

hold final payment until the non-compliance has been resolved.

III. Executive Order 12866

This is not a significant regulatory action and, therefore, is 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.

IV. Regulatory Flexibility Act

DoD, GSA, and NASA certify 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 requirements of the actions required and the clause are not significantly burdensome. Currently, it is a common business practice to have procedures in place to revoke and return PIV cards when no longer in use by the contractor.

V. 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. chapter 35.

List of Subjects in 48 CFR Parts 4 and 52

Government procurement.

Dated: December 22, 2010.

Millisa Gary,

Acting Director, Federal Acquisition Policy Division.

Therefore, DoD, GSA, and NASA amend 48 CFR parts 4 and 52 as set forth below:

1. The authority citation for 48 CFR parts 4 and 52 continues 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 4.1301 by adding paragraph (d) to read as follows:

4.1301 Policy.

\* \* \* \* \*

(d)(1) Agency procedures for the return of Personal Identity Verification (PIV) products shall ensure that Government contractors account for all forms of Government-provided identification issued to Government contractor employees under a contract, i.e., the PIV cards or other similar badges, and shall ensure that contractors return such identification to the issuing agency as soon as any of the following

occurs, unless otherwise determined by the agency:

- (i) When no longer needed for contract performance.
(ii) Upon completion of a contractor employee's employment.
(iii) Upon contract completion or termination.

(2) The contracting officer may delay final payment under a contract if the contractor fails to comply with these requirements.

PART 52—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

3. Amend section 52.204-9 by revising the date of the clause; redesignating paragraph (b) as paragraph (d); adding a new paragraph (b); adding paragraph (c); and revising newly redesignated paragraph (d) to read as follows:

52.204-9 Personal Identity Verification of Contractor Personnel.

\* \* \* \* \*

Personal Identity Verification of Contractor Personnel (JAN 2011)

\* \* \* \* \*

(b) The Contractor shall account for all forms of Government-provided identification issued to the Contractor employees in connection with performance under this contract. The Contractor shall return such identification to the issuing agency at the earliest of any of the following, unless otherwise determined by the Government:

- (1) When no longer needed for contract performance.
(2) Upon completion of the Contractor employee's employment.
(3) Upon contract completion or termination.

(c) The Contracting Officer may delay final payment under a contract if the Contractor fails to comply with these requirements.

(d) The Contractor shall insert the substance of this clause, including this paragraph (d), in all subcontracts when the subcontractor's employees are required to have routine physical access to a Federally-controlled facility and/or routine access to a Federally-controlled information system. It shall be the responsibility of the prime Contractor to return such identification to the issuing agency in accordance with the terms set forth in paragraph (b) of this section, unless otherwise approved in writing by the Contracting Officer.

(End of Clause)

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DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Part 49

[FAC 2005-48; FAR Case 2009-031; Item III; Docket 2010-0090, Sequence 1]

RIN 9000-AL56

Federal Acquisition Regulation; Terminating Contracts

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

ACTION: Final rule.

SUMMARY: DoD, GSA, and NASA are issuing a final rule amending the Federal Acquisition Regulation (FAR) to clarify the applicability of procedures regarding the termination of contracts to the acquisition of commercial items.

DATES: Effective Date: January 31, 2011.

FOR FURTHER INFORMATION CONTACT: For clarification of content, contact Ms. Jeritta Parnell, at (202) 501-4082. For information pertaining to status or publication schedules, contact the Regulatory Secretariat at (202) 501-4755. Please cite FAC 2005-48, FAR Case 2009-031.

SUPPLEMENTARY INFORMATION:

I. Background

DoD, GSA, and NASA published a proposed rule with request for comments in the Federal Register on May 20, 2010 (75 FR 28228). This rule clarifies that FAR part 49, Termination of Contracts, does not apply to the acquisition of commercial items when using FAR part 12 procedures.

Discussion of Public Comments

One respondent provided two comments. A discussion of the comments and the changes made to the proposed rule are summarized as follows:

1. Comment: The respondent recommended clarifying the coverage at FAR 49.501 by moving the existing language to FAR 49.002. This language clarifies that FAR part 49 does not apply to commercial item contracts awarded using FAR part 12 procedures.

Response: The Defense Acquisition Regulation Council and the Civilian Agency Acquisition Council (Councils) agree. The language at FAR 49.501, pertaining to the applicability of FAR part 49 to commercial item contracts has

been relocated to FAR 49.002. FAR 49.002(a) is reformatted by adding "(1)" to existing language for sequencing. Additionally, new language was added in (a)(2) to clarify that FAR part 49 does not apply to the acquisition of commercial items when using procedures at FAR part 12.

2. *Comment:* The respondent recommends simplifying FAR 49.502(a) by removing and relocating the reference to the exceptions for FAR 52.212-4 and 52.213-4 to FAR 49.002.

*Response:* The Councils agree. The language pertaining to FAR 52.212-4 was relocated to FAR 49.002 as addressed under the first comment. Reference to FAR 52.213-4 remains in FAR 49.501.

## II. Executive Order 12866

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 is not a major rule under 5 U.S.C. 804.

## III. Regulatory Flexibility Act

DOD, GSA, and NASA certify 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 does not impose any additional requirements on small entities. The rule merely clarifies that FAR part 49 does not apply to the acquisition of commercial items when using procedures in FAR part 12.

## IV. Paperwork Reduction Act

The final rule does not contain any information collection requirements that require the approval of the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. chapter 35).

### List of Subjects in 48 CFR Part 49

Government procurement.

Dated: December 22, 2010.

Millisa Gary,

Acting Director, Federal Acquisition Policy Division.

■ Therefore, DoD, GSA, and NASA amend 48 CFR part 49 as set forth below:

### PART 49—TERMINATION OF CONTRACTS

■ 1. The authority citation for 48 CFR part 49 continues to read as follows:

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

■ 2. Amend section 49.002 by revising paragraph (a) to read as follows:

### 49.002 Applicability.

(a)(1) This part applies to contracts that provide for termination for the convenience of the Government or for the default of the contractor (see also 12.403 and 13.302-4).

(2) This part does not apply to commercial item contracts awarded using part 12 procedures. See 12.403 for termination policies for contracts for the acquisition of commercial items.

However, for contracts for the acquisition of commercial items, this part provides administrative guidance which may be followed unless it is inconsistent with the requirements and procedures in 12.403, Termination, and the clause at 52.212-4, Contract Terms and Conditions—Commercial Items.

\* \* \* \* \*

■ 3. Revise section 49.501 to read as follows:

### 49.501 General.

This subpart prescribes the principal contract termination clauses. This subpart does not apply to contracts that use the clause at 52.213-4, Terms and Conditions—Simplified Acquisitions (Other Than Commercial Items). In appropriate cases, agencies may authorize the use of special purpose clauses, if consistent with this chapter.

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## DEPARTMENT OF DEFENSE

### GENERAL SERVICES ADMINISTRATION

### NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

### 48 CFR Parts 52 and 53

[FAC 2005-48; FAR Case 2009-018; Item IV; Docket 2010-0082, Sequence 1]

RIN 9000-AL53

### Federal Acquisition Regulation; Payrolls and Basic Records

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

**ACTION:** Final rule.

**SUMMARY:** DoD, GSA, and NASA have adopted as final, with one change, the interim rule amending the Federal Acquisition Regulation (FAR) to revise the FAR clause, Payrolls and Basic Records. This revision implements a Department of Labor rule that protects the privacy of workers.

**DATES:** *Effective Date:* December 30, 2010.

**FOR FURTHER INFORMATION CONTACT:** For clarification of content, contact Ms. Clare McFadden, Procurement Analyst, at (202) 501-0044. For information pertaining to status or publication schedules, contact the Regulatory Secretariat at (202) 501-4755. Please cite FAC 2005-48, FAR Case 2009-018.

### SUPPLEMENTARY INFORMATION:

#### I. Background

DoD, GSA, and NASA published an interim rule in the **Federal Register** at 75 FR 34286 on June 16, 2010. The interim rule implemented changes from the Department of Labor's (DOL's) final rule, Protecting the Privacy of Workers: Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction, published in the **Federal Register** at 73 FR 77504 on December 19, 2008, that removed the requirement to submit complete social security numbers and home addresses of individual workers in weekly payroll submissions. DOL concluded that such disclosure of personal information from the prime contractor was unnecessary and created an increased risk of privacy violations. The public comment period closed on August 16, 2010. No comments were received and, as a result, DoD, GSA, and NASA have determined to adopt the interim rule as final with a minor change to add a DOL updated form WH-347 found at FAR 53.303-WH-347.

#### II. Executive Order 12866

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.

#### III. Regulatory Flexibility Act

DoD, GSA, and NASA certify 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 this rule provides relief for contractors from submitting more personal information than is necessary in the weekly payroll submissions and will not impose any measurable costs on contractors.

#### IV. Paperwork Reduction Act

The Paperwork Reduction Act (44 U.S.C. chapter 35) does apply; however, these changes to the FAR do not impose additional information collection requirements to the paperwork burden