GENERAL ACCOUNTING OFFICE

Federal Accounting Standards Advisory Board

AGENCY: General Accounting Office.

ACTION: Request for Comment on Exposure Draft.

SUMMARY: The Federal Accounting Standards Advisory Board (FASAB) has published for comment an exposure draft of a proposed statement of recommended federal accounting standards that would amend Statement of Federal Financial Accounting Standards No. 7, Accounting for Revenue and Other Financing Sources. The exposure draft is titled Deletion of Paragraph 65.2—Material Revenue-Related Transactions Disclosures. The exposure draft explains why the Board believes that this subparagraph should be deleted and presents the alternative view of one Board member. Comments are requested by December 12, 1998. Comments should be directed to Wendy Comes, Executive Director, at the address shown in the exposure draft. Copies of the exposure draft may be obtained by calling FASAB at (202) 512–7350, by faxing a request to (202) 512–7366, or at http://www.financenet.gov/financenet/fed/fasab/deletion.pdf.

FOR FURTHER INFORMATION CONTACT: Robert Bramlett, Assistant Director, 441 G St., NW, Room 3B18, Washington, DC 20548, or call (202) 512–7355.

Authority: Federal Advisory Committee Act. Pub. L. 92–463, sec. 10(a)(2), 86 Stat. 770, 774 (1972) (current version at 5 U.S.C. app. section 10(a)(2) (1988); 41 CFR 101–6.1015 (1990).

Dated: November 18, 1998.

Robert W. Bramlett,

Assistant Director.

[FR Doc. 98–31262 Filed 11–20–98; 8:45 am]

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GENERAL SERVICES ADMINISTRATION

[OMB Control No. 3090–0235]

Submission for OMB Review; Comment Request Entitled Price Reductions Clause

AGENCY: Office of Acquisition Policy, GSA.

ACTION: Notice of request for an extension to a previously approved OMB Clearance (3090–0235).

SUMMARY: Under the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35), the Office of Acquisition Policy has submitted to the Office of Management and Budget (OMB) a request to review and approve an extension of a previously approved information collection requirement concerning Price Reductions clause. The information collection was previously published in the **Federal Register** on June 19, 1998 at 63 FR 33667, allowing for a 60-day public comment period. Public comments were received from the Coalition for Government Procurement and the Information Technology Services Council.

Following is a summary of the comments GSA received and GSA's response.

1. The Price Reduction clause is an administrative and financial burden.

The clause was significantly streamlined when modified in 1994. Other administrative requirements were also relaxed or deleted. The clause requires submission of information in only very limited circumstances. The only monitoring required by the clause is for sales to the designated customer or class of customer. No special format or periodic reporting is required. GSA contacted a sampling of potential respondents (small and large business MAS contractors), from various schedules to determine the estimated annual burden. It found the average number of times the information is reported each year is 2 times with an estimated time of 15 hours. Several of the small businesses consulted said the clause was not a burden. The Price Reduction clause is a key safeguard that has been built into the MAS procurement process to protect against loss of taxpayer dollars.

2. The Price Reduction clause is not necessary to ensure price reasonableness on MAS contracts.

The clause simply assures that the government maintains throughout the life of the contract the relative price/discount advantage negotiated in relation to the contractor's commercial customer upon which the contract award is predicated.

The clause provides that if a contractor sells any item covered by a comparable type contract at a price below the negotiated MAS contract price to the identified comparable customer, then the contractor must give the government an equivalent price reduction on all subsequent government orders for the balance of the contract period or until the price is furthered reduced.

Without a mechanism such as the Price Reduction clause to ensure that a balance between government prices and commercial prices is maintained there are no assurances of continued price reasonableness under the contract. The only reasonable alternative would be to have shorter contracts and negotiate more frequently, imposing a greater burden on the contractor. To eliminate such a clause would be to eliminate an important means by which the government insures that it receives the best pricing. Most MAS contracts are often three to five years in length; price reductions insure that the government is receiving current market prices in response to changes in market demand and technology. The existence of the price reduction clause helps allow MAS contracts to be of longer duration than the more typical one-year supply contract. Absent such a clause, the government would be forced to enter into contracts of shorter duration in order to maintain current pricing. The administrative costs and other burdens associated with more frequent negotiations would be increased for contractors and government alike.

3. The Price Reduction clause is not consistent with commercial practice.

GSA acknowledges that there are differences of opinion with industry with regard to the Price Reductions clause being consistent with commercial practice, however, there are similar type arrangements in private industry. GSA's Office of Inspector General (OIG) has found that price reduction requirements, in fact, are standard commercial practice for many large volume purchasers. The OIG has found commercial agreements that contained provisions by which a seller would commit to giving the buyer the benefit of any decreases in prices for the subject products during the term of the agreement.

DATES: Comment Due Date: December 23, 1998.

ADDRESSES: Additional comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, should be submitted to: Edward Springer, GSA Desk Officer, Room 3235, NEOB, Washington, DC 20503 and also may be submitted to Marjorie Ashby, General Services Administration (MVP), 1800 F Street NW, Washington, DC 20405.

FOR FURTHER INFORMATION CONTACT: Al Matera, Office of GSA Acquisition Policy (202) 501–1224.

SUPPLEMENTARY INFORMATION:

A. Purpose

The GSA is requesting the Office of Management and Budget (OMB) to review and approve information collection, 3090–0235, concerning the Price Reductions clause. The Price