

To reassess the impact of the proposed regulation on health centers, HRSA analyzed the most recent data from health center grantees who reported in calendar year 2006 to the Uniform Data System (UDS) and HRSA applied the methodologies in the proposed rule using nationally available data. Based on this analysis, at most, only 16 out of 1,001 health center grantees (1.6 percent) would have to include State or local data to seek to maintain their current designation status. This analysis was conducted at the grantee level consistent with HRSA's health center policy that states: "The statutory obligations of serving an MUA or MUP is an organizational level obligation, not a site specific requirement." (<http://answers.hrsa.gov/>, Answer ID 1216). The proposed rule does not change this health center policy.

In order to facilitate a better understanding of the proposed rule, HRSA provided State Primary Care Offices (PCO) with a calculator that applies the formulas proposed in the rule to determine designation, with data files, as well as with technical assistance in using the calculator. We encourage interested parties to contact and work with their PCOs (<http://nhsc.bhpr.hrsa.gov/resources/info/pco.asp>) to review data and understand the implications of the proposed rule.

To allay concerns of some commenters, this notice seeks to draw attention to and elicit comments on the following matters:

#### Eligibility for Federal Resources

In the preamble, a statement in section IV. B. Methodology (last paragraph before subsection C at 73 FR 11247) inaccurately reflects our intent and the potential effect regarding eligibility for organizations designated through Tier 1 or Tier 2. It suggests that Tier 2 designations will not be eligible for additional Federal resources. That is not the case. No provision in the proposed rule imposes any such limitation and it is not our intent to do so. Under the proposed rule, whether designated via Tier 1, Tier 2, or Safety Net Facility all entities will be equally eligible to compete for new or expanded health center funding. Similarly, all entities designated through Tier 1, Tier 2, or Safety Net Facility will be equally eligible to compete for National Health Service Corps (NHSC) placements. In contrast to the health center policy described above, NHSC placements are site specific pursuant to section 333(a) of the Public Health Service Act. For example, while a health center grantee may be eligible for health center funding

for all of its sites, only some of its sites may be eligible under law for NHSC placements. For further information on NHSC placements, please contact your State PCO.

#### Scoring for Relative Need

Scores are a numerical expression of relative need derived from available data about demography, economics, population density, health status and available primary care providers. Scores are designed to be used by the NHSC for provider placement and may be used by other programs. While the proposed rule does not include a specific methodology for scoring those organizations that receive a designation for serving high-need populations (Safety Net Facility), a scoring methodology will have to be established. To determine a Safety Net Facility designation, HRSA will need data on the proportions of the applicant organization's patient population that are low-income uninsured as well as Medicaid-eligible (see 73 FR 11251 of the proposed rule). We seek comments on how to score these Safety Net Facility designations so that their need is ranked equitably with the designations scored in the other methods outlined in the proposed rule, that is, Tier 1 and Tier 2.

We invite comments on these issues, as well as any other provisions of the proposed rule. We will respond to all comments when we publish the final rule.

Dated: April 17, 2008.

**Elizabeth M. Duke,**

*Administrator, Health Resources and Services Administration.*

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## DEPARTMENT OF DEFENSE

### Defense Acquisition Regulations System

#### 48 CFR Chapter 2

#### Nontraditional Defense Contractor

**AGENCY:** Defense Acquisition Regulations System, Department of Defense (DoD).

**ACTION:** Request for public input.

**SUMMARY:** DoD is interested in creating new and/or expanding existing pathways for nontraditional contractor participation in defense procurements. In order to gauge the Department's success with respect to this endeavor, DoD is specifically interested in first establishing a standard Department-wide definition for "nontraditional

defense contractor" that would be applied in defense procurements conducted pursuant to the Federal Acquisition Regulation (FAR) and the Defense FAR Supplement (DFARS). In support of this initiative, DoD is seeking industry input with regard to the standards that should be utilized in defining what constitutes a nontraditional defense contractor and in developing an appropriate definition for use on a permanent basis.

**DATES:** Submit written comments to the address shown below on or before June 20, 2008.

**ADDRESSES:** Submit comments to: Office of the Director, Defense Procurement and Acquisition Policy, ATTN: OUSD (AT&L) DPAP (CPIC), 3060 Defense Pentagon, Washington, DC 20301-3060. Comments also may be submitted by e-mail to [Anthony.Cicala@osd.mil](mailto:Anthony.Cicala@osd.mil).

**FOR FURTHER INFORMATION CONTACT:** Mr. Anthony E. Cicala, by telephone at 703-693-7062, or by e-mail at [Anthony.Cicala@osd.mil](mailto:Anthony.Cicala@osd.mil).

**SUPPLEMENTARY INFORMATION:** Since the 1970s, DoD has encouraged its acquisition team to leverage, to the maximum extent possible, the commercial marketplace to acquire the Department's products and services. In response to special commissions, panels, and legislation, in January 2001, DoD required the development of implementation plans with the goal of increasing the acquisition of commercial items using the procedures at FAR Part 12, Acquisition of Commercial Items. In addition, legislative changes to FAR Part 12, and FAR Part 13—Simplified Acquisition Procedures, were enacted in an attempt to streamline the process and create a more commercial-like contracting environment. DoD expected increased use of the flexibility afforded by FAR Part 12 and FAR Part 13 procedures to provide DoD greater access to the commercial markets (products and services types) which would lead to increased competition, better prices, and access to new market entrants and/or technologies. DoD is interested in determining how successful it has been, and is now examining ways to collect information on the number of nontraditional defense contractors the Department reaches through its acquisitions to evaluate the extent of increased access to commercial markets, potential cost savings, increased quality, and/or technological innovation.

Currently, a definition for nontraditional defense contractor is promulgated at DFARS Subpart 212.70, but the application of that definition is limited to follow-on efforts to Other

Transaction (OT) for Prototype awards made by DoD pursuant to the authority of 10 U.S.C. 2371 and Section 845 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160), as amended. Given that this definition tends to be narrow in scope in that it has its genesis in Research and Development (R&D) projects that involve experimentation, test, demonstration, and developments related to weapons systems, the application of the current definition may not be entirely appropriate with respect to the various types of defense procurements that are possible under existing regulations.

With respect to this request for information from interested parties, consideration should include, but is not necessarily limited to, the following:

- Should consideration be given to the percentage of a company's business

that is devoted to defense specific award actions versus non-defense specific award actions in determining its status as a traditional vice nontraditional defense contractor? (e.g., If a company's sales revenue is based on 90 percent commercial sector versus 10 percent defense sector, should that be taken into consideration? Are there other benchmarks that should be used in classifying a contractor as a nontraditional defense contractor and, if so, what are they and why are they appropriate?)

- Should the definition stay the same for all of the various types of acquisitions, or should the definition change depending upon products or services acquired? (e.g., Service, Supply, Construction, R&D)

- Should contractors be required to self-certify their status as a nontraditional defense contractor via

registration in the Central Contractor Registration (CCR) database, Online Representations and Certifications Application (ORCA), or some other self-certification mechanism, based on an established definition for nontraditional defense contractor, so that individual contracting officers are not required to make these independent judgment calls for every single contract action contemplated? If not, how should DoD otherwise capture nontraditional defense contractor status?

DoD requests your considered input for all other aspects of what constitutes a nontraditional defense contractor in DoD procurements.

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

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