

b. Removing the period at the end of the sentence in paragraph (b)(2) and adding “; or” in its place; and

c. Adding paragraph (b)(3) to read as follows:

19.903 Applicability.

* * * * *

(b) * * *

(3) Acquisitions of \$15,000 or less facilitating the defense against terrorism or biological or chemical attack against the United States as described in 13.201(g).

PART 25—FOREIGN ACQUISITION

25.1101 [Amended]

9. Amend section 25.1101 in the introductory text of paragraph (a)(1) by adding “(\$15,000 for acquisitions as described in 13.201(g))” after “\$2,500”.

25.1103 [Amended]

10. Amend section 25.1103 in paragraph (a) by removing “\$2,500,” and adding “\$2,500 (\$15,000 for acquisitions as described in 13.201(g)),” in its place.

[FR Doc. 02–21868 Filed 8–29–02; 8:45 am]

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DEPARTMENT OF DEFENSE

**GENERAL SERVICES
ADMINISTRATION**

**NATIONAL AERONAUTICS AND
SPACE ADMINISTRATION**

48 CFR Parts 2, 4, 5, 7, 19, 52, and 53

[FAC 2001–09; FAR Case 2000–302; Item III]

RIN 9000–A193

**Federal Acquisition Regulation;
Veterans Entrepreneurship and Small
Business Development Act of 1999**

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

ACTION: Final rule.

SUMMARY: The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) have agreed on a final rule amending the Federal Acquisition Regulation (FAR) to adopt, as final, the first interim rule published at 65 FR 60542, October 11, 2000, which implemented portions of the Veterans Entrepreneurship and Small Business Development Act of 1999 which added a subcontracting plan goal for veteran-owned small businesses and a 3 percent

Governmentwide agency goal for service-disabled veteran-owned small businesses, and the second interim rule published at 66 FR 53492, October 22, 2001, which implemented Section 803 of the Small Business Reauthorization Act of 2000 (part of the Consolidated Appropriations Act, 2001), which added an additional subcontracting plan goal for service-disabled veteran-owned small business concerns. Both rules, and the correction published January 14, 2002, are adopted as final without change.

DATES: Effective Date: August 30, 2002.

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. Rhonda Cundiff, Procurement Analyst, at (202) 501–0044. Please cite FAC 2001–09, FAR case 2000–302.

SUPPLEMENTARY INFORMATION:

A. Background

The final rule amends the FAR to implement portions of the Veterans Entrepreneurship and Small Business Development Act of 1999 (Pub. L. 106–50) and section 803 of the Small Business Reauthorization Act of 2000 (part of the Consolidated Appropriations Act, 2001, Pub. L. 106–554). The Veterans Entrepreneurship and Small Business Development Act of 1999 established new assistance programs for veterans and service-disabled veterans who own and operate small businesses. Specifically, the Act—

- Defines the terms “small business concern owned and controlled by service-disabled veterans”; and “small business concern owned and controlled by service-disabled veterans”;

- Establishes that veteran-owned and service-disabled veteran-owned small businesses be afforded maximum practical opportunity to participate in the performance of contracts and subcontracts awarded by any Federal agency;

- Establishes a requirement to include a goal for veteran-owned small businesses in subcontracting plans under the clause at 52.219–9;

- Establishes a 3 percent Governmentwide goal (based on the total value of all prime contract and subcontract awards) for participation by service-disabled veteran-owned small businesses; and

- Adds data collection requirements for prime and subcontract awards to veteran-owned small businesses and service disabled veteran-owned small business concerns.

DoD, GSA, and NASA published in the **Federal Register** two interim rules (65 FR 60542, October 11, 2000 (FAC 97–20) and 66 FR 53492, October 22, 2001 (FAC 2001–01), respectively); and a correction to the second interim rule (67 FR 1858, January 14, 2002 (FAC 2001–01 Correction)), to implement the statutes.

Four respondents submitted comments in response to the interim rule. The Councils considered all comments and made no changes as a result. However, three of the comments merit noting. The first comment was that the interim rule, as published on October 11, 2001, is flawed as 19.704(a)(1) and the clause at 52.219–9(d)(1) still contain the phrase “a separate goal for service-disabled veteran-owned small business concerns is not required.” *Response:* The appearance of that phrase in the **Federal Register** was an error and was subsequently corrected by the January 14, 2002, **Federal Register** notice.

The second comment consists of several suggestions of policy steps that should be taken to implement the legislation. *Response:* The comment is outside the scope of the case, as it does not address any existing or proposed FAR coverage.

The third comment suggests that the rule be modified to provide service-disabled veteran-owned small business concerns “the benefit of every contracting preference afforded SDBs and women-owned small businesses * * *”. The comment also suggests limiting of competition for certain commodities or service that may be furnished by service-disabled veteran-owned small business concerns. *Response:* Existing legislation does not permit adopting any of the suggestions contained in the comment.

This is not a significant regulatory action and, therefore, was not subject to review under Section 6(b) of Executive Order 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

B. Regulatory Flexibility Act

The changes may 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 adds a new statutory subcontracting plan goal requirement for service-disabled veteran-owned small business concerns. A Final Regulatory Flexibility Analysis (FRFA) has been prepared and is summarized as follows:

This final rule revises the Federal Acquisition Regulation to implement

portions of the Veterans Entrepreneurship and Small Business Development Act of 1999 (Pub. L. 106-50) and section 803 of the Small Business Reauthorization Act of 2000, part of the Consolidated Appropriations Act, 2001 (Pub. L. 106-554). The statutes added a separate subcontracting plan goal requirement for veteran-owned small business and another goal for service-disabled veteran-owned small business concerns. There are approximately 4 to 5.5 million small businesses owned and controlled by veterans and 100,000 to 300,000 small businesses owned and controlled by service-disabled veterans. This rule does not duplicate, overlap, or conflict with other relevant Federal regulations. There are no alternatives to the final rule that would accomplish the stated objectives.

The FAR Secretariat has submitted a copy of the FRFA to the Chief Counsel for Advocacy of the Small Business Administration. Interested parties may obtain a copy from the FAR Secretariat. The Councils will consider comments from small entities concerning the affected FAR Parts 2, 4, 5, 7, 19, 52, and 53 in accordance with 5 U.S.C. 610. Interested parties must submit such comments separately and should cite 5 U.S.C. 601, *et seq.* (FAC 2001-09, FAR case 2000-302), in correspondence.

C. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (Pub. L. 104-13) applies. However, this final rule requires contractors to report, as a separate item, information already collected and reported under OMB Control Numbers 9000-0006 and 9000-0007. The impact of this final rule on the information collection hours of these OMB clearances is so small as to be within the estimating parameters of these clearances. Therefore, the clearances have not been changed.

List of Subjects in 48 CFR Parts 2, 4, 5, 7, 19, 52, and 53

Government procurement.

Dated: August 21, 2002.

Al Matera,

Director, Acquisition Policy Division.

Interim Rule Adopted as Final Without Change

Accordingly, DoD, GSA, and NASA adopt the interim rules and correction amending 48 CFR parts 2, 4, 5, 7, 19, 52, and 53, which were published in the **Federal Register** at 65 FR 60542, October 11, 2000, the second interim rule at 66 FR 53492, October 22, 2001, and the correction to the second interim rule at 67 FR 1858, January 14, 2002, as a final rule without change.

Authority: 40 U.S.C. 486(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).
[FR Doc. 02-21869 Filed 8-29-02; 8:45 am]

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DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Parts 22, 25, and 52

[FAC 2001-09; FAR Case 2002-009; Item IV]

RIN 9000-AJ41

Federal Acquisition Regulation; Trade Agreements Thresholds

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

ACTION: Final rule.

SUMMARY: The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) have agreed on a final rule amending the Federal Acquisition Regulation (FAR) to implement new dollar thresholds for application of the Trade Agreements Act (TAA) and North American Free Trade Agreement (NAFTA) as published by the U.S. Trade Representative in the **Federal Register** at 67 FR 14763, March 27, 2002.

DATES: Effective Date: September 30, 2002.

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. Cecelia Davis, Procurement Analyst, at (202) 219-0202. Please cite FAC 2001-09, FAR case 2002-009.

SUPPLEMENTARY INFORMATION:

A. Background

This final rule amends FAR Subparts 22.15, 25.2, 25.4, 25.6, and 25.11 to implement new dollar thresholds for application of the Trade Agreements Act (TAA) and North American Free Trade Agreement (NAFTA), as published by the U.S. Trade Representative in the **Federal Register** at 67 FR 14763, March 27, 2002.

The rule also amends the clauses at 52.213-4, Terms and Conditions—Simplified Acquisitions (Other Than Commercial Items), and 52.222-19, Child Labor—Cooperation with Authorities and Remedies.

This is not a significant regulatory action and, therefore, was not subject to review under Section 6(b) of Executive Order 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act does not apply to this rule. This final rule does not constitute a significant FAR revision within the meaning of FAR 1.501 and Public Law 98-577, and publication for public comments is not required. However, the Councils will consider comments from small entities concerning the affected FAR Parts 22, 25, and 52 in accordance with 5 U.S.C. 610. Interested parties must submit such comments separately and should cite 5 U.S.C. 601, *et seq.* (FAC 2001-09, FAR case 2002-009), in correspondence.

C. Paperwork Reduction Act

The Paperwork Reduction Act does apply; however, these changes to the FAR do not impose additional information collection requirements to the paperwork burden previously approved under OMB Control Numbers 9000-0023, 9000-0025, 9000-0130, and 9000-0141.

List of Subjects in 48 CFR Parts 22, 25, and 52

Government procurement.

Dated: August 21, 2002.

Al Matera,

Director, Acquisition Policy Division.

Therefore, DoD, GSA, and NASA amend 48 CFR parts 22, 25, and 52 as set forth below:

1. The authority citation for 48 CFR parts 22, 25, 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 22—APPLICATION OF LABOR LAWS TO GOVERNMENT ACQUISITIONS 22.1503 [Amended]

2. Amend section 22.1503 in paragraph (b)(3) by removing “\$54,372” and adding “\$56,190” in its place; and by removing from paragraph (b)(4) “\$177,000” and adding “\$169,000” in its place.

PART 25—FOREIGN ACQUISITION

25.202 [Amended]

3. Amend section 25.202 in paragraph (c) by removing “\$6,806,000” and “\$7,068,419” and adding “\$6,481,000” and “\$7,304,733” in their place, respectively.

25.403 [Amended]

4. Amend section 25.403 in paragraph (b)(1) by removing “\$177,000” and “\$6,806,000” and adding “\$169,000” and “\$6,481,000” in their place, respectively.