

based on that price, provided the same policies and procedures are used for costing all business of the using division, subsidiary, or organization under common control.

(f) No depreciation or rental is allowed on property fully depreciated by the contractor or by any division, subsidiary, or affiliate of the contractor under common control. However, a reasonable charge for using fully depreciated property may be agreed upon and allowed (but, see 31.109(h)(2)). In determining the charge, consideration shall be given to cost, total estimated useful life at the time of negotiations, effect of any increased maintenance charges or decreased efficiency due to age, and the amount of depreciation previously charged to Government contracts or subcontracts.

(g) Whether or not the contract is otherwise subject to CAS, the requirements of 31.205-52 shall be observed.

(h) In the event of a write-down from carrying value to fair value as a result of impairments caused by events or changes in circumstances, allowable depreciation of the impaired assets is limited to the amounts that would have been allowed had the assets not been written down (see 31.205-16(g)). However, this does not preclude a change in depreciation resulting from other causes such as permissible changes in estimates of service life, consumption of services, or residual value.

(i) A "capital lease," as defined in Statement of Financial Accounting Standard No. 13 (FAS-13), Accounting for Leases, is subject to the requirements of this cost principle. (See 31.205-36 for Operating Leases.) FAS-13 requires that capital leases be treated as purchased assets, *i.e.*, be capitalized, and the capitalized value of such assets be distributed over their useful lives as depreciation charges or over the leased life as amortization charges, as appropriate, except that—

(1) Lease costs under a sale and leaseback arrangement are allowable up to the amount that would have been allowed had the contractor retained title to the asset; and

(2) If it is determined that the terms of the capital lease have been significantly affected by the fact that the lessee and lessor are related, depreciation charges are not allowable in excess of those that would have occurred if the lease contained terms consistent with those found in a lease between unrelated parties.

**31.205-16 [Amended]**

■ 4. Amend section 31.205-16 in the first sentence of paragraph (b) by removing "31.205-11(m)" and adding "31.205-11(i)" in its place.

■ 5. Amend section 31.205-36 by revising paragraph (a); and removing paragraph (b)(4) to read as follows:

**31.205-36 Rental costs.**

(a) This subsection is applicable to the cost of renting or leasing real or personal property acquired under "operating leases" as defined in Statement of Financial Accounting Standards No. 13 (FAS-13), Accounting for Leases. (See 31.205-11 for Capital Leases.)

\* \* \* \* \*

[FR Doc. 03-30473 Filed 12-10-03; 8:45 am]

BILLING CODE 6820-EP-P

**DEPARTMENT OF DEFENSE**

**GENERAL SERVICES ADMINISTRATION**

**NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

**48 CFR Parts 4 and 53**

[FAC 2001-18; FAR Case 2003-019; Item III]

RIN 9000-AJ76

**Federal Acquisition Regulation; Federal Procurement Data System**

**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 reflect changes in contract action reporting to the Federal Procurement Data System—Next Generation (FPDS-NG).

**DATES:** *Effective Date:* December 11, 2003.

**FOR FURTHER INFORMATION CONTACT:** The FAR Secretariat at (202) 501-4755 for information pertaining to status or publication schedules. For clarification of content, contact Mr. Gerald Zaffos, Procurement Analyst, at (202) 208-6091. Please cite FAC 2001-18, FAR case 2003-019.

**SUPPLEMENTARY INFORMATION:**

**A. Background**

The Federal Government is modernizing its procurement data collection system, the Federal Procurement Data System (FPDS). The new system, the Federal Procurement Data System—Next Generation (FPDS-NG), became operational on October 1, 2003, for transactions awarded after that date. FPDS captured data on individual contract actions over \$25,000 and summary data on contract actions below \$25,000. FPDS-NG allows the Government to capture data on individual transactions regardless of dollar value. As a result, FPDS-NG provides more information to agencies for managing their programs and to the public for better understanding of how taxpayer funds are spent. The capabilities of FPDS-NG provide an efficient means of satisfying the statutory requirement of 41 U.S.C. 417, that each Executive agency maintain a computer file containing the information at FAR 4.601. Consequently, submitting contract action data to FPDS-NG will be considered compliance with the requirements of FAR 4.601.

Therefore, the FAR is being amended to revise 4.602 to—

- Reflect that the information in FPDS-NG is available to the general public;
- Provide the Web site for FPDS-NG, which must be entered as *https://www.fpds.gov*;
- Delete the physical address for the Federal Procurement Data Center;
- Allow agencies to report all transactions between \$2,500 and \$25,000 to FPDS-NG as either individual contract actions or summary contract actions until September 30, 2004;
- Require all contract actions over \$2,500 be reported to FPDS-NG as individual contract actions after September 30, 2004;
- Require agencies to insert the provision at 52.204-6, Data Universal Numbering System (DUNS) Number, in solicitations when the expected award amount will result in the generation of an individual contract action report and the contract does not include FAR clause 52.204-7, Central Contractor Registration; and
- Eliminate the use of the SF 279, Federal Procurement Data System (FPDS)—Individual Contract Action Report, and the SF 281, Federal Procurement Data System (FPDS)—Summary Contract Action Report (\$25,000 or Less).

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 5 U.S.C. 601, *et seq.*, does not apply because the rule applies to the internal process of Federal agencies and is not a significant revision of the FAR. A Final Regulatory Flexibility Analysis has, therefore, not been prepared.

**C. Paperwork Reduction Act**

The Paperwork Reduction Act does not apply because the 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 4 and 53**

Government procurement.

Dated: December 4, 2003.

**Laura Auletta,**

*Director, Acquisition Policy Division.*

■ Therefore, DoD, GSA, and NASA amend 48 CFR parts 4 and 53 as set forth below:

■ 1. The authority citation for 48 CFR parts 4 and 53 is revised to read as follows:

**Authority:** 40 U.S.C. 121(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

**PART 4—ADMINISTRATIVE MATTERS**

■ 2. Amend section 4.601 by adding a sentence to the end of paragraph (a); and removing “from the computer file” from the introductory text of paragraphs (c) and (d). The added text reads as follows:

**4.601 Record requirements.**

(a) \* \* \* This file shall be accessible to the public using FPDS-NG.

\* \* \* \* \*

■ 3. Amend section 4.602 by revising paragraphs (a), (b), (c), and (d) to read as follows:

**4.602 Federal Procurement Data System.**

(a) The FPDS provides a comprehensive mechanism for assembling, organizing, and presenting contract placement data for the Federal Government. Federal agencies will now report data directly to the Federal Procurement Data System—Next Generation (FPDS-NG), which collects, processes, and disseminates official statistical data on Federal contracting. The data provide—

(1) A basis for recurring and special reports to the President, the Congress,

the General Accounting Office, Federal executive agencies, and the general public;

(2) A means of measuring and assessing the impact of Federal contracting on the Nation’s economy and the extent to which small, veteran-owned small, service-disabled veteran-owned small, HUBZone small, small disadvantaged, and women-owned small business concerns are sharing in Federal contracts; and

(3) Information for other policy and management control purposes, and for public access.

(b) The FPDS Web site, *https://www.fpds.gov*, provides instructions for submitting data. It also provides a complete list of departments, agencies, and other entities that submit data to the FPDS, as well as technical and end-user guidance, and a computer-based tutorial.

(c)(1) Data collection points in each agency shall submit FPDS-required data on contract actions directly to FPDS-NG. Agencies must report all transactions over \$2,500 and modifications to those transactions regardless of dollar value.

(2) Agencies participating under the Small Business Competitiveness Demonstration Program (see Subpart 19.10) shall report as an individual contract action all awards, regardless of dollar value, in the designated industry groups.

(3) Agencies may choose to report transactions at or below \$2,500, including those made using the Governmentwide commercial purchase card, except as provided in paragraph (c)(2) of this section.

(4) Until September 30, 2004, agencies shall report contract actions between \$2,500 and \$25,000 either in individual or summary form. After September 30, 2004, agencies shall submit only individual contract action reports.

(d) The contracting officer must identify and report (if it is not pre-populated by the Central Contractor Registration (CCR) database), a Contractor Identification Number for each successful offeror. A Data Universal Numbering System (DUNS) number, which is a nine-digit number assigned by Dun and Bradstreet Information Services to an establishment, is the Contractor Identification Number for Federal contractors. The DUNS number reported must identify the successful offeror’s name and address exactly as stated in the offer and resultant contract. The contracting officer must ask the offeror to provide its DUNS number by using either the provision prescribed in paragraph (a) of 4.603 or the FAR clause

prescribed at 4.1104. If the successful offeror does not provide its number, the contracting officer must contact the offeror and assist them in obtaining the DUNS number.

\* \* \* \* \*

■ 4. Amend section 4.603 by revising paragraph (a)(1) to read as follows:

**4.603 Solicitation provisions.**

(a) \* \* \*

(1) Are expected to result in a requirement for the generation of an individual contract action report (see 4.602(c)); and

\* \* \* \* \*

**PART 53—FORMS**

**53.204-2 [Reserved]**

■ 5. Remove and reserve section 53.204-2.

**53.301-279 and 53.301-281 [Removed]**

■ 6. Remove sections 53.301-279 and 53.301-281.

[FR Doc. 03-30474 Filed 12-10-03; 8:45 am]

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**DEPARTMENT OF DEFENSE**

**GENERAL SERVICES ADMINISTRATION**

**NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

**48 CFR Part 8**

[FAC 2001-18; FAR Case 2003-001; Item IV]

RIN 9000-AJ62

**Federal Acquisition Regulation; Increased Federal Prison Industries, Inc. Waiver Threshold**

**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 adopted as final, without change, an interim rule amending the Federal Acquisition Regulation (FAR) to increase the blanket waiver threshold for small dollar value purchases from Federal Prison Industries, Inc. (FPI) by Federal agencies. By increasing this threshold to \$2,500, Federal agencies are not required to make purchases from FPI of products on FPI’s Schedule that are at or below this threshold.