U.S. House Committee on Energy and Commerce
Subcommittee on Energy
"America's Energy Infrastructure: Authorizing Pipeline Safety."
March 4, 2026
Documents for the Record

1. March 4, 2026, Letter from American Gas Association (AGA) addressed to Chairman Latta and Ranking Member Castor, submitted by the Majority.
2. March 3, 2026, Letter from GPA MidStream Association addressed to Chairman Guthrie, Chairman Latta, Ranking Member Pallone, and Ranking Member Castor, submitted by the Majority.
3. March 4, 2026, Statement from Distribution Contractors Association (DCA), submitted by the Majority.
4. March 4, 2026, Joint industry association letter addressed to Chairman Guthrie, and Ranking Member Pallone, submitted by the Majority.
5. March 4, 2026, Letter from American Pipeline Contractors Association (APCA) addressed to Chairman Guthrie, Chairman Latta, Ranking Member Pallone, and Ranking Member Castor, submitted by the Majority.
6. March 4, 2026, Letter from Damage Prevention Action Center addressed to Chairman Guthrie, Chairman Latta, Ranking Member Pallone, and Ranking Member Castor, submitted by the Majority.
7. March 4, 2026, Letter from Power & Communication Contractors Association (PCCA) addressed to Chairman Guthrie, Chairman Latta, Ranking Member Pallone, and Ranking Member Castor, submitted by the Majority.
8. June 30, 2025, Federal Register Vol. 90, No. 123, 31 CFR Chapter X, Part 1010 submitted by Rep. Degette.
9. March 4, 2026, Letter from Pipeline Safety Trust addressed to Chairman Latta and Ranking Member Castor, submitted by the Minority.

March 4, 2026

The Honorable Bob Latta
Chairman
Subcommittee on Energy
Committee on Energy and Commerce
Washington, DC 20515

The Honorable Kathy Castor
Ranking Member
Subcommittee on Energy
Committee on Energy and Commerce
Washington, DC 20515

Dear Chairman Latta and Ranking Member Castor:

The American Gas Association (AGA) is pleased to provide our input for the Energy and Commerce, Subcommittee on Energy (Chairman Bob Latta, R-OH) hearing *on America's Energy Infrastructure: Authorizing Pipeline Safety* and our support for the draft *Pipeline Safety Authorization Act of 2026.* AGA shares the same interest as safety advocates, the public, pipeline sector industry partners, and Congress: Ensuring America's pipeline system remains the safest, most secure, and most reliable in the world. We look forward to working with the Committee to help advance pipeline safety reauthorization through the legislative process and into law.

AGA, founded in 1918, represents more than 200 local energy companies that deliver natural gas throughout the United States. There are more than 77 million residential, commercial, and industrial natural gas customers in the U.S., of which 96 percent – more than 74 million customers – receive their gas from AGA members. AGA advocates for natural gas utility companies and their customers and provides a broad range of programs and services for member natural gas pipelines, marketers, gatherers, international natural gas companies, and industry associates. Today, natural gas meets more than one-third of the U.S.' energy needs. Natural gas pipelines are an essential part of the nation's energy infrastructure. Indeed, natural gas is delivered to customers through a safe, approximately 2.7-million-mile underground pipeline system, including 2.3 million miles of local utility distribution pipelines, 100,000 miles of gathering lines, and 300,000 miles of transmission pipelines providing service to more than 189 million Americans.

Distribution pipelines are operated by natural gas utilities, or "local distribution companies (LDCs)." Gas utility distribution pipes are the last, critical link in the natural gas delivery chain that brings natural gas from the wellhead to the burner tip. AGA member utilities are the "face of the gas industry," embedded in the communities they serve, and interact daily with customers and the state regulators who oversee pipeline safety locally. The distribution industry takes very seriously the responsibility of continuing to deliver natural gas to our families, neighbors, and business partners as safely, reliably, and responsibly as possible. The industry is committed to providing life-sustaining energy to the thousands of communities in our country who count on it, every second of every day of the year.

Our Number One Priority: Pipeline Safety

The domestic shale revolution has resulted in an abundant supply of natural gas. This robust supply has translated into stable natural gas prices and an increasing number of utility customers who use this resource for residential and commercial applications like cooking, space and water heating, and manufacturing. Last year alone, natural gas utilities added 730,000 customers and 20,700 miles of pipeline to serve these new customers. Alongside this tremendous opportunity comes the absolute necessity of operating safe and reliable pipeline infrastructure to support dependable natural gas delivery to homes, businesses, and essential critical infrastructure.

Every year the gas utility industry invests approximately $37 billion on the safety of our pipeline systems. Unquestionably, pipeline safety is our industry's number one priority, and through critical partnerships with state and federal regulators, legislators, and other stakeholders, AGA member companies are continually working to enhance pipeline safety, integrity, and system resiliency. As proud as our members are of our overall safety record, we know there is more work to be done to get to our ultimate goal of zero accidents.

Draft *Pipeline Safety Authorization Act of 2026*

AGA and its members support fact-based, reasonable, flexible, and practicable updates to pipeline safety law that build upon lessons learned and evolving improvements to pipeline safety and related programs and technology. In that spirit, AGA is pleased to support this draft legislation and would like to particularly highlight the following provisions.

- ***Support Limiting Pipeline Excavation Damage Incidents* (Section 9).** Excavation damage is the leading cause of distribution pipeline incidents. According to PHMSA data, in the past 20 years, excavation damage incidents on natural gas pipelines have resulted in 57 deaths, 254 injuries, and over $300 million in property damage. The country deserves to have laws in place that make companies and individuals accountable for actions that break the law and lead to tragedy. States that have stronger excavation damage prevention and enforcement programs typically experience lower rates of damages to pipelines and other underground utilities. AGA supports directing PHMSA to incentivize states to adopt One Call program leading practices, derived from the best state excavation damage programs, and condition their grants to State One Call programs based upon adoption of these best practices. We are confident this approach will reduce damages and save lives.

- ***Strengthening Penalties for Pipeline Safety Violations* (Section 6).** Natural gas utilities are experiencing an increase in criminal attacks on their property, equipment and facilities. These activities range from gunshots targeting pipelines, Improvised Explosive Devices (IEDs) placed on gas delivery equipment, and the damaging of facilities and equipment necessary for safe natural gas delivery. These activities not only are hazardous to the safety and property of the public and member company employees, but they also threaten an LDC's ability to deliver natural gas to thousands of homes, hospitals, schools, government and military facilities, and other critical infrastructure customers. AGA supports increased criminal penalties on bad actors who intentionally damage, destroy or impair pipelines and pipeline facilities, including those under construction.

- ***5-Year Reauthorization for PHMSA's Pipeline Safety Program* (Section 7).** PHMSA's Pipeline Safety program was reauthorized most recently in the PIPES Act of 2016 and PIPES

Act of 2020. As PHMSA's Pipeline Safety program expired again in 2023, the frequency of reauthorization has been reduced to just 3 years. This interval is inadequate given the significant time it takes to conduct studies, publish reports, move reauthorization priorities from legislation to Proposed Rulemaking, address comments, and develop and publish Final Rules. Acknowledging the time required to conduct studies, publish reports, and develop feasible, reasonable, cost effective, and practical rulemaking (including stakeholder input), and in keeping with reauthorization intervals that preceded the PIPES Act of 2016 (1996, 2002, 2006, 2011), Congress is encouraged to reauthorize PHMSA's Pipeline Safety program for not less than 5 years.

America’s gas utilities’ commitment to pipeline safety relies on sound engineering principles and best in class technology, a trained professional workforce, effective community relationships, and a strong partnership with state pipeline safety authorities and PHMSA. The American Gas Association encourages Congress to work in a bipartisan fashion to advance reasonable and consensus changes to pipeline safety law and regulation, support PHMSA’s primary role as pipeline safety regulator, and recognize the great strides in pipeline safety engineering and operating practices that pipeline companies are putting into practice across the country. We stand ready to assist and share our perspective and experiences in this important process.

Respectfully,

Andrew Lu
Vice President, Safety, Operations & Engineering
American Gas Association

March 3, 2026

The Honorable Brett Guthrie
Chairman, House Energy and Commerce Committee
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Washington, DC 20515

The Honorable Frank Pallone
Ranking Member, House Energy and Commerce Committee
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Bob Latta
Chairman, Energy Subcommittee
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Kathy Castor
Ranking Member, Energy Subcommittee
2125 Rayburn House Office Building
Washington, DC 20515

Re: The House Energy and Commerce Energy Subcommittee hearing on "America's Energy Infrastructure: Authorizing Pipeline Safety"

Dear Chairman Guthrie, Chairman Latta, Ranking Member Pallone, and Ranking Member Castor:

GPA Midstream Association (GPA Midstream or the Association) commends your efforts within the House Energy and Commerce Energy Subcommittee to hold a hearing to discuss legislation to reauthorize pipeline safety programs under the Pipeline and Hazardous Materials Safety Administration (PHMSA). We appreciate the Committee's willingness to act, and we believe the discussion draft, "the Pipeline Safety Authorization Act of 2026," progresses pipeline safety, but in a practical way.

GPA Midstream Association is composed of approximately 50 corporate members that directly employ over 57,000 employees that are engaged in the gathering, transportation, processing, treating, storage and marketing of natural gas, natural gas liquids (NGLs), crude oil, and refined products, commonly referred to in the industry as "midstream activities." In 2024, GPA Midstream members operated more than 500,000 miles of pipelines, gathered nearly 91 Bcf/d of natural gas, and operated more than 340 natural gas processing facilities.

Our members are an invisible link between raw natural gas and crude oil produced at the wellhead and the distribution of products to consumers for heating, electricity production, transportation, steelmaking, fertilizer production, plastics, high-tech devices, cosmetics, pharmaceuticals, and much more. And safety – of employees, contractors, and communities – is the highest priority for GPA Midstream member companies.

One of GPA Midstream's priorities for reauthorization legislation was ensuring elimination of duplicative oversight of in-plant gas piping. Hazardous liquid in-plant piping is exempt by law from PHMSA regulation, but regulation of gas in-plant piping has lacked similar clarity. In-plant pipeline systems are typically low risk, operate at lower pressures, and are confined within plant boundaries or in short sections between adjacent plants. They are also within the jurisdiction of other robust safety programs, such as the Occupational Safety and Health Administration's Process Safety Management standards. Aligning the treatment of gas and liquid in-plant piping would eliminate regulatory redundancy without compromising safety. We are grateful the discussion draft removes this redundancy. Legislative certainty for the elimination of such unnecessary redundancy is critical.

For pipeline safety regulations, GPA Midstream encourages the use of more performance-based measures, and less prescriptive regulations, to achieve safety goals. Performance-based measures consider relevant operating conditions and assessed risks to achieve meaningful safety priorities. Performance-based measures will also facilitate a longer-term reauthorization period for PHMSA's programs, as they allow for evolving technological advancement and best practices proven by time and experience to achieve safety. We are grateful your discussion draft reauthorizes the programs until 2031, as opposed to other legislation introduced, which only reauthorizes the programs until 2029.

GPA Midstream members support reauthorization of PHMSA's pipeline safety programs, with the goal to ensure pipelines remain the safest method for transporting affordable, reliable, and sustainable energy, while also facilitating innovation and efficiency. We seek legislative and regulatory predictability and certainty, to enable prudent investment decisions for the benefit of communities and investors alike. GPA Midstream appreciates your leadership on this important issue and stands ready to serve as a resource as both Chambers move forward to a final bill.

Respectfully submitted,

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For Immediate Release
March 4, 2026

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Gas Distribution Contractors Applaud House Energy & Commerce Committee for Pipeline Safety Reauthorization Measure

Richardson, TX – The Distribution Contractors Association (DCA) appreciates the House Committee on Energy and Commerce for introducing the Pipeline Safety Authorization Act, which would reauthorize the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA), and the safety regulations promulgated and enforced by the agency through 2031.

The reauthorization measure would address a range of issues and programs, including language that calls for improvements to state damage prevention programs.

"DCA appreciates the Energy and Commerce Committee introducing the Pipeline Safety Authorization Act of 2026, which would, among other things, strengthen the federal framework for preventing damages to underground pipelines during excavation," said Kevin Parker, Executive Vice President of DCA. "The bill would require states to adopt several leading practices as part of their 811 damage prevention programs, many of which have long been supported by DCA and other organizations."

These leading practices include evaluation and limitations on exemptions to the 811 process (including for municipalities and utility maintenance), tolerance zone requirements, emergency excavation protocols, white-lining requirements, positive response obligations, required marking of all lines and laterals (including sewer lines), training requirements for locate professionals, and expanded use of modern technologies to facilitate locating of underground facilities. DCA is especially supportive of the language specifying use of geographic information systems (GIS).

"Most in the industry are aware that we need to improve mapping of gas pipeline systems and a wide range of underground infrastructure," Parker added. "Damage prevention begins early in the planning and design stages of a construction project, and providing excavators with well-developed designs that avoid or mitigate utility conflicts along with standardized digital data on to exact location of utility infrastructure enables better construction planning and execution. GIS mapping offers the best way to meet that need."

The bill would also broaden the scope of criminal penalties for sabotage of pipeline infrastructure to cover not only damaging or destroying pipeline facilities but also impairing their operation. The legislation would extend penalties to cover damaging or destroying a pipeline facility that is under construction, as illegal protesting activities. "DCA appreciates ongoing efforts to crack down on criminal activities during pipeline protests, including vandalism of pipeline infrastructure under construction," Parker said.

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March 4, 2026

The Honorable Brett Guthrie
Chair, Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

The Honorable Frank Pallone
Ranking Member, Chair, Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Guthrie and Ranking Member Pallone,

The undersigned organizations represent construction contractors, manufacturers, distributors and other service providers, pipeline operators, labor unions, professionals in surveying, mapping and engineering, and others engaged in construction of underground facilities, and have a vested interest in pipeline safety. These organizations support the Pipeline Safety Authorization Act, and we encourage the Committee on Energy and Commerce to advance the legislation as soon as possible to allow for reconciliation with other pipeline safety reauthorization bills under consideration in the 119th Congress.

The Pipeline Safety Authorization Act addresses the enduring problem with damages to underground facilities during excavation activity. Specifically, the bill includes language that would require states to demonstrate that they have adopted or can show progress toward adopting several leading practices in their damage prevention programs as part of the criteria considered when states apply for damage prevention grant dollars provided by the Pipeline and Hazardous Materials Safety Administration (PHMSA).

These leading practices include examining and limiting exemptions, including municipal exemptions; requiring marking of all lines and laterals, including sewer lines and laterals; and encouraging the use of technologies to locate underground facilities, such as geographic information systems (GIS), which offer the most detailed and prolific pipeline mapping available. We are especially interested in expanding use of GIS mapping.

Optimal damage prevention on project efforts begins early in the planning and design stages. Understanding the risk and developing designs that mitigate risk is achieved using industry-driven standards and utility engineering best practices. Providing excavators with well-contrived designs that avoid or mitigate utility conflicts along with standardized digital data on utility infrastructure enables better construction planning and execution by leveraging virtual design and construction technologies that eliminate the potential for damages. Moreover, these methods expedite construction, providing tremendous cost savings on projects. A fundamental need is to document utilities properly and in a standardized fashion at the time of installation. GIS mapping offers the best way to meet that need.

At a time when we are in the midst of the largest infrastructure build out in American history, and some $550 billion in *new* infrastructure investments have entered a wide range of subsurface infrastructure markets over the past few years, damage prevention to underground facilities is more important than ever. The Pipeline Safety Authorization Act would encourage states to ensure all key stakeholders participate in the damage prevention process and employ state-of-the-art technologies such as GIS mapping, which will only improve underground facility locating and the damage prevention process overall.

We appreciate your leadership in introducing the legislation, and we look forward to helping enact a meaningful pipeline safety reauthorization bill in the remaining months of the 119th Congress.

Best Regards,

American Society of Civil Engineers
Association of Equipment Manufacturers
Distribution Contractors Association
Laborers International Union of North America
Pennsylvania Utility Contractors Association
Plastics Pipe Institute
United Association of Union Plumbers and Pipefitters

March 4, 2026

The Honorable Brett Guthrie
Chairman
Committee on Energy and Commerce
U.S. House of Representatives

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Chairman
Subcommittee on Energy
Committee on Energy and Commerce

The Honorable Frank Pallone, Jr.
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives

The Honorable Kathy Castor
Ranking Member
Subcommittee on Energy
Committee on Energy and Commerce

Re: Support for the Pipeline Safety Authorization Act of 2026 and the Reauthorization of PHMSA's Pipeline Safety Program

Dear Chairman Guthrie, Ranking Member Pallone, Subcommittee Chairman Latta, and Subcommittee Ranking Member Castor:

On behalf of the American Pipeline Contractors Association (APCA), I write in strong support of the committee's efforts to reauthorize the Pipeline and Hazardous Materials Safety Administration's (PHMSA) pipeline safety program.[1] We urge the committee to advance the Pipeline Safety Authorization Act of 2026, which is the focus of today's hearing.[2]

APCA represents merit shop construction firms and craft professionals, manufacturers, and suppliers who build and maintain America's interstate natural gas, oil, and hydrogen pipeline systems.[3] Safety has been a core principle of APCA since its founding in 1971. APCA contractor members champion policies and best practices to protect communities and their employees as they build the infrastructure and pipelines needed to deliver critical energy across the country.

[1] The U.S. Department of Transportation's PHMSA pipeline safety program was authorized through 2023 by the Protecting Our Infrastructure of Pipelines and Enhancing Safey Act of 2020 (PIPES Act) (Pub. L. No. 116-260 (Div. R, Sec. 101). Although the authorization expired, Congress has continued to appropriate funds for the program's continued operations, most recently in the Consolidated Appropriations Act of 2026 (Pub. L. No. 119-75), which funded the program through Fiscal Year 2026 at $214.8 million. The annual funding is offset by user fees and other fees collected from pipeline owners and operators.

[2] America's Energy Infrastructure: Authorizing Pipeline Safety. House Subcommittee on Energy. March, 4, 2026. https://energycommerce.house.gov/events/energy-subcommittee-america-s-energy-infrastructure-authorizing-pipeline-safety

[3] More than 77% of the U.S. pipeline construction workforce is not unionized, according to a 2025 report presented by Continuum Capital to APCA members in October 2025, available here: https://www.americanpipeline.org/images/pdf/APCA_MarketStudyRelease_Oct30.pdf

The Need to Reauthorize PHMSA's Pipeline Safety Program

The Pipeline Safety Authorization Act of 2026 would reauthorize PHMSA's pipeline safety program for five years and update policies and procedures to modernize PHMSA and improve safety standards while providing long-term stability for industry stakeholders and regulators alike.

Timely reauthorization of PHMSA's pipeline safety program provides regulatory certainty, program continuity, and the necessary tools to ensure the safe construction and operation of approximately 3.3 million miles of pipeline infrastructure across the United States.

In addition, as infrastructure investment accelerates nationwide—including broadband fiber, electric utilities, and water and wastewater system upgrades—the volume and complexity of underground excavation activity will increase, heightening the risk of accidental third-party damage to buried utilities and pipelines.

A fully authorized and properly directed PHMSA pipeline safety program is essential to maintaining strong federal-state coordination and ensuring that underground utility damage prevention programs keep pace with this growth and the evolving demands placed on shared utility corridors.

Support for Section 9 – Underground Utility Excavation Damage Prevention

Specifically, APCA strongly supports the underground utility excavation damage prevention provisions included in Section 9 of the Pipeline Safety Authorization Act of 2026, which would direct states to adopt—or demonstrate progress toward adopting—leading practices in their damage prevention notification programs as part of the criteria PHMSA considers when states apply for damage prevention grant dollars.

Excavation damage caused by third parties remains one of the leading causes of pipeline safety incidents nationwide.[4] According to the Common Ground Alliance, hundreds of thousands of underground utility damages occur annually across all underground utility sectors, costing communities an estimated $30 billion each year[5] and creating avoidable safety, service disruption, and environmental risks.

Section 9 appropriately strengthens PHMSA's evaluation of state damage prevention laws by:

- Emphasizing effective, active, and consistent enforcement of state one-call laws;
- Encouraging examination and limitation of exemptions that weaken compliance; and
- Promoting adoption of leading practices that improve locate accuracy and underground asset visibility.

From a pipeline contractor's perspective, consistent enforcement and reduced exemptions are particularly important. Uneven compliance standards and carve-outs in state laws create risk

[4] See the CGA's 2024 Damage Information Reporting Tool (DIRT) Report infographic: https://dirt.commongroundalliance.com/Portals/9/Datasheets/2024/CGA%20DIRT%202024%20Utility%20Work%20Dominates%20Data%20Sheet.pdf?ver=2025-08-27-140705-907 and https://dirt.commongroundalliance.com/Portals/9/Datasheets/2024/CGA%20DIRT%202024%20Overview%20and%20Recommendations%20Data%20Sheet.pdf?ver=2025-08-27-140705-843

[5] See the CGA's 2024 Damage Information Reporting Tool (DIRT) Report: https://dirt.commongroundalliance.com/

exposure on all underground utility jobsites and undermine the safety culture that responsible contractors work hard to maintain. Clear and consistently enforced rules applied to all utilities and all stakeholders—operators, locators, and excavators—are essential to protecting workers and the public and ensuring a level playing field across jurisdictions.

APCA supports the committee's inclusion of leading practices language and encourages continued focus on modernization of locate accuracy and underground asset documentation

Protecting Workers and Underground Utility Infrastructure in Shared Corridors

Pipeline contractors increasingly work in corridors that also contain electric, telecommunications, broadband, water, and sewer infrastructure. Improved damage prevention policies benefit not only pipeline operators but all underground utility stakeholders operating in these shared and often congested environments.

Strengthening state damage prevention frameworks, modernizing locate practices, and ensuring all stakeholders are subject to clear and consistently enforced rules will reduce project delays, prevent costly emergency repairs, and improve overall infrastructure reliability while enhancing worker and public safety.

Next Steps

APCA appreciates the committee's leadership in prioritizing PHMSA's pipeline safety program reauthorization and advancing meaningful underground utility excavation damage prevention reforms. We encourage the committee to move expeditiously to advance the Pipeline Safety Authorization Act of 2026 and to maintain strong and clear statutory direction to PHMSA regarding state program evaluation and enforcement standards to ensure consistent implementation nationwide.

APCA and its members stand ready to work with the committee and subcommittee to provide technical insight from the field as this legislation moves forward.

Thank you for your continued leadership on pipeline safety and infrastructure protection.

Sincerely,

Tim Wagner
Executive Director
American Pipeline Contractors Association

DAMAGE PREVENTION
ACTION CENTER

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March 4, 2026

The Honorable Brett Guthrie
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United States House of Representatives
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The Honorable Kathy Castor
Ranking Member
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United States House of Representatives
Washington, DC 20515

Re: Support for the Pipeline Safety Authorization Act of 2026

Dear Chairman Guthrie, Ranking Member Pallone, Chairman Latta and Ranking Member Castor:

The Damage Prevention Action Center (DPAC) is writing to express its support for the Pipeline Safety Authorization Act of 2026, legislation which will advance pipeline safety and encourage states to adopt policies that will help reduce excavation damages to our Nation's pipeline infrastructure and other critical underground utilities.

DPAC is a coalition of energy, utility and construction industry leaders advocating for public policies and industry practices that protect America's critical underground utility infrastructure and those who work and live near these important assets.[1]

According to the Common Ground Alliance's Damage Information Reporting Tool (DIRT) Report,[2] the annual rate of damages to buried infrastructure in the U.S. has remained stagnant for most of the last decade and costs our communities a staggering $30 billion every year. Each of the hundreds of thousands of dig-ins to underground utilities disrupts businesses and communities, cuts off critical utility service, and can result in injuries and fatalities. As America's infrastructure continues to expand, it is crucial that Congress pass the Pipeline Safety Authorization Act of 2026 to safeguard our critical buried utilities and pipelines.

The pipeline safety legislation in front of the Subcommittee on Energy's March 4 hearing "America's Energy Infrastructure: Authorizing Pipeline Safety" would direct states to adopt or demonstrate progress

[1] Damage Prevention Action Center members: https://damagepreventionactioncenter.com/members/
[2] CGA's 2024 DIRT Report: https://dirt.commongroundalliance.com/Portals/9/Common-Ground-Alliance-DIRT-Report-2024.pdf

toward adopting leading practices in their damage prevention notification programs as part of the criteria PHMSA considers when states apply for damage prevention grant dollars. These leading practices include (but are not limited to):

- Directing state one call notification programs to examine and limit exemptions to prevent common excavation damage incidents, including municipal exemptions;
- Requiring newly installed underground facilities to be locatable;
- Requiring the use of commercially available technologies to locate underground facilities, such as geographic information systems (GIS) and enhanced positive response.

The Pipeline Safety Authorization Act of 2026 also requires PHMSA to consider whether state damage prevention programs have "effective, active, and consistent enforcement of State one-call laws," including resource and penalty structures that are applied to all stakeholders (such as operators, locators, and excavators) in its evaluation of the programs' effectiveness. The Common Ground Alliance's most recent DIRT Report notes that effective enforcement of state damage prevention laws is needed to reduce dig-ins to buried infrastructure.[3]

The Pipeline Safety Authorization Act of 2026 has strong bipartisan support, and we encourage Congress to consider this important legislation as soon as possible. The legislation provides an efficient, effective framework to advance the safety and integrity of our Nation's energy infrastructure and buried utilities.

DPAC looks forward to continuing our collaboration with this committee and Congress to pass the Pipeline Safety Authorization Act of 2026, and enhance and improve our industry's safety while delivering quality and safe underground utility infrastructure projects to America.

Sincerely,

Sarah K. Magruder Lyle

Sarah K. Magruder Lyle
Executive Director, Damage Prevention Action Center

[3] CGA's 2024 DIRT Report – Recommendations for Breaking Through the Damage Prevention Plateau: https://dirt.commongroundalliance.com/2024-DIRT-Report/Recommendations-for-Breaking-Through-the-Damage-Prevention-Plateau#mainContentAnchor

March 4, 2026

The Honorable Brett Guthrie
Chairman
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Ranking Member
Subcommittee on Energy
Committee on Energy and Commerce

Re: Support for the Pipeline Safety Authorization Act of 2026 and the Reauthorization of PHMSA's Pipeline Safety Program

Dear Chairman Guthrie, Ranking Member Pallone, Subcommittee Chairman Latta, and Subcommittee Ranking Member Castor:

On behalf of the Power & Communication Contractors Association (PCCA),[1] I write in strong support of the committee's efforts to reauthorize the Pipeline and Hazardous Materials Safety Administration's (PHMSA) pipeline safety program[2] and advance the Pipeline Safety Authorization Act of 2026, the focus of today's hearing.[3]

PCCA is a national trade association representing contractors, manufacturers, and suppliers who build and repair America's power and communication infrastructure, including broadband and electric transmission, distribution, and substation facilities. PCCA members comprise roughly 85% of the construction entities performing broadband deployment and the majority of electric power infrastructure projects across the United States. Workforce and public safety are a central concern for PCCA members and the underground utility construction community.

Unmarked, inaccurately mapped, or improperly located underground water, sewer, power, broadband, communications, and pipeline infrastructure pose significant safety risks to communities and PCCA contractor employees across the United States.

[1] https://www.pccaweb.org/about
[2] The U.S. Department of Transportation's PHMSA pipeline safety program was authorized through 2023 by the Protecting Our Infrastructure of Pipelines and Enhancing Safey Act of 2020 (PIPES Act) (Pub. L. No. 116-260 (Div. R, Sec. 101). Although the authorization expired, Congress has continued to appropriate funds for the program's continued operations, most recently in the Consolidated Appropriations Act of 2026 (Pub. L. No. 119-75), which funded the program through Fiscal Year 2026 at $214.8 million. The annual funding is offset by user fees and other fees collected from pipeline owners and operators.
[3] America's Energy Infrastructure: Authorizing Pipeline Safety. House Subcommittee on Energy. March 4, 2026. https://energycommerce.house.gov/events/energy-subcommittee-america-s-energy-infrastructure-authorizing-pipeline-safety

Accidental third-party utility strikes —including underground pipelines—cost the U.S. economy at least $30 billion annually,[4] threaten America's energy, water/sewer, and communications infrastructure, disrupt local businesses and communities, and pose a serious safety threat to the environment and the public.

The unprecedented demand for energy infrastructure, coupled with forthcoming investments in underground broadband fiber projects as a result of the $42.5 billion U.S. Department of Commerce's Broadband Equity Access and Deployment (BEAD) program,[5] will significantly increase underground utility construction activity, heightening the risk of accidental third-party utility strikes unless damage prevention policies keep pace with this growth

Support for Section 9 – Excavation Damage Prevention

PCCA strongly supports the committee's inclusion of underground utility excavation damage prevention provisions in Section 9[6] of the Pipeline Safety Authorization Act of 2026. These provisions appropriately direct states to adopt, or demonstrate progress toward adopting, leading practices[7] in their damage prevention notification programs as part of the criteria PHMSA considers for damage prevention grants.

Section 9 strengthens PHMSA's evaluation of state damage prevention laws by:

- Emphasizing effective, consistent enforcement of state one-call laws;
- Encouraging examination and limitation of exemptions that weaken compliance; and
- Promoting adoption of leading practices that improve locate accuracy and underground asset visibility.

From the perspective of PCCA members, consistent enforcement and reduced exemptions are particularly important. Uneven compliance standards and carve-outs in state law create risk exposure on jobsites and undermine the safety culture that responsible contractors uphold. Clear, uniformly enforced rules applicable to operators, locators, and excavators are essential to protecting workers and the public and ensuring a level playing field across jurisdictions.

Improved damage prevention policies benefit all stakeholders, helping reduce project delays, prevent expensive emergency repairs, and enhance overall infrastructure reliability.

Strengthening state damage prevention frameworks and modernizing locate practices will lower costs and risks associated with underground construction and help ensure that critical utility infrastructure is protected throughout its life cycle.

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[4] Data from the Common Ground Alliance, a non-profit organization leading efforts to reduce damages to underground utilities in North America through shared responsibility among all stakeholders. Visit www.commongroundalliance.com. PCCA is a member of CGA and the related Damage Prevention Action Center: https://damagepreventionactioncenter.com/.

[5] https://broadbandusa.ntia.gov/funding-programs/broadband-equity-access-and-deployment-bead-program

[6] See Sec. 9. Excavation Damage Prevention: https://d1dth6e84htgma.cloudfront.net/H_R_Pipeline_Safety_Authorization_Act_of_2026_e47bb9d8e1.pdf#page=22

[7] Review the Common Ground Alliance's 2024 DIRT Report, Recommendations for Breaking Through the Damage Prevention Plateau, which confirms that enforcement of state damage prevention laws is essential to reduce dig-ins to buried infrastructure: https://dirt.commongroundalliance.com/2024-DIRT-Report/Recommendations-for-Breaking-Through-the-Damage-Prevention-Plateau

For these reasons, a broad coalition of stakeholders and bipartisan lawmakers have supported similar excavation damage prevention provisions in other legislation reauthorizing PHMSA's pipeline safety program.[8]

Congress should seize this opportunity to strengthen underground utility damage prevention policies. Without continued progress, underground pipeline and utility infrastructure projects may face avoidable damage, delays, and increased costs, placing workers and communities at unnecessary risk. The proactive safety framework outlined in Section 9 will help safeguard taxpayer investments in critical infrastructure and enhance the reliability of America's energy and communications networks.

PCCA appreciates the committee's leadership in prioritizing PHMSA's pipeline safety program reauthorization and advancing meaningful excavation damage prevention reforms. We encourage the committee to move expeditiously to advance the Pipeline Safety Authorization Act of 2026 and to maintain clear statutory direction for PHMSA with respect to damage prevention program evaluation and enforcement standards.

PCCA and its members stand ready to provide technical expertise and field-level insight as this legislation progresses.

Thank you for your continued leadership on infrastructure safety and underground utility protection.

Sincerely,

Tim Wagner
Executive Director
Power & Communication Contractors Association

[8] See Sec. 211 on page 25 of the PIPELINE Safety Act of 2025 (S. 2975): https://www.commerce.senate.gov/services/files/47222F2D-A20D-4B19-A4E6-2888C63414DA#page=25, and Section 18 of the Promoting Innovation in Pipeline Efficiency and Safety (PIPES) Act of 2025 (H.R. 5301): https://www.congress.gov/119/bills/hr5301/BILLS-119hr5301ih.pdf#page=41

G. Validity of Order

Any judicial determination that any provision of this order is invalid shall not affect the validity of any other provision of this order, and each other provision shall thereafter remain in full force and effect.

Andrea M. Gacki,

Director, Financial Crimes Enforcement Network.

[FR Doc. 2025–11993 Filed 6–27–25; 8:45 am]

BILLING CODE 4810–02–P

DEPARTMENT OF THE TREASURY

Financial Crimes Enforcement Network

31 CFR Chapter X, Part 1010

Imposition of Special Measure Prohibiting Certain Transmittals of Funds Involving Intercam Banco S.A., Institución de Banca Multiple

AGENCY: Financial Crimes Enforcement Network (FinCEN), Treasury.

ACTION: Order.

SUMMARY: FinCEN is issuing notice of an order prohibiting certain transmittals of funds involving Intercam Banco S.A., Institución de Banca Multiple, a financial institution operating outside of the United States determined to be of primary money laundering concern in connection with illicit opioid trafficking.

DATES: This action is effective [21 DAYS AFTER PUBLICATION IN THE **FEDERAL REGISTER**].

FOR FURTHER INFORMATION CONTACT: The FinCEN Resource Center at *www.fincen.gov/contact.*

SUPPLEMENTARY INFORMATION:

I. Summary of Order

This order sets forth FinCEN's finding that Intercam Banco S.A., Institución de Banca Multiple (Intercam), a Mexico-based commercial bank, is a financial institution operating outside of the United States that is of primary money laundering concern in connection with illicit opioid trafficking—specifically, through its provision of financial services that facilitate illicit opioid trafficking by Mexico-based drug trafficking organizations (DTOs), including the Cartel Jalisco Nueva Generación (CJNG)—and imposes a prohibition on certain transmittals of funds involving Intercam by any covered financial institution.[1]

II. Background

A. Statutory Provisions

In 2024, Congress enacted the FEND Off Fentanyl Act,[2] which among other things, added 21 U.S.C. 2313a [3] (section 2313a). Section 2313a grants the Secretary of the Treasury (Secretary) the authority to make a finding that "reasonable grounds exist for concluding" that any of the following is of primary money laundering concern in connection with illicit opioid trafficking:

(1) One or more financial institutions operating outside of the United States;

(2) One or more classes of transactions within, or involving, a jurisdiction outside of the United States; or

(3) One or more types of accounts within, or involving, a jurisdiction outside of the United States. [4]

Upon making such a finding, the Secretary is authorized to require domestic financial institutions and domestic financial agencies to take certain "special measures," which are safeguards that may be employed to defend the United States financial system from money laundering risks connected to illicit opioid trafficking. [5] The authority of the Secretary to administer section 2313a has been delegated to FinCEN.[6]

Pursuant to section 2313a, the Secretary may impose one or more of six special measures.[7] First, the Secretary may impose any of the five special measures provided for in 31 U.S.C. 5318A(b), commonly known as section 311 of the USA PATRIOT Act.[8] Special measures one through four, codified at 31 U.S.C. 5318A(b)(1)–(4), describe additional recordkeeping, information collection, and reporting requirements. Through these special measures, the Secretary may impose such information collection and reporting requirements on covered domestic financial institutions and domestic financial agencies—collectively, "covered financial institutions." [9] Special measure five, codified at 31 U.S.C. 5318A(b)(5), authorizes the Secretary, in consultation with the Secretary of State, the Attorney General, and the Chairman of the Board of Governors of the Federal Reserve System, to prohibit, or impose conditions upon, the opening or maintaining in the United States of correspondent or payable-through accounts by any domestic financial institution or domestic financial agency for, or on behalf of, a foreign banking institution, if such correspondent account or payable-through account involves one or more financial institutions operating outside of the United States that the Secretary has found to be of primary money laundering concern.[10] Special measure six, codified at 21 U.S.C. 2313a(a)(2), allows the Secretary to "prohibit, or impose conditions upon, certain transmittals of funds (to be defined by the Secretary) by any domestic financial institution or domestic financial agency, if such transmittal of funds involves any such institution, class of transaction, or type of accounts." [11]

Importantly, in connection with finding that a financial institution is of primary money laundering concern and imposing any special measure, section 2313a requires a finding that the relevant financial institution is "of primary money laundering concern in connection with illicit *opioid trafficking*" (emphasis added). 21 U.S.C. 2302 provides the operative definition of "opioid trafficking" for purposes of section 2313a, as any illicit activity:

(1) to produce, manufacture, distribute, sell, or knowingly finance or transport—(a) synthetic opioids, including controlled substances that are synthetic opioids and listed chemicals that are synthetic opioids; or (b) active pharmaceutical ingredients or chemicals that are used in the production of controlled substances that are synthetic opioids;

(2) to attempt to carry out an activity described above; or

(3) to assist, abet, conspire, or collude with other persons to carry out such an activity.[12]

For purposes of this order, FinCEN interprets the term "synthetic opioid" to include fentanyl and fentanyl analogs,

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[1] The application of FinCEN's authorities in this order is specific to authorities provided by the Fentanyl Sanctions Act and codified at 21 U.S.C. 2313a. It is not intended to otherwise reflect the applicability of, or obligations under, any provision of the Bank Secrecy Act (BSA) or its implementing regulations.

[2] The FEND Off Fentanyl Act is Division E of Public Law 118–50 (Apr. 24, 2024).

[3] Section 2313a codifies section 7213A of the Fentanyl Sanctions Act, as amended by section 3201(a) of the FEND Off Fentanyl Act. The Fentanyl Sanctions Act is Title LXXII of Public Law 116–92 (Dec. 20, 2019).

[4] 21 U.S.C. 2313a(a).

[5] *See* 21 U.S.C. 2313a(a).

[6] In accordance with Treasury Order 101–05 and 31 U.S.C. 321(b), the authority vested in the Secretary under section 2313a has been delegated to the Director of FinCEN.

[7] 21 U.S.C. 2313a(a).

[8] *See* 21 U.S.C. 2313a(a)(1). 21 U.S.C. 2313a(a)(1) explicitly references "the special measures provided for in section 9714(a)(1) of the National Defense Authorization Act for Fiscal Year 2021 (Public Law 116–283; 31 U.S.C. 5318A note)" (section 9714). Section 9714, in turn, references the five special measures set out in 31 U.S.C. 5318A(b)(1)–(5).

[9] 31 U.S.C. 5318A(b)(1)–(4).

[10] 31 U.S.C. 5318A(b)(5).

[11] 21 U.S.C. 2313a(a)(2).

[12] 21 U.S.C. 2302(8).

as well as precursors to fentanyl and precursors to fentanyl analogs.[13]

B. Illicit Opioid Trafficking

The sustained influx of fentanyl and other synthetic opioids into the United States has profound consequences, resulting in drug overdose becoming the leading cause of death for people aged 18 to 44 in the United States.[14] To address the synthetic opioid crisis, it is necessary to target the money laundering efforts of the Mexico-based DTOs that are the primary source of fentanyl and other synthetic opioids trafficked into the United States. These DTOs manufacture synthetic opioids in clandestine laboratories in Mexico using precursor chemicals sourced largely from the People's Republic of China (China), traffic these synthetic opioids into and throughout the United States, and launder the illicit profits back to Mexico.[15]

These DTOs could not profit on trafficking fentanyl and other synthetic opioids if not for their ability to launder and remit the monetary proceeds back to Mexico. DTOs and third-party money launderers use a diverse array of methods to launder money, including using financial institutions, remittance payments, bulk cash smuggling, trade-based money laundering, mirror trades, and cryptocurrencies.[16] It is therefore critical to address the role that financial institutions operating outside the United States play in facilitating the money laundering that enables and facilitates the DTOs and their illicit opioid trafficking and related money laundering.

III. Finding That Intercam is a Financial Institution Operating Outside the United States That is of Primary Money Laundering Concern in Connection With Illicit Opioid Trafficking

Based on public and non-public information available to FinCEN, FinCEN finds that reasonable grounds exist to conclude that Intercam, a financial institution operating outside of the United States, is of primary money laundering concern in connection with illicit opioid trafficking through its provision of financial services that facilitate illicit opioid trafficking by Mexico-based DTOs, including CJNG. In making this finding, FinCEN has considered the relevant evidence in light of factors identified in 31 U.S.C. 5318A(c)(2)(B), taking into account the specific circumstances of money laundering activities in connection with illicit opioid trafficking and the protection of U.S. national security and the U.S. financial system. While FinCEN is under no obligation pursuant to section 2313a to consider any particular factor or set of factors when making a finding that a financial institution operating outside of the United States is of primary money laundering concern in connection with illicit opioid trafficking, it nonetheless finds these factors instructive in guiding the analysis set forth below.[17]

A. Intercam is a Financial Institution Operating Outside the United States

Intercam is a Mexico-based commercial bank. By its own account, Intercam offers multiple financial services, including international banking, foreign exchange, insurance, investment services, and import and export services.[18] According to commercially available information, Intercam is headquartered in Mexico City, Mexico, has over 70 branches across Mexico, and provides U.S. dollar (USD) correspondent banking services through at least two U.S. financial institutions.[19] Considering the services it provides, Intercam is a financial institution within the meaning of 31 U.S.C. 5312(a)(2), and based on the foregoing, FinCEN has determined that Intercam is a financial institution operating outside of the United States, as described in section 2313a.

Intercam has a wholly owned U.S.-based subsidiary bank—Intercam Banco Internacional, Inc., which is headquartered in Guaynabo, Puerto Rico, and is a registered international financial entity in Puerto Rico.[20] Intercam also owns other U.S.-based financial services companies—Intercam Futures, Inc. (d/b/a Intercam FX) and Intercam Wealth Management Group, including its affiliates Intercam Advisors, Inc., and Intercam Securities, Inc.[21] This order expressly excludes all

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[13] *See, e.g.,* Drug Enforcement Administration, *Synthetic Opioids Fact Sheet* (Dec. 2024), *https://www.dea.gov/sites/default/files/2025-01/Synthetic-Opioids-Drug-Fact-Sheet.pdf;* World Health Organization, *Opioid Overdose* (Aug. 29, 2023), *https://www.who.int/news-room/fact-sheets/detail/opioid-overdose; see also* Drug Enforcement Administration, Docket No. DEA–1086, *Special Surveillance List of Chemicals, Products, Materials and Equipment Used in the Manufacture of Controlled Substances and Listed Chemicals* (Oct. 24, 2023), *https://www.govinfo.gov/content/pkg/FR-2023-10-24/pdf/2023-23478.pdf.*

[14] *See* Centers for Disease Control, *CDC Reports Nearly 24% Decline in U.S. Drug Overdose Deaths* (Feb. 25, 2025), *https://www.cdc.gov/media/releases/2025/2025-cdc-reports-decline-in-us-drug-overdose-deaths.html;* E.O. 14159, *Imposing Duties To Address the Synthetic Opioid Supply Chain in the People's Republic of China,* 90 FR 9121 (Feb. 7, 2025), *https://www.federalregister.gov/documents/2025/02/07/2025-02408/imposing-duties-to-address-the-synthetic-opioid-supply-chain-in-the-peoples-republic-of-china.*

[15] *See* Drug Enforcement Administration, DEA–DCT–DIR–010–24, *2024 National Drug Threat Assessment* (May 2024), pp. 46–50, *https://www.dea.gov/sites/default/files/2024-05/5.23.2024%20NDTA-updated.pdf;* FinCEN, FIN–2024–A002, *Supplemental Advisory on the Procurement of Precursor Chemicals and Manufacturing Equipment Used for the Synthesis of Illicit Fentanyl and Other Synthetic Opioids* (June 20, 2024), *https://www.fincen.gov/sites/default/files/advisory/2024-06-20/FinCEN-Supplemental-Advisory-on-Fentanyl-508C.pdf;* Congressional Research Service, *Illicit Fentanyl and Mexico's Role* (Dec. 19, 2024), pp. 1–2, *https://crsreports.congress.gov/product/pdf/IF/IF10400.*

[16] *See* Drug Enforcement Administration, DEA–DCT–DIR–010–24, *2024 National Drug Threat Assessment* (May 2024), pp. 46–50, *https://www.dea.gov/sites/default/files/2024-05/5.23.2024%20NDTA-updated.pdf.*

[17] 31 U.S.C. 5318A(c)(2)(B) provides, as relevant here, that in making a finding that reasonable grounds exist for concluding that a financial institution outside the United States is of primary money laundering concern and to apply one or more of special measures one through four to a financial institution, the Secretary shall consider such information as the Secretary determines to be relevant, including the following potentially relevant factors:

(1) the extent to which such financial institutions, transactions, or types of accounts are used to facilitate or promote money laundering in or through the jurisdiction, including any money laundering activity by organized criminal groups, international terrorists, or entities involved in the proliferation of weapons of mass destruction or missiles;

(2) the extent to which such institutions, transactions, or types of accounts are used for legitimate business purposes in the jurisdiction; and

(3) the extent to which such action is sufficient to ensure, with respect to transactions involving the jurisdiction and institutions operating in the jurisdiction, that the purposes of this subchapter continue to be fulfilled, and to guard against international money laundering and other financial crimes.

[18] *See* Intercam's homepage, *https://www.intercam.com.mx/one-stop-banking/?lang=en* (last accessed Feb. 27, 2025).

[19] Detailed descriptions of Intercam's financial services can be found under the About Intercam dropdown menu at *https://www.intercam.com.mx/about-intercam/nuestra-vision/?lang=en* (last accessed May 08, 2025). *See also* Bankers Almanac, Intercam Bank profile (last accessed Jan. 23, 2024).

[20] Intercam Banco Internacional, *Who is Intercam Banco International, Inc., https://intercam.com.pr/english/Who-We-Are.html* (last accessed May 08, 2025).

[21] *See* Intercam International Wealth Management, *about us, https://www.intercam.us/english/about-intercam-wealth-management/intercam-grupo-financiero.html* (last accessed May 20, 2025) (stating that Intercam Grupo Financiero is an integrated group of financial services companies headquartered in Mexico City, including Intercam Banco, Intercam Casa de Bolsa, and Intercam Banco Internacional, Inc. in Puerto Rico); Intercam International Wealth Management, *affiliated entities, https://www.intercam.us/english/about-intercam-wealth-management/affiliated-entities.html* (last accessed May 20, 2025) (stating that Intercam International Wealth Management conducts business through two affiliated entities, Intercam Advisors, Inc. and Intercam Securities, Inc.); IntercamFX, *affiliated entities, https://www.intercamfx.us/affiliated-entities.html* (last accessed May 20, 2025) (stating that "Intercam FX is an affiliated entity under common control of Intercam Grupo Financiero"); FinCEN, Money Services Business Registration No. 31000289206987

of Intercam's U.S.-based subsidiaries from the definition of ''Intercam,'' and, accordingly, Intercam's U.S.-based subsidiaries are outside the scope of this order.

B. Intercam is a Financial Institution of Primary Money Laundering Concern in Connection With Illicit Opioid Trafficking

FinCEN has considered the extent to which accounts at Intercam are used to ''facilitate or promote money laundering,'' including in connection with organized criminal groups associated with illicit opioid trafficking.[22] Based on information available to FinCEN, FinCEN has determined that Intercam has a history of suspected ties to international DTOs and facilitation of transactions on their behalf. Intercam's exposure to, and facilitation of, transactions associated with suspected illicit opioid trafficking-related activities is consistent with its long-standing pattern of associations with, and conduct of transactions for, multiple actors operating on behalf of or in tandem with, DTOs, including CJNG, which has been designated by OFAC and, as of February 20, 2025, was also designated as a foreign terrorist organization (FTO) pursuant to section 219 of the Immigration and Nationality Act (INA), as amended.[23]

1. Intercam Processed Funds Transfers on Behalf of Exporters and Importers of Synthetic Opioid-Related Precursor Chemicals

Based on non-public information available to FinCEN, FinCEN has determined that Intercam has a history of processing USD-denominated funds transfers that finance the importation of precursor chemicals used for the production of illicit synthetic opioids on behalf of DTOs.

In the United States, precursor chemicals are substances regulated by the Drug Enforcement Administration (DEA) in order to prevent the illicit manufacture of controlled substances. As of December 2024, most U.S.-destined illicit fentanyl was produced in clandestine labs in Mexico, using precursor chemicals imported from China.[24] Although the Mexican and Chinese governments have established controls on multiple precursor chemicals, China-based suppliers remain the main source for precursor chemicals used by DTOs in Mexico to produce illicit opioids.[25]

DTOs are known to employ transnational funds transfer services via various financial institutions and agencies, including, but not limited to, banks, money services businesses, and online payment processors to facilitate illicit opioid-related financial flows.[26] A common method employed by DTOs to obfuscate illicit opioids trafficking-related payments includes using shell and front companies to disguise the origin and destination of illicit funds.[27]

Based on non-public information, FinCEN assesses that Intercam has been instrumental in facilitating payments on behalf of Mexico-based companies involved in the procurement of precursor chemicals for illicit purposes. Examples of Intercam's likely facilitation of payments in furtherance of illicit opioid trafficking include, but are not limited to, the transactions listed below:

- In late 2019, Germany- and China-based precursor chemical brokers likely facilitated a shipment of hydroxylamine hydrochloride through a Mexico-based company for a CJNG-affiliated precursor chemical broker based on prior similar arrangements. From 2021 through 2024, this Mexico-based company sent over 1,000 funds transfers totaling over USD 8 million to shipping companies in countries, including Singapore and Hong Kong, through Intercam.
- Another Mexico-based company facilitated methamphetamine and fentanyl production in Mexico by importing precursor chemicals through U.S. ports. Since 2022, over 300 tons of precursor chemicals have been seized from shipping containers enroute to this company. Notably, from 2023 through 2024, this second Mexico-based company received over 25 funds transfers totaling over USD 700,000 from other Mexico-based companies involved in the trade of chemicals, through Intercam.

Furthermore, based on non-public information, FinCEN also assesses that Intercam has been instrumental in processing funds transfers to China-based companies known to have shipped precursor chemicals to Mexico for illicit purposes. Since at least 2019, over 20 China-based companies, including the three highlighted below, were known to have shipped precursor chemicals to Mexico for illicit purposes. For instance:

- Between 2016 and 2024, one China-based company known or suspected of having shipped precursor chemicals to Mexico was tied to over 50 international funds transfers totaling over USD 850,000 through Intercam.
- Between 2022 and 2024, a second China-based company was tied to over 12 international funds transfers totaling over USD 925,000 through Intercam.
- Between 2018 and 2024, a third China-based company was tied to over 120 international funds transfers totaling over USD 4 million through Intercam.

Separately, a China-based company was associated with Manu Gupta, who was arrested in 2019 for manufacturing and trafficking fentanyl from India to Mexico, as well as moving precursor chemicals from China to Mexico. From 2021 through 2024, this China-based company received over 40 funds transfers totaling over USD 1.5 million from at least three Mexico-based companies involved in the trade of chemicals through Intercam.

Given the conduct of these various entities and based on the volume and dollar amounts of funds transfers that Intercam processed over a number of years with these entities, FinCEN assesses that such transactions likely facilitated illicit opioid trafficking by Mexico-based DTOs.

(filed by Intercam Futures, Inc., d/b/a Intercam FX in Miami, Florida, received on Dec. 24, 2024).

[22] *See* 31 U.S.C. 5318A(c)(2)(B)(i).

[23] Department of State, *Designation of International Cartels Fact Sheet, https://www.state.gov/designation-of-international-cartels/* (last accessed Feb. 27, 2025); *see also* Department of State, *Foreign Terrorist Organization Designations of Tren de Aragua, Mara Salvatrucha, Cartel de Sinaloa, Cartel de Jalisco Nueva Generación, Carteles Unidos, Cartel del Noreste, Cartel del Golfo, and La Nueva Generacion, Carteles Unidos, Cartel del Noreste, Cartel del Golfo, and La Nueva Familia Michoacana,* 90 FR 10030–31 (Feb. 20, 2025), *https://www.govinfo.gov/content/pkg/FR-2025-02-20/pdf/2025-02873.pdf;* Department of State, *Specially Designated Global Terrorist Designations of Tren de Aragua, Mara Salvatrucha, Cartel de Sinaloa, Cartel de Jalisco Nueva Generación, Carteles Unidos, Cartel del Noreste, Cartel del Golfo, and La Nueva Familia Michoacana,* 90 FR 10030 (Feb. 20, 2025), *https://www.govinfo.gov/content/pkg/FR-2025-02-20/pdf/2025-02873.pdf;* 8 U.S.C. 1189 (codifying section 219 of the Immigration and Nationality Act).

[24] Congressional Research Service, *Illicit Fentanyl and Mexico's Role* (Dec. 19, 2024), p. 1, *https://crsreports.congress.gov/product/pdf/IF/IF10400/13.*

[25] Drug Enforcement Administration, DEA–DCT–DIR–010–24, *National Drug Threat Assessment 2024* (May 2024), p. 7, *https://www.dea.gov/sites/default/files/2025-02/508_5.23.2024%20NDTA-updated.pdf;* FinCEN, FIN–2024–A002, *Supplemental Advisory on the Procurement of Precursor Chemicals and Manufacturing Equipment Used for the Synthesis of Illicit Fentanyl and Other Synthetic Opioids* (Jun. 20, 2024), pp. 2–6, *https://www.fincen.gov/sites/default/files/advisory/2024-06-20/FinCEN-Supplemental-Advisory-on-Fentanyl-508C.pdf.*

[26] *See supra* note 24, pp. 1–2.

[27] Shell companies are businesses that exist only as an entity through which money may be transferred to hide beneficial ownership. Front companies operate partially as normal businesses; however, DTOs commingle drug proceeds with legitimate revenue from the front companies in an effort to disguise them. Drug Enforcement Administration, DEA–DCT–DIR–008–21, *2020 National Drug Threat Assessment* (Mar. 2021), p. 88, *https://www.dea.gov/sites/default/files/2021-02/DIR-008-21%202020%20National%20Drug%20Threat%20Assessment_WEB.pdf.*

2. Intercam Facilitated Transactions Linked to Illicit Opioid-Related Money Laundering

Based upon non-public information, FinCEN assesses that Intercam facilitated money laundering by suspected money mules on behalf of DTOs. For example, between 2021 and 2024, a suspected money mule opened accounts at multiple banks in Southern California and made 627 ATM deposits, totaling approximately USD 2.6 million. During the same period, the suspected money mule sent 125 wires, totaling approximately USD 1.9 million, from their United States-based accounts to an Intercam account in Mexico. Between 2022 and 2024, a different suspected money mule opened accounts at multiple banks in Southern California and made 431 ATM deposits, totaling approximately USD 1.4 million. During the same period, the suspected money mule sent 81 wires, totaling approximately USD 1.2 million, to Intercam accounts in Mexico. FinCEN assesses that such activity is consistent with current DTO money laundering techniques and supports FinCEN's assessment that Intercam was integral in money mules' operations to repatriate illicit funds to Mexico on behalf of DTOs.

3. Intercam Provided Financial Services That Benefited CJNG

In 2024, the DEA stated that CJNG, along with the Sinaloa Cartel, was "at the heart" of the synthetic opioid crisis, using its global supply chain network to gain access to the pill presses and precursor chemicals needed to manufacture synthetic opioids in Mexico for distribution in the United States.[28] The DEA described the CJNG Cartel as "one of the largest producers and traffickers of illicit fentanyl, in both powder and pill form, to the United States." [29] DEA further stated:

> Although the Jalisco Cartel [CJNG] cannot match the Sinaloa Cartel's fentanyl production capacity, they have flooded American streets with fentanyl, often mixed with other drugs like heroin, cocaine, and xylazine. The cartel has its own connections to precursor chemical suppliers in China for the production of fentanyl and methamphetamine and exerts control over a number of seaports for importing the chemicals. They also control an extensive network of smuggling routes into the United States, and lucrative distribution hubs in major U.S. cities like Atlanta, Georgia.[30]

Indeed, the DEA reports that CJNG traffics a significant proportion of the fentanyl and other deadly drugs that enter the United States and uses extreme violence against rivals and Mexican authorities to expand and maintain territory in strategic drug trafficking corridors.[31] As such, according to the DEA's 2024 National Drug Threat Assessment, CJNG is a "key driver of fatal drug poisonings in the United States" and reaps billions of dollars in profit from the manufacture of methamphetamine and illicit fentanyl.[32]

In 2015, OFAC designated CJNG pursuant to the Foreign Narcotics Kingpin Designation Act and later designated the cartel under E.O. 14059 in 2021.[33] In 2021, OFAC described the cartel as "one of the most powerful cartels in Mexico and one of the five most dangerous transnational criminal organizations in the world, according to the Department of Justice." Furthermore, as previously noted, as of February 20, 2025, CJNG was also designated as an FTO pursuant to section 219 of the INA, as amended.[34]

CJNG uses its vast financial resources, violence, and bribery of corrupt officials to maintain its dominance in Mexico's illicit drug trade. FinCEN assesses that Intercam helped finance such illicit activity by facilitating funds transfers for CJNG. For example, lntercam mid-level leadership has been involved in corrupt practices. In the latter part of 2022, Intercam executives met directly with suspected CJNG members to discuss money laundering schemes, including transferring funds from China. FinCEN assesses that such direct engagement with CJNG by Intercam leadership creates a significant risk of Intercam's services being used for future money laundering or other illicit financial activity.

4. Longstanding Compliance Concerns With Intercam and Other Indicia of Illicit Financial Activity

Notwithstanding the specific information presented by this order, both FinCEN and certain financial institutions have previously flagged certain perceived compliance concerns and other indicia of Intercam's potential facilitation of illicit financial activity. In 2015, FinCEN made Mexico's bank regulator, CNBV, aware of the bank's facilitation of a variety of activities that constituted money laundering, including transactions processed by Intercam involving suspicious purchases of cashier's checks along the United States-Mexican border, possible funnel account activity, and possible trade-based money laundering. CNBV imposed fines on Intercam for inadequate anti-money laundering controls, including failures to report suspicious transactions, for 14 offenses occurring from 2013 to 2017.[35]

Certain financial institutions have identified similar activity and compliance deficiencies. According to information available to FinCEN, Intercam previously maintained accounts at several U.S.-based financial institutions that exited their relationships with Intercam for compliance concerns. These concerns included Intercam facilitating wire transfers lacking beneficiary information, processing checks funded by cash deposits, and using a trading account primarily for conducting same-name wire transfers.

This history of deficient compliance underscores the ongoing threat that Intercam poses as a facilitator of illicit financial activity. Despite being previously cited by regulators, as set out in this order, Intercam continues to facilitate illicit transactions related to illicit opioid trafficking. As such, these historical examples support FinCEN's finding that Intercam is a financial institution of primary money laundering concern.

C. Extent To Which Intercam Is Used for Legitimate Business Activity

In reaching its finding, FinCEN has considered the extent to which Intercam is used for legitimate business purposes.[36] Intercam is the 25th largest financial institution in Mexico, worth Mexican Pesos (MXN) 81.692 billion (USD 4.04 billion) in total assets as of December 2024, and maintains at least two U.S. correspondents.[37] According to CNBV, as of February 2025, Intercam is

[28] *See supra* note 16, p. 2.

[29] *See supra* note 16, p. 13.

[30] *See supra* note 16, p. 16.

[31] OFAC, Press Release, *Treasury Uses New Sanctions Authority to Combat Global Illicit Drug* Trade (Dec. 15, 2021), *https://home.treasury.gov/news/press-releases/jy0535*.

[32] *See supra,* note 16, p. 12.

[33] OFAC, Press Release, *Treasury Uses New Sanctions Authority to Combat Global Illicit Drug Trade* (Dec. 15, 2021), *https://home.treasury.gov/news/press-releases/jy0535;* OFAC, Press Release, *Treasury Sanctions Two Major Mexican Drug Organizations and Two of Their Leaders* (Apr. 8, 2015), *https://home.treasury.gov/news/press-releases/jl10020*.

[34] *See supra* note 23.

[35] Government of Mexico, CNBV, *Sanciones Consolidadas, https://sanciones.cnbv.gob.mx* (last accessed May 20, 2025).

[36] *See* 31 U.S.C. 5318A(c)(2)(B)(ii).

[37] Ranking determined by comparing Intercam's total assets reported by CNBV in December 2024 with the total assets reported for banks in Mexico by CNBV in December 2024. *See* Government of Mexico, CNBV, *Banca Múltiple* (Dec. 2024), *https://portafolioinfo.cnbv.gob.mx/PUBLICACIONES/Boletines/Paginas/CB.aspx* (last accessed May 8, 2025). Correspondent relationships identified through commercially available bank data for Intercam. *see* BankCheck Profile for Intercam Banco, *https://bankcheck.app* (last accessed Apr. 10, 2025).

one of 51 registered banking institutions in Mexico.[38] As of December 2024, Intercam constituted 0.5 percent of commercial bank assets in Mexico. By comparison, the assets of the two largest Mexico-based banks in December 2024 represented 22.25 percent with MXN 3.384 trillion (USD 167.22 billion) and 13.19 percent with MXN 2.006 trillion (USD 99.15 billion), respectively, of commercial assets in Mexico.

FinCEN has also assessed Intercam's statements and other public information about Intercam's anti-money laundering and countering the financing of terrorism (AML/CFT) policies. According to Intercam's money-laundering prevention summary, protecting the bank from money laundering and illicit finance activity is a priority and staff receive constant training and evaluation for compliance with the bank's internal code of ethics and conduct.[39] In addition to policies and procedures and hosting an annual Money-Laundering Prevention Convention attended by more than 100 compliance officers across industries, Intercam purports to prioritize Know Your Customer efforts via regular in-person visits to clients for verification purposes and the development of monitoring controls.[40] FinCEN has not independently examined Intercam's AML policies or programs or otherwise corroborated the existence or efficacy of such programs. However, in light of the evidence presented elsewhere in this order, FinCEN concludes that even if such programs exist, they have not proven effective at detecting or preventing the illicit financial activity described herein. FinCEN therefore concludes that given the totality of the circumstances, Intercam's AML program does not alter FinCEN's overall determination that Intercam is of primary money laundering concern.

Moreover, FinCEN assesses that Intercam's legitimate business activities do not outweigh the risk posed by its provision of services to facilitate illicit opioid trafficking by DTOs that seek to circumvent AML/CFT obligations and obfuscate the source of funds or their intended use. In particular, FinCEN analyzed references to regulated Mexican banks and brokerage houses in 2022–2024, from non-public information made available to FinCEN, and produced an asset-weighted ranking based on asset data published by Mexico's National Banking and Securities Commission. Intercam ranked first in the asset-weighted analysis of potentially illicit activity, and FinCEN assesses that a higher relative concentration of such activity amongst smaller market share financial institutions such as Intercam in Mexico is likely indicative of weak AML/CFT controls within these institutions. Accordingly, given the extensive flows of illegitimate funds through Intercam, FinCEN assesses that the need to protect U.S. financial institutions from the money laundering risks presented by Intercam outweighs any potential legitimate utility its services may provide.

D. The Extent to Which This Action Would Guard Against International Money Laundering and Other Financial Crimes Associated With Illicit Opioid Trafficking

A finding that Intercam is of primary money laundering concern in connection with illicit opioid trafficking establishes—and emphasizes—the significant illicit finance risks posed by Intercam's provision of financial services that facilitate illicit opioid trafficking by Mexico-based DTOs. This finding will place U.S. and foreign financial institutions and regulators on notice to guard against those risks.[41] Moreover, such a finding—in combination with a prohibition on certain transmittals of funds involving Intercam by covered financial institutions—will safeguard the U.S. financial system by severing Intercam's access.

IV. Imposition of a Special Measure Prohibiting Certain Transmittals of Funds Involving Intercam

Having found that Intercam is a financial institution operating outside of the United States that is of primary money laundering concern in connection with illicit opioid trafficking, FinCEN has determined that the imposition of a special measure prohibiting certain transmittals of funds involving Intercam is warranted.[42] In making this determination and assessing which special measures may be appropriate, FinCEN has considered the relevant evidence in light of factors identified in 31 U.S.C. 5318A(a)(4)(B). While FinCEN is under no obligation pursuant to section 2313a to consider any particular factor or set of factors in selecting one or more special measures, it nonetheless finds these factors instructive in guiding the analysis set forth below.[43]

A. Whether the Prohibition on Certain Transmittals of Funds Involving Intercam Will Address the Money Laundering Concern in a Manner Consistent With U.S. National Security and Foreign Policy Interests

FinCEN has considered the effect this action will have on U.S. national security and foreign policy, as well as the extent to which multilateral groups or other nations have taken similar actions.[44] Given Intercam's association with DTOs and other actors engaged in illicit opioid trafficking, FinCEN assesses that imposing a prohibition on certain transmittals of funds involving Intercam is necessary to safeguard U.S. national security and the U.S. financial system, as well as serve key U.S. national security objectives.[45] In

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[38] Government of Mexico, CNBV, *Registry of Supervised Entities on Multiple Banking Institutions as of February 21, 2025, https://www.cnbv.gob.mx/Paginas/PADR%C3%93N-DE-ENTIDADES-SUPERVISADAS.aspx.*

[39] *See* Intercam's website, *Money Laundering Prevention, https://www.intercam.com.mx/about-intercam/money-laundering-prevention/?lang=en#:~:text=Since%201997%2C%20Intercam%20has%20led%20the%20financial%20industry,the%20local%20industry%20to%20comply%20with%20FATF%20guidelines* (last accessed Apr. 22, 2025).

[40] *Id.*

[41] *See* 31 U.S.C. 5318A(c)(2)(B)(iii).

[42] In connection with this action, and consistent with 31 U.S.C. 5318A(a)(4)(A), FinCEN consulted with staff at the following Departments and agencies with regard to the proposed order and prohibition: the Department of Justice; the Department of State; the Board of Governors of the Federal Reserve System; the Federal Deposit Insurance Corporation; the Securities and Exchange Commission; the Commodity Futures Trading Commission; the Office of the Comptroller of the Currency; and the National Credit Union Administration. None of the Departments or agencies objected to the issuance of this order based on the information provided to staff at the time of this consultation.

[43] 31 U.S.C. 5318A(a)(4)(B) provides, as relevant here, that in selecting which special measure(s) to take, the Secretary shall consider:

(1) whether similar action has been or is being taken by other nations or multilateral groups;

(2) whether the imposition of any particular special measure would create a significant competitive disadvantage, including any undue cost or burden associated with compliance, for financial institutions organized or licensed in the United States;

(3) the extent to which the action or the timing of the action would have a significant adverse systemic impact on the international payment, clearance, and settlement system, or on legitimate business activities involving the particular jurisdiction, institution, class of transactions, or type of account; and

(4) the effect of the action on United States national security and foreign policy.

[44] *See* 31 U.S.C. 5318A(a)(4)(B)(i), (iv).

[45] *See generally* National Security Memorandum/NSM–24, *National Security Memorandum on Prioritizing the Strategic Disruption of the Supply Chain for Illicit Fentanyl and Synthetic Opioids Through a Coordinated, Whole-of-Government, Information-Driven Effort* (July 31, 2024), *https://www.govinfo.gov/app/details/DCPD-202400663;* Treasury, *2024 National Strategy for Combating Terrorist and Other Illicit Financing* (May 2024), *https://home.treasury.gov/system/files/136/2024-Illicit-Finance-Strategy.pdf; supra* note 16.

particular, prohibiting certain transmittals of funds involving Intercam will further ongoing U.S. efforts to curtail illicit opioid trafficking—including the manufacture of synthetic opioids—and related financial transactions that facilitate the laundering of the proceeds of their distribution. Targeting the illicit proceeds of drug traffickers and DTOs, especially those with a nexus to illicit opioids—like CJNG—is a high priority for the United States. For that reason, recent actions by OFAC and the Department of State have focused on DTOs affiliated with opioid-related illicit finance threats, including the February 20, 2025, designation of certain DTOs, including CJNG.[46] Publicly countering a financing mechanism used by these illicit entities by prohibiting certain transmittals of funds involving Intercam will serve the national security and protect the financial system of the United States by further deterring and curtailing illicit opioid trafficking, along with the activities of such DTOs and FTOs. Similarly, such a prohibition would sever a pathway that may facilitate circumvention of U.S. economic sanctions, increasing the efficacy of those sanctions and complementing previous actions taken by the U.S. government.

Moreover, this action reinforces the expectations of AML/CFT compliance in the financial system, highlighting the importance of identifying and reporting suspicious activity by financial institutions around the world. With respect to the illicit finance risks posed by Intercam, that is of particular importance, as no multilateral groups and no other nations have yet acted to address those risks.

B. Whether the Prohibition on Certain Transmittals of Funds Involving Intercam Would Create a Significant Competitive Disadvantage, Including Through Imposing Undue Burdens on Legitimate Activity of Intercam or Third Parties

FinCEN has considered whether the imposition of special measure six would create a significant competitive disadvantage, including any undue cost or burden associated with compliance, for financial institutions organized or licensed in the United States, as well as the extent to which the action could have a significant adverse systemic impact on legitimate business activities involving Intercam.[47] FinCEN assesses that prohibiting certain transmittals of funds involving Intercam would impose a relatively limited burden on legitimate activities currently transacted through Intercam or the legitimate activities of third parties impacted by this order, as similar services are offered by other financial institutions in Mexico and third parties will have sufficient capability to ensure compliance.

As noted above, Intercam is the 25th largest financial institution in Mexico, with MXN 81.692 billion (USD 4.04 billion) in assets as of December 2024, and holds correspondent banking relationships with at least two U.S. financial institutions.[48] As of December 2024, Intercam represented 0.5 percent of commercial bank assets in Mexico. By comparison, the assets of the two largest Mexico-based banks in December 2024 represented 22.25 percent with MXN 3.384 trillion (USD 167.22 billion) and 13.19 percent with MXN 2.006 trillion (USD 99.15 billion), respectively, of commercial assets in Mexico. FinCEN assesses that given Intercam's size compared to the largest financial institutions in Mexico and the array of correspondent relationships between U.S. and Mexican financial institutions, the macroeconomic impact of prohibiting certain transmittals of funds involving Intercam would be negligible.

Indeed, the legitimate services that Intercam offers would be readily available through other regulated institutions, and those financial institutions would do so with the appropriate transparency necessary to support international efforts to protect the integrity of the international financial system.

Although this order represents one of the first issuances of an order under section 2313a, FinCEN has afforded financial institutions an additional 21 days to prepare for the prohibition and, regardless, assesses that this action would not impose any undue cost or burden for financial institutions, as covered financial institutions would be positioned to readily incorporate the requirements of this order into their compliance programs. FinCEN does anticipate that, although any Intercam affiliates outside of Mexico would not be subject to the restrictions set out in this order, there may yet be challenges associated with transactions involving such entities. However, the burden associated with any such challenges remains outweighed by the benefits to national security from this action, and, again, FinCEN assesses that covered financial institutions' existing compliance programs and process will be sufficient in both navigating those challenges and mitigating any associated burden and unintended consequences on licit businesses and customers.

C. Whether Any Other Reasonable Alternatives or Special Measures Would Adequately Address the Money Laundering Concern

In imposing a prohibition on certain transmittals of funds, FinCEN considered other available special measures[49] and, after due consideration, has determined that a special measure prohibiting certain transmittals of funds involving Intercam is the appropriate means to adequately address the illicit finance risks that Intercam poses.

None of the special measures set out in 31 U.S.C. 5318A—special measures one through five—would effectively address the illicit finance threat posed by Intercam. Any additional recordkeeping, information collection, or reporting requirements, as described in 31 U.S.C 5318A(b)(1)–(4), would be insufficient to guard against the risks posed by covered financial institutions processing transmittals of funds involving Intercam. Those special measures would allow such transfers to continue to the benefit of illicit actors connected to illicit opioid trafficking. Further, prohibiting or placing conditions upon the opening or maintaining in the United States of correspondent accounts or payable-through accounts for or on behalf of Intercam, as described in 31 U.S.C 5318A(b)(5), would be similarly inadequate. Neither prohibiting nor imposing conditions on such accounts would safeguard the U.S. financial system to the same degree as prohibiting transmittals of funds, as such a special measure would not address the movement of funds outside of a strict correspondent or payable-through

[46] *See supra* note 23.

[47] *See* 31 U.S.C. 5318A(a)(4)(B)(ii), (iii).

[48] Ranking was determined by comparing Intercam's total assets reported by CNBV in December 2024 with the total assets reported for banks in Mexico by CNBV in December 2024. *See* Government of Mexico, CNBV, *Banca Múltiple* (Dec. 2024), *https://portafolioinfo.cnbv.gob.mx/PUBLICACIONES/Boletines/Paginas/CB.aspx* (last accessed May 8, 2025). Correspondent relationships were identified through commercially available bank data for Intercam. *See* BankCheck Profile for Intercam Banco, *https://bankcheck.app* (last accessed Apr. 10, 2025).

[49] As noted in section II.A, pursuant to section 2313a, these measures include: (1) the special measures described in 31 U.S.C. 5318A(b), including the imposition of additional recordkeeping, information collection, and reporting requirements on covered U.S. financial institutions and/or the imposition of conditions upon the opening or maintaining of correspondent or payable-through accounts for or on behalf of a foreign banking institution; and (2) the prohibition, or imposition of conditions on, the transmittal of funds.

relationship, for example, through the movement of funds outside the traditional banking relationship, which may permit Intercam to access USD through indirect correspondent relationships via other foreign financial institutions.

Given Intercam's longstanding facilitation of illicit opioid trafficking by Mexico-based DTOs, and because transmittals of funds involving Intercam do not necessarily have to go through a correspondent account, FinCEN assesses that it is appropriate to more broadly prohibit any transmittals of funds. Because such a prohibition would cut off any transmittal of funds, and not just those conducted through a correspondent or payable-through account, the prohibition on any transmittal of funds involving Intercam would more effectively prevent Intercam from accessing the U.S. financial system. FinCEN therefore assesses that such a prohibition is the most appropriate special measure to protect the U.S. financial system.

D. Whether the Special Measure Prohibiting Certain Transmittals of Funds Should Be Imposed by Order or Regulation

Pursuant to section 2313a, the Secretary may impose specified special measures, including a prohibition on certain transmittals of funds, ''by order, regulation or otherwise as permitted by law.'' In determining the appropriate approach in this instance, FinCEN considered imposing special measures by order or regulation, taking into account the nature of the underlying threat, and determined that proceeding by an order is the most appropriate course of action given the imminent threats posed by the illicit actors whose transactions and access to funds Intercam facilitates, as well as the ongoing transactions associated with suspected activity related to illicit opioid trafficking that continue to be processed through Intercam. Further, FinCEN has assessed that this order will not be unduly burdensome or impose new or unique compliance costs on financial institutions.

A copy of this order will be published in the **Federal Register**. To the extent that Intercam or parties have information relevant to this order, they may submit it to FinCEN at *http://www.fincen.gov/contact.*

V. Order

A. Definitions

1. Intercam Banco S.A., Institución De Banca Multiple

The order defines Intercam Banco S.A., Institución de Banca Multiple (Intercam), a commercial bank licensed by the government of the Republic of Mexico, to mean all of its subsidiaries, branches, and offices located in Mexico and operating pursuant to Mexican financial laws and regulations. Any branches, subsidiaries, and offices of Intercam Banco S.A., Institución de Banca Multiple, operating outside of Mexico, including any such branches, subsidiaries, and offices located in the United States, are expressly excluded from the definition of ''Intercam'' for the purposes of this order.

2. Covered Financial Institution

The order defines a covered financial institution as having the same meaning as ''financial institution'' in 31 CFR 1010.100(t).

3. Transmittals of Funds

The order defines transmittals of funds as the sending and receiving of funds, including convertible virtual currency.

4. Meaning of Other Terms

All terms used but not otherwise defined herein shall have the meaning set forth in 31 CFR Chapter X, 31 U.S.C. 5312, and 21 U.S.C. 2302.

B. Prohibition on Transmittals of Funds Involving Intercam

A covered financial institution is prohibited from engaging in any transmittal of funds from or to Intercam.

C. Order Period

The terms of this order are effective [21 DAYS AFTER PUBLICATION IN THE **FEDERAL REGISTER**], with no cessation date.

D. Reservation of Authority

FinCEN reserves authority to impose conditions on certain transmittals of funds from or to Intercam and to grant appropriate exemptions from the requirements of this order.

E. Other Obligations

Nothing in this order shall be construed to modify, impair, or otherwise affect any requirements or obligations to which a covered financial institution is subject pursuant to the BSA, including, but not limited to, the filing of Suspicious Activity Reports, or other applicable laws or regulations, such as the sanctions administered and enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control.

F. Penalties for Noncompliance

Any covered financial institution, and any of its partners, directors, officers, or employees may be liable for civil or criminal penalties under 31 U.S.C. 5321 and 5322 for willfully violating any of the terms of this order.

G. Validity of Order

Any judicial determination that any provision of this order is invalid shall not affect the validity of any other provision of this order, and each other provision shall thereafter remain in full force and effect.

Andrea M. Gacki,

Director, Financial Crimes Enforcement Network.

[FR Doc. 2025–11990 Filed 6–27–25; 8:45 am]

BILLING CODE 4810–02–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket No. USCG–2025–0457]

Safety Zones; Annual Events in the Captain of the Port Detroit Zone

AGENCY: Coast Guard, DHS.

ACTION: Notice of enforcement of regulation.

SUMMARY: The Coast Guard will enforce various safety zones for annual marine events in the Captain of the Port Detroit zone. Enforcement of these safety zones is necessary to protect the safety of life and property on the navigable waters immediately prior to, during, and immediately after these events. During each enforcement period, no person or vessel may enter the respective safety zone without permission of the Captain of the Port Detroit or his designated representative.

DATES: The regulations in 33 CFR 165.941 will be enforced for the safety zones for the events on the dates and times specified in the **SUPPLEMENTARY INFORMATION** section below.

FOR FURTHER INFORMATION CONTACT: If you have questions on this document, call or email Tracy Girard, Prevention Department, U.S. Coast Guard; telephone (313) 568–9564, email *Tracy.M.Girard@uscg.mil.*

SUPPLEMENTARY INFORMATION: The Coast Guard will enforce the safety zones

Pipeline Safety TRUST

Credible.
Independent.
In the public interest.

March 3, 2026

Bob Latta, Chairman Subcommittee on Energy House Committee on Energy & Commerce 2125 Rayburn House Office Building Washington, D.C. 205515	Kathy Castor, Ranking Member Subcommittee on Energy House Committee on Energy & Commerce 2125 Rayburn House Office Building Washington, DC 205515

Re: Pipeline Safety Trust Letter of Opposition for Subcommittee on Energy Bill, *Pipeline Safety Reauthorization Act of 2026*

Chairman Latta and Ranking Member Castor:

Pipeline Safety Trust respectfully opposes the subcommittee's bill, the Pipeline Safety Reauthorization Act of 2026. Pipeline Safety Trust is a nonprofit watchdog of the pipeline industry and its regulators. We achieve our mission through education and advocacy, increasing access to information, and building partnerships with residents, safety advocates, government and industry to promote safe communities and a healthy environment. As part of this work, PST has been involved in reauthorization of the federal pipeline regulator, the Pipeline and Hazardous Materials Safety Administration (PHMSA) and its predecessor, for over 20 years. It is Pipeline Safety Trust's position that this bill, which serves as the main opportunity for congress to protect the public from the dangers of these pipelines, fails to do so.

It has been five years since Congress enacted the PIPES Act of 2020, and that period has produced major incidents and clear evidence of unresolved gaps in federal pipeline safety oversight. Rather than using this reauthorization to address those lessons and strengthen protections for communities, the Committee has put forth a draft that will do little if anything to meaningfully improve pipeline safety.

Not only does the bill advance no policies that learn from the incidents over the past five years, it further hamstrings PHMSA from achieving its mission of protecting people and the environment.

Most critically, several provisions in this bill are weaker than, or directly contradict, what both the House Transportation and Infrastructure Committee and the Senate Commerce Committee already approved with bipartisan support. We highlight four of the most significant concerns below.

Section 4: Formal Hearing Right

Both bipartisan bills drew a careful line around when operators may demand a formal ALJ hearing: Senate Commerce limited that right to penalties over $1 million; T&I set the threshold at $125,000. The E&C bill sets no threshold at all, giving every operator a procedural weapon to delay routine enforcement actions regardless of size, which goes well beyond due process and into enforcement obstruction.

Section 5: Special Permit Conditions

This provision would prohibit PHMSA from imposing waiver conditions unless they relate directly to the specific standard being waived, ignoring the reality that pipeline safety threats interact and compound. PST opposed this same language in the T&I bill for that reason, and the Senate

Commerce bill wisely excluded it. Stripping PHMSA's flexibility to address related risks does not streamline the process, it creates gaps in the safety net the waiver program is supposed to maintain.

Section 6: "Strengthening Penalties"

Despite its title, this section increases no civil administrative penalties, the caps that drive day-to-day deterrence, and instead expands a criminal sabotage provision. Both bipartisan committees recognized that current penalty caps are inadequate and acted accordingly. Senate Commerce doubled them, T&I increased the aggregate cap to $3.4 million. This bill makes no effort to change either.

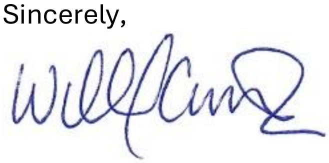
Section 8: Voluntary Information-Sharing System

PST worked with both the T&I and Senate Commerce committees to ensure the VIS would have dedicated funding, because drawing from PHMSA's existing appropriations would simply defund other safety functions to pay for this one. The Senate Commerce bill authorizes an additional $5 million per year for that purpose. The E&C bill creates the VIS structure but provides no funding mechanism.

Beyond what the bill gets wrong, equally concerning is what is left out. Provisions that would improve pipeline safety and passed with bipartisan support in the Senate Commerce and/or T&I bills are simply absent here, leaving known safety gaps unaddressed. These include: assessments of high-risk Aldyl-A plastic pipe, strengthened whistleblower protections, a mandated final rule on CO_2 pipeline safety standards, geological hazard mitigation requirements, a hydrogen blending safety study, and a review of PHMSA's potential impact radius methodology.

Rather than moving forward with this bill, the Committee should take its role in pipeline safety seriously and develop comprehensive legislation that moves the needle. 52 people have died and 158 people have been injured from pipeline incidents since the last reauthorization. Don't let that be in vain.

Sincerely,



Bill Caram
Executive Director

cc: Brett Guthrie, Chair, Committee on Energy & Commerce
Frank Pallone, Ranking Member, Committee on Energy & Commerce