

DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Parts 47 and 52

[FAR Case 98-603]

RIN 9000-A128

Federal Acquisition Regulation; Contractor Liability for Loss of and/or Damages to Household Goods

AGENCIES: Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

ACTION: Proposed rule.

SUMMARY: The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council are proposing to amend the Federal Acquisition Regulation (FAR) to standardize the method of calculating contractor liability for loss of and/or damage to shipments of household goods to conform to International Through Government Bill of Lading (ITGBL) procedures.

DATES: Comments should be submitted on or before April 19, 1999 to be considered in the formulation of a final rule.

ADDRESSES: Interested parties should submit written comments to: General Services Administration, FAR Secretariat (MVR), Attn: Laurie Duarte, 1800 F Street, NW, Room 4035, Washington, DC 20405.

E-mail comments submitted over Internet should be addressed to: farcase.98-603@gsa.gov. Please cite FAR case 98-603 in all correspondence related to this case.

FOR FURTHER INFORMATION CONTACT: The FAR Secretariat, Room 4035, GS Building, Washington, DC 20405, (202) 501-4755, for information pertaining to status or publication schedules. For clarification of content, contact Ms. Linda Klein, Procurement Analyst, at (202) 501-3775. Please cite FAR case 98-603.

SUPPLEMENTARY INFORMATION:

A. Background

This proposed rule amends the clause at FAR 52.247-23 with regard to the method of calculating contractor liability for loss of and/or damage to shipments of household goods. Presently, when contracting for the transportation of household goods, the contracting officer inserts the FAR clause at 52.247-23, Contractor Liability for Loss of and/or Damage to Household Goods, in solicitations and contracts. This clause requires the contractor to indemnify the owner of the goods at a rate per pound determined to be appropriate to the specific situation. To provide standardization for liability on shipments of household goods and a more equitable compensation for loss of individual items that conforms with commercial industry standards, this rule calculates liability as found in the ITGBL, at a rate of \$5.00 per pound times the total net shipment weight.

This regulatory action was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993, and is not a major rule under 5 U.S.C. 804.

B. Regulatory Flexibility Act

This proposed 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 the rule merely standardizes the method calculating contractor liability for lost or damaged goods to conform with corporate practice offered to national accounts today. 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. (FAR case 98-603), in correspondence.

C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the proposed changes to the FAR do not impose information collection requirements that require the approval of the Office of Management

and Budget under 44 U.S.C. 3501, et seq.

List of Subjects in 48 CFR Parts 47 and 52

Government procurement.

Dated: February 8, 1999.

Edward C. Loeb,

Director, Federal Acquisition Policy Division.

Therefore, it is proposed that 48 CFR Parts 47 and 52 be amended as set forth below:

1. The authority citation for 48 CFR Parts 47 and 52 continues to read as follows:

Authority: 40 U.S.C. 486(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

PART 47—TRANSPORTATION

2. Section 47.207-7 is amended by revising paragraph (e) to read as follows:

47.207-7 Liability and insurance.

* * * * *

(e) The contracting officer shall insert the clause at 52.247-23, Contractor Liability for Loss of and/or Damage to Household Goods, in solicitations and contracts for the transportation of household goods. The contracting officer may decide to revise paragraph (c) of the clause by stipulating the rate of liability using the metric equivalent in local currency in lieu of U.S. dollars and pound weight.

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PART 52—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

3. Section 52.247-23 is amended by revising the clause date and paragraph (c) to read as follows:

52.247-23 Contractor Liability for Loss of and/or Damage to Household Goods.

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Contractor Liability for Loss of and/or Damage to Household Goods (Date)

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(c) The Contractor shall be liable at a rate of \$5.00 per pound times the total net shipment weight.

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