

Executive Order 12866, dated September 30, 1993.

B. Regulatory Flexibility Act

DoD does not expect this rule 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.* While the rule will reduce administrative burdens for contractors, the economic impact is not expected to be substantial. Therefore, DoD has not performed an initial regulatory flexibility analysis. DoD invites comments from small businesses and other interested parties. DoD also will consider comments from small entities concerning the affected DFARS subpart in accordance with 5 U.S.C. 610. Such comments should be submitted separately and should cite DFARS Case 2004-D025.

C. Paperwork Reduction Act

The information collection requirements of the clause at DFARS 252.205-7000, Provision of Information to Cooperative Agreement Holders, have been approved by the Office of Management and Budget, under Control Number 0704-0286, for use through September 30, 2007.

D. Determination To Issue an Interim Rule

A determination has been made under the authority of the Secretary of Defense that urgent and compelling reasons exist to publish an interim rule prior to affording the public an opportunity to comment. This interim rule implements Section 816 of the National Defense Authorization Act for Fiscal Year 2005 (Public Law 108-375). Section 816 amends 10 U.S.C. 2416(d) to increase, from \$500,000 to \$1,000,000, the threshold at which a DoD contract must include a requirement for the contractor to provide to cooperative agreement holders, upon their request, a list of the contractor's employees who are responsible for entering into subcontracts. Section 816 became effective upon enactment on October 28, 2004. Comments received in response to this interim rule will be considered in the formation of the final rule.

List of Subjects in 48 CFR Part 205

Government procurement.

Michele P. Peterson,
Editor, Defense Acquisition Regulations System.

■ Therefore, 48 CFR part 205 is amended as follows:

PART 205—PUBLICIZING CONTRACT ACTIONS

■ 1. The authority citation for 48 CFR part 205 continues to read as follows:

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

205.470 [Amended]

■ 2. Section 205.470 is amended in the first sentence by removing "\$500,000" and adding in its place "\$1,000,000".

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DEPARTMENT OF DEFENSE

48 CFR Part 225

[DFARS Case 2004-D002]

Defense Federal Acquisition Regulation Supplement; Polyacrylonitrile Carbon Fiber—Restriction to Domestic Sources; Correction

AGENCY: Department of Defense (DoD).

ACTION: Correction to final rule.

SUMMARY: DoD is issuing a correction to the final rule published at 70 FR 6374-6375 on February 7, 2005, that extended the ending date for phasing out domestic source restrictions on the acquisition of polyacrylonitrile (PAN) carbon fiber. The correction revises the terminology used to describe milestone B in the development of a major system, for consistency with the terminology used in DoD Instruction 5000.2, Operation of the Defense Acquisition System.

EFFECTIVE DATE: February 7, 2005.

FOR FURTHER INFORMATION CONTACT: Ms. Michele Peterson, Defense Acquisition Regulations System, OUSD(AT&L)DPAP(DAR), IMD 3C132, 3062 Defense Pentagon, Washington, DC 20301-3062. Telephone (703) 602-0311; facsimile (703) 602-0350.

List of Subjects in 48 CFR Part 225

Government procurement.

■ Therefore, 48 CFR part 225 is amended as follows:

PART 225—FOREIGN ACQUISITION

■ 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.

■ 2. Section 225.7103-3 is corrected to read as follows:

225.7103-3 Contract clause.

Use the clause at 252.225-7022, Restriction on Acquisition of

Polyacrylonitrile (PAN) Carbon Fiber, in solicitations and contracts for major systems issued on or before May 31, 2006, if the system is not yet in development and demonstration (milestone B as defined in DoDI 5000.2).

Michele P. Peterson,

Editor, Defense Acquisition Regulations System.

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DEPARTMENT OF DEFENSE

48 CFR Part 228

[DFARS Case 2003-D033]

Defense Federal Acquisition Regulation Supplement; Bonds

AGENCY: Department of Defense (DoD).

ACTION: Final rule.

SUMMARY: DoD has issued a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to update text pertaining to the use of fidelity and forgery bonds under DoD contracts. This rule is a result of a transformation initiative undertaken by DoD to dramatically change the purpose and content of the DFARS.

EFFECTIVE DATE: February 22, 2005.

FOR FURTHER INFORMATION CONTACT: Mr. Euclides Barrera, Defense Acquisition Regulations Council, OUSD(AT&L)DPAP(DAR), IMD 3C132, 3062 Defense Pentagon, Washington, DC 20301-3062. Telephone (703) 602-0296; facsimile (703) 602-0350. Please cite DFARS Case 2003-D033.

SUPPLEMENTARY INFORMATION:

A. Background

DFARS Transformation is a major DoD initiative to dramatically change the purpose and content of the DFARS. The objective is to improve the efficiency and effectiveness of the acquisition process, while allowing the acquisition workforce the flexibility to innovate. The transformed DFARS will contain only requirements of law, DoD-wide policies, delegations of FAR authorities, deviations from FAR requirements, and policies/procedures that have a significant effect beyond the internal operating procedures of DoD or a significant cost or administrative impact on contractors or offerors. Additional information on the DFARS Transformation initiative is available at <http://www.acq.osd.mil/dpap/dfars/transf.htm>.

This final rule is a result of the DFARS Transformation initiative. The rule—

- Amends DFARS 228.105 to clarify that fidelity and forgery bonds are authorized for use under certain circumstances; and

- Amends DFARS 228.106–7(a) to update a cross-reference.

DoD published a proposed rule at 69 FR 48444 on August 10, 2004. DoD received no comments on the proposed rule. Therefore, DoD has adopted the proposed rule as a final rule without change.

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

B. Regulatory Flexibility Act

DoD certifies that this final rule will not 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 updates and clarifies DFARS text, with no substantive change in policy.

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 228

Government procurement.

Michele P. Peterson,

Editor, Defense Acquisition Regulations System.

■ Therefore, 48 CFR part 228 is amended as follows:

PART 228—BONDS AND INSURANCE

■ 1. The authority citation for 48 CFR part 228 continues to read as follows:

■ 2. Section 228.105 is revised to read as follows:

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

228.105 Other types of bonds.

Fidelity and forgery bonds generally are not required but are authorized for use when—

(1) Necessary for the protection of the Government or the contractor; or

(2) The investigative and claims services of a surety company are desired.

228.106–7 [Amended]

■ 3. Section 228.106–7 is amended in paragraph (a) by revising the

parenthetical to read “(see FAR 32.112–1(b))”.

[FR Doc. 05–3205 Filed 2–18–05; 8:45 am]

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DEPARTMENT OF DEFENSE

48 CFR Part 229

[DFARS Case 2003–D032]

Defense Federal Acquisition Regulation Supplement; Resolving Tax Problems

AGENCY: Department of Defense (DoD).

ACTION: Final rule.

SUMMARY: DoD has issued a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to update text pertaining to resolution of tax problems under DoD contracts. This rule is a result of a transformation initiative undertaken by DoD to dramatically change the purpose and content of the DFARS.

EFFECTIVE DATE: February 22, 2005.

FOR FURTHER INFORMATION CONTACT: Mr. Euclides Barrera, Defense Acquisition Regulations Council, OUSD (AT&L) DPAP (DAR), IMD 3C132, 3062 Defense Pentagon, Washington, DC 20301–3062. Telephone (703) 602–0296; facsimile (703) 602–0350. Please cite DFARS Case 2003–D032.

SUPPLEMENTARY INFORMATION:

A. Background

DFARS Transformation is a major DoD initiative to dramatically change the purpose and content of the DFARS. The objective is to improve the efficiency and effectiveness of the acquisition process, while allowing the acquisition workforce the flexibility to innovate. The transformed DFARS will contain only requirements of law, DoD-wide policies, delegations of FAR authorities, deviations from FAR requirements, and policies/procedures that have a significant effect beyond the internal operating procedures of DoD or a significant cost or administrative impact on contractors or offerors. Additional information on the DFARS Transformation initiative is available at <http://www.acq.osd.mil/dpap/dfars/transf.htm>.

This final rule is a result of the DFARS Transformation initiative. The rule revises DFARS 229.101 to remove text pertaining to (1) resolution of issues regarding the applicability of taxes under DoD contracts; and (2) tax relief agreements between the United States and European governments. This text has been relocated to the new DFARS

companion resource, Procedures, Guidance, and Information (PGI), available at <http://www.acq.osd.mil/dpap/dars/pgi>.

DoD published a proposed rule at 69 FR 48445 on August 10, 2004. DoD received no comments on the proposed rule. Therefore, DoD has adopted the proposed rule as a final rule without change.

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

B. Regulatory Flexibility Act

DoD certifies that this final rule will not 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 relocates DoD procedural information related to tax relief, with no substantive change in policy.

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 229

Government procurement.

Michele P. Peterson,

Editor, Defense Acquisition Regulations System.

■ Therefore, 48 CFR part 229 is amended as follows:

PART 229—TAXES

■ 1. The authority citation for 48 CFR part 229 continues to read as follows:

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

■ 2. Subpart 229.1 is revised to read as follows:

Subpart 229.1—General

Sec.
229.101 Resolving tax problems.

229.101 Resolving tax problems.

(a) Within DoD, the agency-designated legal counsels are the defense agency General Counsels, the General Counsels of the Navy and Air Force, and for the Army, the Chief, Contract Law Division, Office of the Judge Advocate General.

(c) For guidance on directing a contractor to litigate the applicability of a particular tax, see PGI 229.101(c).

(d) For information on tax relief agreements between the United States