PART 25—FOREIGN ACQUISITION

25.1001 [Amended]
2. Section 25.1001 is amended in the definition of “Sanctioned member state of the EC” by removing “Federal Republic of Germany,”.

PART 52—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

52.225–18 [Amended]
3. Section 52.225–18 is amended by removing “Federal Republic of Germany,” from the definition “Sanctioned member state of the EC”.

52.225–19 [Amended]
4. Section 52.225–19 is amended by removing “Federal Republic of Germany,” from the definition “Sanctioned member state of the European Community (EC)”.

Supplementary Information:

A. Background

This interim FAR rule revises FAR 31.205–26, Material Costs, to make it clear that interdivisional transfers made at price should be treated in the same manner as subcontracts for purposes of applying the requirements of FAR 15.804–3.

B. Regulatory Flexibility Act

This interim rule is not expected to have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, et seq., because most contracts awarded to small entities are awarded on a competitive, fixed-price basis and the constant principles do not apply. The cost principles only apply to contracts for which cost or pricing data has been submitted. An Initial Regulatory Flexibility Analysis has, therefore, not been performed. Comments from small entities concerning the affected FAR subpart will be considered in accordance with 5 U.S.C. 610 of the Act. Such comments must be submitted separately and should cite 5 U.S.C. 601, et seq. (FAC 90–27, FAR case 94–9), in correspondence.

C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the changes to the FAR do not impose recordkeeping or information collection requirements, or collection of information from offerors, contractors, or members of the public which require the approval of OMB under 44 U.S.C. 3501, et seq.

D. Determination To Issue an Interim Rule

A determination has been made under the authority of the Secretary of Defense (DOD), the Administrator of General Services (GSA), and the Administrator of the National Aeronautics and Space Administration (NASA) that compelling reasons exist to promulgate this interim rule without prior opportunity for public comment. This action is necessary to provide an immediate benefit to Government and Industry. The rule will permit interdivisional transfers at price rather than cost for commercial items, under criteria identical to those used in applying the exception provisions of the Truth in Negotiations Act to subcontracts. However, pursuant to Public Law 98–577 and FAR 1.501, public comments received in response to this interim rule will be considered in the formation of the final rule.

List of Subjects in 48 CFR Part 31

Government procurement.
(2) The contracting officer has not
determined the price to be
unreasonable.

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