exiting the program;

(ii) For each award year after the 2028–29 award year—

(A) A completion rate of at least 70 percent, within 150 percent of the normal time of completion, as determined under 34 CFR 668.8 (f); and

(B) A job placement rate of at least 70 percent, calculated as the percentage of students who are employed in the occupation(s) for which the program prepares students (as identified through the process established under 34 CFR 690.93 (b)) or a comparable high-skill, high-wage, or in-demand occupation during the second quarter after successfully completing the program, as determined through a certification from the Governor, based on the Governor's analysis using available administrative data, including wage records.

(b) For each award year after the date that the eligible workforce program is approved, the institution must—

(1) Submit to the Governor a list of students that completed the program during the award year and the information necessary for the Governor to verify the job placement rate for such award year; and

(2) Report the published tuition and fees for the eligible workforce program through a process determined by the Secretary.

(c) The Secretary may waive some or all of the requirements under paragraphs (a) and (b) of this section related to submission of completion rates and the Governor's certification of job placement rates if—

(1) The Secretary determines that completion or placement rates will be calculated under a separate process established by the Secretary; or

(2) In the case of the job placement rate certification described in 34 CFR 690.94(a)(2)(ii)(B), the Secretary determines that the Governor is making progress towards making such certification but needs an additional award year using the certification described in 34 CFR 690.94(a)(2)(i)(B).

(d) For each award year, the Secretary confirms the eligible workforce program's published tuition and fees do not exceed the value-added earnings of the eligible workforce program, consistent with 34 CFR 690.95.

(e) A student is not included in the numerator or denominator of completion or placement rates if the student—

(1) Dies;

(2) Experiences the onset of a medical condition that prevents employment;

(3) Is ordered to service in the uniformed services, including service performed under Title 10 or Title 32 of the United States Code, for a period of more than 30 days; or

(4) Becomes incarcerated.

§ 690.95 Value-added earnings

(a) For each award year, an eligible workforce program's total published tuition and fees may not exceed the value-added earnings of students who are working, received a Pell Grant for enrollment in the program, and completed the program during the cohort period defined in 34 CFR 690.91 and described in paragraph (i)(2).

(b) An eligible workforce program's value-added earnings are determined by calculating the difference between—

(1) The median earnings of such students during the earnings measurement period as defined in 34 CFR 690.91, as adjusted by the State and metropolitan area regional price parities of the Bureau of Economic Analysis based on the location of such programs; and

(2) 150 percent of the poverty line applicable to a single individual as determined under section 673(2) of the Community Service Block Grant Act (42 U.S.C. 9902(2)) for such tax year.

(c) No later than three months prior to the beginning of the award year, the Secretary will publish the value-added earnings that will apply to the eligible workforce program for that upcoming award year.

(d) The institution must keep published tuition and fees at or below the value-added earnings calculated for the program for all students who first enroll in the eligible workforce program during the award year that begins following the annual release of the program's value-added earnings.

(e) Programs that have a calculated value-added earnings of zero or negative

value shall not be eligible for Federal Pell Grant funds.

(f) The institution must provide, upon request, evidence satisfactory to the Secretary that its published tuition and fees does not exceed the published value-added earnings for that award year.

(g) In calculating the value-added earnings for an eligible workforce program, the Secretary uses student completion data that the institution is required to report to the Secretary to support its administration of, or participation in, the title IV, HEA programs to—

(1) Compile a list of students who received Federal Pell Grant funds and who completed each program during the cohort period, after which the Secretary—

(i) Provides the list to institutions; and

(ii) Allows each institution to correct the information reported by the institution on which the list was based, no later than 60 days after the date the Secretary provides the list to the institution;

(2) Obtain from a Federal agency with earnings data the median annual earnings of the students on each list, as provided in paragraph (h) of this section; and

(3) Calculate the value-added earnings and provide it to the institution.

(h)(1) If the final list of students who completed the program during the cohort period includes at least 50 students, the Secretary sends information about those individuals to the Federal agency with earnings data;

(2) If the final list of students who completed the program during the cohort period does not include at least 50 students, the Secretary adds students who completed the same program during the first award year prior to the cohort period. If the combined number of completers from both award years includes at least 50 students, the Secretary sends information about those individuals to the Federal agency with earnings data;

(3) If the final list of students who completed the program during the cohort period and the first award year prior to the cohort period does not include at least 50 students, the Secretary adds students who completed the same program during the second award year prior to the cohort period. If the combined number of completers from all three award years includes at least 50 students, the Secretary sends information about those individuals to the Federal agency with earnings data;

(4) If the final list of students who completed the program during the

cohort period and the first and second years prior to the cohort period does not include at least 50 students, the Secretary adds students who completed the same program during the third award year prior to the cohort period. If the combined number of completers from all four award years includes at least 30 students, the Secretary sends information about those individuals to the Federal agency with earnings data;

(5) If the final list of students who completed the program during the cohort period and the first, second and third award years prior to the cohort period does not include at least 30 students, the Secretary does not calculate value-added earnings for the program for that award year.

(i) For each list submitted to the Federal agency with earnings data, the agency returns to the Secretary median annual earnings of the students on the list whom the Federal agency with earnings data has matched to earnings data, in aggregate and not in individual form.

(1) If the Federal agency with earnings data includes reports from records of earnings on at least 16 students who completed the program, the Secretary uses the median annual earnings provided by the Federal agency with earnings data to calculate the value-added earnings for the program.

(2) If the Federal agency with earnings data includes reports from records of earnings on less than 16 students who completed the program, the Secretary does not calculate the value-added earnings for the program for the award year.

(j) When calculating value-added earnings, the Secretary includes completers from all eligible workforce programs with the same six-digit CIP code.

(k) Notwithstanding paragraph (b) of this section, if more than 50 percent of students described in paragraph (a) are not located in the State in which the institution offering the program is

located, the Department will not adjust the program's median earnings by the State and metropolitan area regional price parities of the Bureau of Economic Analysis.

§ 690.96 Loss of eligibility

If an eligible workforce program fails to meet the requirements—

(a) Under 34 CFR 690.93, the program will become ineligible at the end of the payment period that begins following the date that—

(1) The Governor acts to withdraw approval for an eligible workforce program; or

(2) The Governor fails to reapprove the program.

(b) Under 34 CFR 690.94, the program will become ineligible at the end of the payment period that begins after the date that the Secretary determines that the institution failed to meet the completion rate or job placement rate requirements, except that the Secretary will not make such a determination while a program's eligibility, approval, or reported completion rate of job placement rate is in an appeal status or awaiting the Governor's final approval determination.

(c) Under 34 CFR 690.95—

(1) The program will become ineligible at the beginning of the award year following the release of the value-added earnings; and

(2) The Secretary will assess a liability for amounts of Pell Grants disbursed for students enrolled in the eligible workforce program during the award year for which the value-added earnings were calculated and shall collect any such liability from the institution.

§ 690.97 Regaining eligibility

(a) If an eligible workforce program loses eligibility based on the Secretary's determination that the program's completion rate or job placement rate failed to meet the requirements under 34 CFR 690.94(a)(2) or the institution voluntarily discontinues a failing eligible workforce program, the

institution may not seek to reestablish the eligibility of the failing program, or to establish eligibility for a substantially similar program sharing both (i) the same four-digit CIP code, and (ii) identical SOC codes according to the CIP SOC Crosswalk that is provided by a Federal agency, until two years following the earlier of the date the program loses eligibility under 34 CFR 690.96(b) or the date the institution voluntarily discontinues the failing workforce program.

(b) If an eligible workforce program loses eligibility due to a loss of Governor approval described in (a) of this section, the program may reestablish eligibility after the Secretary receives the Governor's certification that the program has been approved as provided under 34 CFR 690.93(c), and after the Secretary determines the program has met eligibility criteria under 34 CFR 690.94.

(c) If an eligible workforce program loses eligibility because its published tuition is higher than its value-added earnings under 34 CFR 690.89(e), the institution may, through a process described by the Secretary, request that the program's eligibility be reinstated by—

(1) Providing to the Secretary a new certification of the Governor's approval of the program as provided under 34 CFR 690.93(c);

(2) Submitting to the Secretary documentation of the program's current published tuition and fees and an attestation that the tuition and fees have been reduced and will remain equal to or less than the program's recalculated value-added earnings; and

(3) Requesting a recalculation of the program's value-added earnings to determine whether the program's updated tuition and fees that will apply to the next award year exceed the program's value-added earnings.

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Part III

The President

Proclamation 11014—Ratepayer Protection Pledge

Presidential Documents

Title 3—

Proclamation 11014 of March 4, 2026

The President

Ratepayer Protection Pledge

By the President of the United States of America

A Proclamation

America's continued economic and technological leadership depends on reliable, large-scale data center infrastructure built in the United States. Data center infrastructure is the foundation of the internet, cloud computing, and artificial intelligence (AI), and it supports our economic and national security. In order to harness the full power of American innovation and ensure that Americans do not become reliant on foreign industries, the development of large-scale data center infrastructure and AI must occur here at home, with American workers and engineers leading the way. Our investments in these industries will also employ Americans across a wide array of professions in a shared endeavor that will bolster our Nation's economic standing for years to come.

However, as data centers expand their footprint and electricity demand associated with AI increases, American households must be protected against increasing energy costs. The hyperscalers and AI companies that increase electricity demand must pay for the full cost of the energy and infrastructure needed to build and operate data centers, and must not pass this cost on to the American people. Instead, the data center boom should be leveraged to address affordability and benefit all American households and businesses.

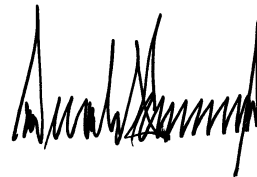
Today, pursuant to the Ratepayer Protection Pledge, leading United States hyperscalers and AI companies guarantee that data centers' energy needs will not increase household electricity costs for American citizens. Instead, these companies will build, bring, or buy the new generation resources and electricity needed to satisfy their energy demands, and pay for all new power delivery infrastructure upgrades to service their data centers. They will voluntarily negotiate new, separate rate structures with their utilities and relevant State governments, and pay those rates, and for their infrastructure, whether they use the electricity or not. They will also invest in local communities and coordinate with grid operators to contribute to a more reliable grid. These measures will ensure that Americans are protected from higher energy prices, benefit from grid upgrades and increased grid resilience, and benefit from this technological boom while the United States continues its global leadership in innovation and advanced technology.

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 as follows:

(1) The Ratepayer Protection Pledge and the commitments embodied therein effectuate the national policy of the United States.

(2) On this day, March 4, 2026, seven leading technology companies have accepted the terms of the Ratepayer Protection Pledge.

IN WITNESS WHEREOF, I have hereunto set my hand this fourth day of March, in the year of our Lord two thousand twenty-six, 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", written in a stylized, cursive script.

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