organization. Please note that this includes all individuals appearing either as part of, or on behalf of an organization. While it is our intent to hear a full range of oral comments on the science and ethics issues under discussion, it is not our intent to permit organizations to expand these time limitations by having numerous individuals sign up separately to speak on their behalf. If additional time is available, there may be flexibility in time for public comments.

2. Written comments. Although you may submit written comments at any time, for the HSRB to have the best opportunity to review and consider your comments as it deliberates on its report, you should submit your comments at least 5 business days prior to the beginning of this teleconference. If you submit comments after this date, those comments will be provided to the Board members, but you should recognize that the Board members may not have adequate time to consider those comments prior to making a decision. Thus, if you plan to submit written comments, the Agency strongly encourages you to submit such comments no later than noon, Eastern Time, February 4, 2008. You should submit your comments using the instructions described earlier in this notice. In addition, the Agency also requests that person(s) submitting comments directly to the docket also provide a copy of their comments to the person listed under FOR FURTHER INFORMATION CONTACT. There is no limit on the length of written comments for consideration by the HSRB.

E. Background

The EPA Human Studies Review Board will be reviewing its draft report from the October 24–26, 2007 HSRB meeting. The Board may also discuss planning for future HSRB meetings. Background on the October 24–26, 2007 HSRB meeting can be found at Federal Register 72 17, 54908 (September 27, 2007) and at the HSRB Web site http://www.epa.gov/osha/hsrb/. The October 24–26, 2007 HSRB meeting draft report is now available. You may obtain electronic copies of this document, and certain other related documents that might be available electronically, from the regulations.gov Web site and the HSRB Internet Home Page at http://www.epa.gov/osha/hsrb/. For questions on document availability or if you do not have access to the Internet, consult the person listed under FOR FURTHER INFORMATION CONTACT.

Dated: January 17, 2008.

George Gray,
EPA Science Advisor.

[FR Doc. E8–1327 Filed 1–24–08; 8:45 am]

BILLING CODE 6560–50–P

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

National Science and Technology Council; Research Business Models Subcommittee of the Committee on Science


SUMMARY: Effective with publication of this Notice in the Federal Register, research agencies will be able to utilize a new standard core set of administrative terms and conditions on research and research-related awards that are subject to OMB Circular A–110, “Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations” (2 CFR part 215).

This resulted from an initiative of the Research Business Models (RBM) Subcommittee of the Committee on Science (CoS), a committee of the National Science and Technology Council (NSTC). One of the RBM Subcommittee’s priority areas is to create greater consistency in the administration of Federal research awards. Given the increasing complexity of interdisciplinary and interagency research, it has become increasingly important for Federal agencies to manage awards in a similar fashion.

In 2000, the Federal Demonstration Partnership (FDP), a cooperative initiative among 10 Federal agencies and 98 institutional recipients of research funds, developed Standard Terms and Conditions as a model implementation of OMB Circular A–110. It was demonstrated that these terms were an effective set of requirements for many agency research awards. In 2005, following public and agency comment on the original FDP terms, final standard terms and conditions were developed by RBM.

With this final notice, research agencies and awarding offices that participate in the FDP, must use the core set of administrative requirements, to the maximum practicable extent, in research and research-related grant awards to organizations that are subject to 2 CFR part 215. Likewise, agencies that have not participated in the FDP may elect to use these terms on selective awards to their research recipients.

The Government-wide core set of administrative requirements are posted on the NSF Web site at: http://www.nsf.gov/bfa/dias/policy/rtc/index.jsp. As changes are made in the future, NSF will maintain both the current version and an archive of earlier versions. Research agencies will post their plans for implementing the administrative requirements either on the RBM subcommittee Web site, http://rbm.nih.gov, or on their own Web site, in which case the RBM subcommittee will provide a link from its site to the agency’s location.

FOR FURTHER INFORMATION CONTACT: For information on the Research Terms and Conditions, contact Jean Feldman, Head, Policy Office, Division of Institution & Support, National Science Foundation, 4201 Wilson Blvd, Arlington, VA 22230, e-mail: jfeldman@nsf.gov; telephone (703) 292–8243; FAX: (703) 292–9171. For further information on the NSTC RBM Subcommittee, contact Diane DiEuliis, at the Office of Science and Technology Policy, 725 17th Street, NW., Washington, DC 20503; e-mail: dielullis@ostp.eap.gov; telephone 202–456–6059; FAX 202–456–6027. See also the RBM Subcommittee’s Web site: http://rbm.nih.gov.

SUPPLEMENTARY INFORMATION:

I. Background and Purpose of Today’s Federal Register Notice

This proposal is an initiative of the Research Business Models (RBM) Subcommittee of the Committee on Science (CoS), a committee of the National Science and Technology Council (NSTC). One of RBM Subcommittee’s priority areas is greater consistency in the administration of Federal research awards. Given the increasing complexity of interdisciplinary and interagency research, it has become increasingly important for Federal agencies to manage awards in a similar fashion.

Federal agencies’ awarding offices currently include different award requirements, use different language to state the same requirements, and organize the award content differently. The variation in format and content of these terms and conditions of awards increases both administrative effort and costs for recipients. Because requirements arise from common government-wide statutes and regulations, as well as OMB circulars, their standardization is necessary.

In 2000, the ten Federal agencies and awarding offices and 98 research
Institutions that participate in the Federal Demonstration Partnership (FDP) developed a core set of terms and conditions for research grants. Those terms and conditions modeled administrative requirements implementing Government-wide requirements in 2 CFR part 215, “Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations” (OMB Circular A–110). They also included supplementary documents for national policy requirements and requirements that flow down to sub-awards.

In 2003, the RBM Subcommittee asked for public comments on Federal policies and procedures related to business practices that could be changed to improve the efficiency, effectiveness and accountability of the nation’s research enterprise. One issue raised was inconsistency in the terms and conditions for different agencies’ research grants, as described above. Increased use of the previously developed core set of FDP terms and conditions was suggested as one way to address the issue. The RBM Subcommittee, with the approval of the CoS, therefore undertook an initiative to refine the administrative requirements developed by FDP for Government-wide use. The Subcommittee proposed the administrative requirements for comment in the Federal Register [70 FR 4159, January 28, 2005].

Public comments were received from a wide variety of respondents, including twelve institutions of higher education; two non-profit organizations; two associations of academic and nonprofit institutions; components of six Federal agencies; and a group of universities that participate in FDP. All comments were considered in developing a final version of standardized administrative terms and conditions. Sixteen of the seventeen public comments strongly supported the overall proposal to create a government-wide standard core set of terms and conditions, citing the advantages of increased consistency in Federal agencies’ award terms and reduced administrative burdens and costs. A number of specific issues were raised, and those comments and responses are summarized in Section II. In addition to the changes described, other editorial changes were made to correct typographical errors, to update references to sections of OMB Circulars A–21 and A–122, to conform with recent amendments to those circulars, and to increase readability.

Research agencies and awarding offices that are not participating in the FDP are encouraged to replace administrative requirements in awards to organizations that are subject to 2 CFR part 215 with the core set of standard requirements that the RBM Subcommittee developed and similarly limit their supplementation of those standard requirements. Research agencies also are encouraged to apply the administrative requirements to cooperative agreements. In addition to the standard terms and conditions, two additional documents have been developed: Sub-award flow-down requirements and a matrix that contains national policy requirements. These documents are available electronically on the NSF Web site at: http://www.nsf.gov/bfa/dias/policy/rtec/index.jsp. Federal agencies are encouraged to use these documents as tools to precisely set forth which national policy laws and regulations apply to their recipients, and what requirements flow down to sub-recipients in their research grants. Each agency also is encouraged to use the documents that the FDP maintains for national policy requirements and requirements that flow down to sub-recipients. An agency may revise the FDP documents as needed for currency, completeness, and applicability to the agency’s programs. See section below for implementation guidance issued to agencies.

II. Comments and Responses

Comment: One Federal organization suggested that the RBM Subcommittee should work with the Pre-Award Work Group, an interagency group working to implement the Federal Financial Assistance Management Improvement Act of 1999 (Pub. L. 106–107) by developing standard terms and conditions, and restructuring current OMB circulars.

Response: Leaders and members of the Pre-Award Work Group were active participants in conceiving and developing the RBM Subcommittee proposal as the first of two linked initiatives on terms and conditions. The second of the two initiatives, led by the Pre-Award Work Group, ultimately should yield a better solution to standardizing the format and content of all Federal grants and cooperative agreements, including awards for research activities. The second initiative, when completed, would replace the guidance currently in OMB Circulars A–102 and A–110 with standard award terms and OMB guidance to Federal agencies on the use of those award terms. Standard award terms would communicate administrative requirements more clearly to recipients than the current language in the circulars, which often speaks simultaneously to recipients, agency grants policy officials, and/or agency officials who award and administer grants; thus it is not always clear which audience(s) is being addressed. The Pre-Award Work Group’s initiative understandably is a longer-term solution because it entails a major restructuring of the current OMB guidance in the circulars.

The RBM proposal cannot realize all of the advantages of the longer-term Pre-Award Work Group initiative because it must operate within the current structure of OMB Circulars A–102 and A–110. Nonetheless, agency staff determined that broadening use of the FDP terms and conditions is worthwhile as an interim approach, pending completion of the Pre-Award Work Group’s effort. That judgment was also supported by public comments received in response to the January 2005 Federal Register notice. Commenters strongly supported interim use of FDP terms and conditions as a way to increase consistency and reduce unnecessary burdens for the research community. Given that the research community also is an important part of the broader recipient community that ultimately will benefit from the Pre-Award Work Group’s initiative, it is notable that commenters also expressed support for completing that longer-term initiative.

Comment: A number of commenters offered different perspectives on the following question in the January 2005 Federal Register notice: “Are the terms and conditions easy to use and understand?” Six universities affirmed that they were easy to use and understand. One of the six, however, attributed this to the fact that they were a long-term FDP participant and therefore very familiar with the terms and conditions. It was suggested that accommodation may need to be made for institutions that were not yet familiar with them. Implicit support for
that suggestion was provided by comments from two Federal organizations and a nonprofit research organization that are not FDP participants. Uncertainty regarding the interrelationship between the FDP terms and conditions and OMB Circular A–110 was also noted. The nonprofit organization stated that the administrative requirements would be cumbersome to use because they cross-reference OMB Circular A–110 with some “clarifications,” rather than maintaining the integrity of the circular and creating a “generic” set of supplemental terms. One Federal organization stated that inconsistent wording of the terms and conditions used to incorporate or refer to sections of OMB Circular A–110 could cause confusion about which requirements in the circular applied and which were modified by the terms and conditions. Another Federal agency was unsure how the terms and conditions related to its regulation implementing OMB Circular A–110.

Response: New articles 60 and 70 were added and the language that refers to OMB Circular A–110 was revised in Articles 1, 2, 5, 10, 20, 23, 24, 30, 35, 40, 50, 52, 61, and 62 of the terms and conditions, in order to state more clearly how each article implements, rather than clarifies, the corresponding section of the circular. No article in the terms and conditions includes any deviations from OMB Circular A–110. Agencies are bound by their regulations (or other form of implementation) that codified OMB Circular A–110, so there is no potential for the terms and conditions to deviate from an agency’s regulation implementing the circular as long as the regulation provides the agency with the same flexibility that is in the circular.

Comment: Three comments questioned how the government-wide standard core set of terms and conditions will be maintained after they are established. One commenter urged that a stringent review process in consultation with stakeholders and public comment be developed prior to finalizing changes to the terms and conditions. Two other commenters suggested that the FDP continue to manage the process for future changes.

Response: OSTP will review agency implementation plans to ensure a well-managed and disciplined process for maintaining the core set of terms and conditions.

Comment: One commenter asked if the general terms and conditions that were in effect on the effective date of an award would be applicable throughout the full term of the award. Noting that the terms of an award could otherwise be changed unilaterally by the awarding agency, without the recipient’s knowledge, the commenter further stated that any change in award terms should require a bilateral agreement between the agency and the recipient.

Response: In establishing a standard core set of terms and conditions available for use by the research agencies, there is no intention to alter good business procedures that agencies use to make awards or amend their terms. To the best of our knowledge, no agency applies new terms and conditions retroactively to existing awards unless they are required to do so by a Federal statute, Executive Order, or other external requirement. Similarly, at the time of an award, or when notified of a prospective amendment to the terms and conditions of an existing award, a recipient can negotiate with the awarding agency. If the agency has no flexibility to alter an award term imposed by an external requirement, or is not otherwise willing to modify the award term, the recipient may elect to decline a new award or terminate an existing one without accepting the amendment. In no case should an agency amend award terms and conditions without a recipient’s knowledge.

Comment: One commenter recommended adding language in the administrative requirements to Article 4, “Deviations,” to require an agency to respond in a reasonable time frame to a recipient’s request for a waiver or deviation from a provision of the award terms and conditions.

Response: Agree. Two sentences were added to Article 4 to require an agency to notify the recipient within 30 calendar days of receiving a request for waiver or deviation. The notification would inform the recipient whether the request is approved or, if the agency still is considering the request, when the recipient may expect a decision.

Comment: One Federal organization recommended revising the definition of “equipment” in Article 2 to clarify what requirements apply to an item of property with an acquisition cost that is less than $5,000, should a recipient establish a lower dollar threshold than the Federally mandated threshold for distinguishing between equipment and supplies. The commenter noted that the proposed definition improperly exempted the item from all of the requirements in Articles 33 and 34 of the award and pointed out that an agency rarely, if ever, has the authority to waive requirements in Article 33 for Federally owned property. The commenter further suggested that an agency should not waive the requirement in Article 34 for a recipient to account for equipment purchased with Federal funds to ensure that (1) it is not later included as a contribution toward cost sharing under another Federal award; or (2) depreciation or use charges for the item are not included later in a proposal for indirect or Facilities and Administration costs under OMB Circular A–122 or A–21.

Response: Agree. The definition of “equipment” was revised to clarify that the two requirements apply, as noted by the commenter.

Comment: One Federal organization recommended deleting paragraph (a) in the proposed Article 23, “Cost sharing or matching,” as it appeared to have been included in anticipation of an amendment to OMB Circular A–110 that was not made. The commenter suggested an appropriate reference would be to a memorandum issued by OMB in lieu of amending the circular (OMB Memorandum M–01–06; “Clarification of OMB A–21 Treatment of Voluntary Uncommitted Cost Sharing and Tuition Remission Costs;” January 5, 2001; available at http://www.whitehouse.gov/omb/memoranda/m01–06.html.)

Response: Agree. The paragraph was deleted and a reference was added to the memorandum. We made a conforming change to paragraph (a) of Article 25 by adding a reference to the same OMB memorandum.

Comment: Two Federal organizations recommended that paragraph (b)(3) of the proposed Article 25, “Revision of budget and program plans,” did not adequately state limits on Federal agency liability related to funding amounts that the recipient and the agency anticipate being available in the future under an award.

Response: Agree. The paragraph was revised as recommended.

Comment: A Federal organization recommended deleting paragraph (c)(5) in the proposed Article 25, “Revision of budget and program plans.” The commenter suggested that the proposed language in the paragraph appeared to waive all prior approval requirements in the cost principles for institutions of higher education. OMB Circular A–21, which contradicted other provisions in Articles 25 and 27 of the terms and conditions.

Response: Agree. Paragraph (c)(5) of Article 25 was deleted, the substance of which was addressed elsewhere in Articles 25 and 27.
Circular A–110 for a recipient to promptly notify the awarding agency if it learns that it will not need all of the funds planned for a project.

Response: Agree. A new paragraph (e) to Article 25 was added to implement that paragraph of OMB Circular A–110.

Comment: One commenter recommended replacing the word “phenomena” in the proposed paragraph (a)(2) of Article 27, “Allowable costs,” with “field of study” or “scientific or technical area under study.” Paragraph (a)(2) contains a clarification to supplement language in OMB Circular A–21, the cost principles for institutions of higher education, that provides guidance for allocation of costs by principal investigators among interrelated research projects. The commenter suggested that “phenomena” connoted an end product of a project.

Response: No change. Being in the same field of study or scientific or technical area is not sufficiently specific to describe interrelated projects for allocation of costs. The proposed language referring to study of the same “phenomena,” or different “phenomena” using the same techniques, is appropriate.

Comment: One nonprofit organization asked if the intent in the proposed Article 28 was to allow costs associated with production of a final report for a project, even if those costs were incurred after the end of the project period. A Federal organization suggested replacing the phrase “costs incidental to the production of the final report” in Article 28 with the phrase “costs allocable to the production of the final report,” to be clear that ability to allocate is a condition for the allowance of the costs.

Response: In response to the first commenter’s question, the intent is to allow the costs for producing a final report that a Federal agency requires under an award. A recipient may incur costs for that purpose after the end of the project period since final reports generally are not due until 90 days thereafter. The wording change suggested by the second commenter was not made.

Comment: A nonprofit organization asked that we refer to the appropriate sections of OMB Circular A–122, the cost principles for nonprofit organizations, in Article 32 on real property and in paragraph (c) of Article 34 on equipment. Those articles only referred to OMB Circular A–21, the cost principles for institutions of higher education.

Response: The recommended change was made because the administrative requirements are intended for use in awards to nonprofit organizations, as well as institutions of higher education. For the same reason, in each paragraph that used the term “Facilities and Administrative costs,” the term was replaced with “indirect and Facilities and Administrative costs” if the paragraph applies to both nonprofit organizations (for which the term “indirect costs” is used) and institutions of higher education (for which the term “Facilities and Administrative costs” is used).

Comment: One commenter suggested that the meaning of “encumber” was not clear in the following requirement in paragraph (a)(2)(i) of Article 34: “The recipient may not encumber the equipment without the approval of the Federal awarding agency.” The commenter offered that the language in OMB Circular A–110, which also uses “encumber,” is clearer.

Response: No change. “Encumber” also is used in the commercial sector to refer to burdening property with obligations (e.g., through assigning, pledging, leasing, or accepting liens against property, or using it as security). The wording of the requirement in Article 34 is almost identical to the language used in OMB Circular A–110.

Comment: A Federal organization recommended dropping paragraph (a) of Article 35, “Supplies,” because it appeared to contradict the initial sentence of that Article. The initial sentence said that the requirements in section .35 of OMB Circular A–110 applied to supplies acquired under an award. Paragraph (a) then stated that title to supplies would vest unconditionally in the recipient unless agency-specific requirements provided otherwise, which appears to mean that the requirements in section .35 do not apply.

Response: Agree. Paragraph (a) was deleted.

Comment: Two commenters recommended changes to paragraph (e) of Article 40, “Procurement,” which concerns reviews of recipients’ procurement systems conducted by the Office of Naval Research (ONR). One nonprofit organization suggested broadening the paragraph to recognize other known agency relationships with recipients than just those of ONR, so as not to conflict with the intent of the Single Audit Act. A Federal organization recommended revising the requirement for a recipient to notify ONR of any major change(s) to its procurement system, if the system had been approved by ONR. The commenter noted that the wording permitted a recipient to wait to notify ONR until after it made a change and recommended we instead require the recipient to notify ONR of any proposed major change.

Response: The change recommended by the second commenter was made, but not the change suggested by the first commenter because the requirement as written only applies if a recipient’s procurement system was reviewed and approved by ONR. Staff are not aware of other cognizant agencies that currently perform reviews of procurement systems of nonprofit research institutions and are aware of other agencies (and research institutions under other agencies’ cognizance) having asked ONR to conduct reviews for them.

Response: No change to the core set of terms and conditions. The NSF award term covering publications and data is based on a policy of the National Science Foundation (NSF) in its awards. The commenter suggested that the NSF policy appropriately defines the recipient’s obligations concerning publications, factoring in intellectual property rights, publication costs, and researchers’ interests.

Response: No change to the core set of terms and conditions. The NSF award term covering publications and data is based on a policy of the National Science Foundation (NSF) in its awards. The commenter suggested that the NSF policy appropriately defines the recipient’s obligations concerning publications, factoring in intellectual property rights, publication costs, and researchers’ interests.
clarification of the requirement for records retention that applied only to NSF awards.

Response: Agree. The sentence was removed and NSF will include in its agency-specific terms and conditions that supplement the core set of administrative requirements.


Response: Article 54 has been revised to a more streamlined form, however, the suggested reference to NSSDD–189 was not added.

Comment: A Federal organization recommended deleting paragraph (b) of Article 72 “Subsequent adjustments and continuing responsibilities.” The commenter noted that paragraph (b) of Article 72 was redundant because it restated one of the requirements in section 2.72 of OMB Circular A–110, all of which already were incorporated by Paragraph (a) of Article 72.

Response: Agree. Paragraph (b) of Article 72 was deleted.

III. Final Administrative Requirements and Future Steps

The final version of the standard research terms and conditions which incorporate the changes discussed in the preceding Sections I and II of Supplementary Information, may be viewed at http://www.nsf.gov/bfa/dias/ policy/rtc/index.jsp. Agencies will post their plans for implementing the administrative requirements either at the RBM subcommittee Web site at: http://rbm.nih.gov, or at its own Web site (in which case the RBM subcommittee will provide a link from its site to the agency’s location).

To the Heads of Executive Departments and Agencies:

Subject: Policy on Terms and Conditions for Research Grants

1. Purpose: This policy allows all research agencies to utilize a new standard core set of administrative terms and conditions on research and research-related awards.

2. Authority: This policy is an implementation of OMB Circular A–110, “Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations” (2 CFR part 215).

3. Background: This policy resulted from an initiative of the Research Business Models (RBM) Subcommittee of the Committee on Science (CoS), a committee of the National Science and Technology Council (NSTC). One of the RBM Subcommittee’s priority areas is to create greater consistency in the administration of Federal research awards. Given the increasing complexity of interdisciplinary and interagency research, it has become increasingly important for Federal agencies to manage awards in a similar fashion.

4. Policy:
   a. Use of Government-wide core set of administrative requirements. Research agencies and awarding offices participating in the FDP must use the core set of administrative requirements, to the maximum practicable extent, in research and research-related grant awards to organizations that are subject to 2 CFR part 215. Those agencies and awarding offices may supplement the core set with agency specific, program specific, or award specific administrative requirements, but should limit supplemental requirements to those that are: (1) Consistent with 2 CFR part 215 or required by a statute that supersedes that part; and (2) necessary for programmatic purposes or good stewardship of Federal funds. Other agencies and awarding offices that are not participating in the FDP are encouraged to replace administrative requirements in awards to organizations that are subject to 2 CFR part 215 with the core set of standard requirements that the RBM subcommittee developed and similarly limit their supplementation of those standard requirements.
   b. Use of FDP national policy and subaward requirements. Each agency also is encouraged to use the documents that the FDP maintains for national policy requirements and requirements that flow down to subrecipients. An agency may revise the FDP documents as needed for currency, completeness, and applicability to the agency’s programs. The documents are available at the FDP site maintained by the National Science Foundation (NSF): http://www.nsf.gov/bfa/dias/policy/rtc/index.jsp.
   c. Maintenance of the administrative requirements. As Federal requirements evolve, the RBM subcommittee will update the core set of administrative requirements as needed to maintain it as a standard implementation of 2 CFR Part 215. Significant changes will be coordinated with the Office of Management and Budget, approved by the Grants Policy Committee of the Chief Financial Officers Council, and adopted after opportunity for public comment.
   d. Posting of the administrative requirements. NSF will post the Government-wide core set of administrative requirements on the NSF Web site: http://www.nsf.gov/bfa/dias/policy/rtc/index.jsp. As changes are made in the future, NSF will maintain both the current version and an archive of earlier versions.
   e. Agency implementation plans. Each CoS member agency will post its plan for implementing the administrative requirements either at the RBM subcommittee site, http://rbm.nih.gov, or at its own Web site (in which case the RBM subcommittee will provide a link from its site to the agency’s location).
   f. Effective dates. This policy is effective with publication of this notice in the Federal Register. It remains in effect as long as the core set of requirements is consistent with Government-wide administrative requirements, which currently are in 2 CFR part 215. The core set will be superseded when Government-wide terms and conditions are established for all Federal grants and cooperative agreements, due to an initiative currently under way as part of the implementation of the Federal Financial Assistance Management Improvement Act of 1999 (Pub. L. 106–107). Agencies shall post their implementation plans as noted in “e” above, no later than July 2008.

M. David Hodge,
Operations Manager, Office of Science and Technology Policy.

[FR Doc. E8–1262 Filed 1–24–08; 8:45 am]
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