

impose any 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 219 and 252

Government procurement.

Michele P. Peterson,

Executive Editor, Defense Acquisition Regulations Council.

Interim Rule Adopted as Final With Changes

Accordingly, the interim rule amending 48 CFR Parts 219 and 252, which was published at 67 FR 11435 on March 14, 2002, is adopted as a final rule with the following changes:

1. The authority citation for 48 CFR Parts 219 and 252 continues to read as follows:

Authority: 41 U.S.C. 421 and 48 CFR Chapter 1.

PART 219—SMALL BUSINESS PROGRAMS

219.804-2 [Amended]

2. Section 219.804-2 is amended by removing “must” and adding, in its place, “shall” in the following places:

- a. Paragraph (1) introductory text, in the first and last sentences;
- b. Paragraph (1)(ii)(A);
- c. Paragraph (2) introductory text, twice in the second sentence and once in the last sentence;
- d. Paragraph (2)(ii), in the last sentence; and
- e. Paragraph (3), in the first and last sentences.

219.806 [Amended]

3. Section 219.806 is amended in paragraph (1) and in the last sentence of paragraph (2) by removing “must” and adding in its place “shall”.

219.811-1 [Amended]

4. Section 219.811-1 is amended in paragraph (a), in the first, second, and last sentences, by removing “must” and adding in its place “shall”.

219.811-2 [Amended]

5. Section 219.811-2 is amended by removing “must” and adding in its place “shall”.

[FR Doc. 02-19082 Filed 7-29-02; 8:45 am]

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DEPARTMENT OF DEFENSE

48 CFR Part 225

[DFARS Case 2002-D011]

Defense Federal Acquisition Regulation Supplement; Trade Agreements Thresholds—Construction

AGENCY: Department of Defense (DoD).

ACTION: Final rule.

SUMMARY: DoD has issued a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS). The rule implements the determination of the U.S. Trade Representative to revise the dollar thresholds for application of the Trade Agreements Act and the North American Free Trade Agreement (NAFTA) to construction contracts.

EFFECTIVE DATE: July 30, 2002.

FOR FURTHER INFORMATION CONTACT: Ms. Amy Williams, Defense Acquisition Regulations Council, OUSD (AT&L) DP (DAR), IMD 3C132, 3062 Defense Pentagon, Washington, DC 20301-3062. Telephone (703) 602-0328; facsimile (703) 602-0350. Please cite DFARS Case 2002-D011.

SUPPLEMENTARY INFORMATION:

A. Background

On March 27, 2002 (67 FR 14763), the U.S. Trade Representative published a determination that decreased the threshold for application of the Trade Agreements Act to construction contracts from \$6,806,000 to \$6,481,000; and increased the threshold for application of NAFTA to construction contracts from \$7,068,419 to \$7,304,733. This final rule amends the prescriptions for use of the clauses at DFARS 252.225-7044, Balance of Payments Program—Construction Material, and 252.225-7045, Balance of Payments Program—Construction Material Under Trade Agreements, to reflect the new dollar thresholds.

This rule was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993.

B. Regulatory Flexibility Act

This rule will not have a significant cost or administrative impact on contractors or offerors, or a significant effect beyond the internal operating procedures of DoD. Therefore, publication for public comment is not required. However, DoD will consider comments from small entities concerning the affected DFARS subpart in accordance with 5 U.S.C. 610. Such comments should cite DFARS Case 2002-D011.

C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the rule does not impose any 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 Part 225

Government procurement.

Michele P. Peterson,

Executive Editor, Defense Acquisition Regulations Council.

Therefore, 48 CFR Part 225 is amended as follows:

1. The authority citation for 48 CFR Part 225 continues to read as follows:

Authority: 41 U.S.C. 421 and 48 CFR Chapter 1.

PART 225—FOREIGN ACQUISITION

225.7503 [Amended]

2. Section 225.7503 is amended as follows:

- a. In paragraph (a), and in paragraph (b) in the first and last sentences, by removing “\$6,806,000” and adding in its place “\$6,481,000”; and
- b. In paragraph (b), in the last sentence, by removing “\$7,068,419” and adding in its place “\$7,304,733”.

[FR Doc. 02-19080 Filed 7-29-02; 8:45 am]

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DEPARTMENT OF DEFENSE

48 CFR Part 253

[DFARS Case 2002-D010]

Defense Federal Acquisition Regulation Supplement; Reporting Requirements Update; Correction

AGENCY: Department of Defense (DoD).

ACTION: Correction to final rule.

SUMMARY: DoD is issuing a correction to the final rule published at 67 FR 46112-46123 on July 12, 2002, pertaining to contract action reporting requirements for Fiscal Year 2003. The correction adds a reporting agency code.

EFFECTIVE DATE: October 1, 2002.

FOR FURTHER INFORMATION CONTACT: Ms. Susan Schneider, Defense Acquisition Regulations Council, OUSD(AT&L)DP(DAR), IMD 3C132, 3062 Defense Pentagon, Washington, DC 20301-3062. Telephone (703) 602-0326; facsimile (703) 602-0350.

Correction

In the issue of Friday, July 12, 2002, on page 46113, in the third column, section 253.204-70, paragraph (a)(3)(i)

is corrected by adding, after the last semicolon, “97AB (NIMA);”.

Michele P. Peterson,

Executive Editor, Defense Acquisition Regulations Council.

[FR Doc. 02-19079 Filed 7-29-02; 8:45 am]

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DEPARTMENT OF VETERANS AFFAIRS

48 CFR Parts 801, 825, 832, 836, 846, and 852

RIN 2900-AJ56

VA Acquisition Regulation: Construction and Architect-Engineer Contracts

AGENCY: Department of Veterans Affairs.

ACTION: Final rule.

SUMMARY: This document amends the Department of Veterans Affairs Acquisition Regulation (VAAR). This document updates position titles, makes minor grammatical corrections and revisions, revises and updates section numbers and titles, relocates material to correspond to the Federal Acquisition Regulation (FAR), and delegates authority. In addition, the document updates regulations and adds coverage regarding the authority of the National Cemetery Administration to award architect-engineer contracts. Also, it replaces a general prescription directing the use of all VAAR clauses relating to construction contracts with specific prescriptions for each clause, removes obsolete or duplicative material, updates the VAAR regarding the requirement for certificates of current cost or pricing data, and provides agency procedures regarding disclosure of the Government cost estimate on construction contracts. This document also removes a “guaranty” clause from the VAAR and provides agency procedures for VA contracting officers to use the FAR “warranty” clause for construction contracts exceeding the micro-purchase threshold in order to protect the best interests of the Government. In addition, this document revises provisions regarding the acceptance of foreign construction materials to correspond to changes made in the FAR and to comply with the Trade Agreements Act and the North American Free Trade Agreement.

DATES: *Effective Date:* August 29, 2002.

FOR FURTHER INFORMATION CONTACT: Don Kaliher, Acquisition Program Management Team (0495A), Office of Acquisition and Materiel Management, Department of Veterans Affairs, 810

Vermont Ave., NW, Washington, DC 20420, telephone (202) 273-8819.

SUPPLEMENTARY INFORMATION: On September 27, 2001, we published in the **Federal Register** (66 FR 49331) a proposed rule to amend the Department of Veterans Affairs Acquisition Regulation to make changes to part 836, Construction and Architect-Engineer Contracts, and related parts. Comments were solicited concerning the proposed rule for 60 days, ending November 26, 2001. We did not receive any comments.

Based on the rationale set forth in the proposed rule, we are adopting the provision of the proposed rule as a final rule with nonsubstantive changes discussed below.

The proposed rule included collections of information regarding clauses and provisions for use in both commercial and non-commercial item, service, and construction solicitations and contracts. The Office of Management and Budget (OMB) has approved the information collections under OMB Control Numbers 2900-0622 and 2900-0623.

The intent of the proposed rule was to update the VAAR to match the FAR regarding the requirement for submission of certificates of current cost or pricing data, but the proposed rule referenced an incorrect dollar threshold of \$500,000. The FAR threshold for submission of certificates of current cost or pricing data has been revised to \$550,000 and will be adjusted in the future to account for inflation. Therefore, to match the FAR, § 836.578(b) has been revised to clarify when cost or pricing data is required and § 836.578(c) has been revised to reference the FAR threshold for submission of cost of pricing data rather than a specific dollar amount and for clarity. In addition, the FAR requires the approval of the head of the contracting activity prior to requiring submission of cost or pricing data for pricing actions below this threshold, so a reference to this approval requirement has been added to § 836.578(c).

The intent of the proposed rule was to update the VAAR to correspond to the FAR regarding the acceptance of foreign construction materials and to comply with the Trade Agreements Act (TAA) and the North American Free Trade Agreement (NAFTA). The proposed rule designated Alternate I to the clause at 852.236-89 for use when NAFTA applied to a solicitation. This was incorrect. Under the current dollar thresholds in the FAR, Alternate I should reference the TAA rather than NAFTA, since the dollar threshold for application of the TAA is less than the

dollar threshold for the application of NAFTA. Therefore, Alternate I has been revised to apply to the TAA to correspond with the FAR.

Also, we revised § 832.111 for purposes of clarity and §§ 836.209, 836.602-2, 836.602-4, and 836.603 to update titles and/or for purposes of clarity.

Paperwork Reduction Act

This document contains provisions constituting a collection of information that have been approved by the Office of Management and Budget (OMB) under OMB Control Numbers 2900-0622 and 2900-0623.

Executive Order 12866

This document has been reviewed by the Office of Management and Budget under Executive Order 12866.

Regulatory Flexibility Act

The Secretary hereby certifies that this rule would not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act (RFA), 5 U.S.C. 601-612. The changes are small-business neutral and will not have a significant economic impact on a substantial number of small businesses. Therefore, pursuant to 5 U.S.C. 605(b), this rule is exempt from the initial and final regulatory flexibility analysis requirements of sections 603 and 604.

List of Subjects

48 CFR Part 825

Foreign currencies, Foreign trade, Government procurement.

48 CFR Parts 832 and 846

Government procurement.

48 CFR Parts 801, 836 and 852

Government procurement, Reporting and recordkeeping requirements.

Approved: May 1, 2002.

Anthony J. Principi,

Secretary of Veterans Affairs.

For the reasons set forth in the preamble, 48 CFR Chapter 8 is amended as follows:

PART 801—VETERANS AFFAIRS ACQUISITION REGULATIONS SYSTEM

1. The authority citation for part 801 continues to read as follows:

Authority: 38 U.S.C. 501 and 40 U.S.C. 486(c).

801.103-70 [Redesignated as 801.104-70]

2. Section 801.103-70 is redesignated as section 801.104-70.