does this represent? What percentage of these wireless devices are standard (original) equipment on vessels and engines? What are the installation and maintenance costs (labor and equipment) of wireless devices? What is the expected lifespan of wireless devices? Are there any special performance or failure issues unique to wireless devices?

18. How would this proposal change boater preference for wireless engine cut-off switch devices? Would boaters choose more expensive wireless systems over standard non-wireless systems? If so, why and how many?

19. As a result of this proposal, would vessel and engine manufacturers adopt wireless technology as standard equipment?

20. Would this proposal increase the use and wear of engine cut-off switch devices over and above the manufacturer’s recommended use? Would this proposal increase the replacement costs of engine cut-off switch devices?

21. What is the risk of unintended activations of engine cut-off switch devices? What is the current estimated rate of unintended activations? What are the impacts of unintended activations? Are there any injuries or fatalities associated with unintended activations?

22. What is the risk of engine cut-off switch device failure (i.e., engine does not cut off when operator is ejected)? What is the current estimated rate of engine cut-off switch device failures? What are the impacts of engine cut-off switch device failures? Are there any injuries or fatalities associated with engine cut-off switch device failures?

23. What data or information exists that could be used to estimate compliance rates of this proposal? What data exists to estimate how compliance with proposal will change from initial phase-in to full implementation?

24. How would the challenge to visually inspect from a distance whether an engine cut-off switch device is being used affect compliance with engine cut-off switch device requirements?

25. What are the compliance rates with State laws that require use of engine cut-off switch devices?

26. What is the voluntary use rate of engine cut-off switch devices in States without engine cut-off switch device laws?

27. Five States (Alabama, Arkansas, Illinois, Louisiana, and Nevada) currently require boaters to use engine cut-off devices on certain recreational vessels. What other State laws are being developed for engine cut-off switch device regulations? Please provide any data or information from the implementation or development of these State regulations to assist the Coast Guard as it considers whether to require engine cut-off switch device use.

28. What are the costs associated with implementation of State laws requiring mandatory use of engine cut-off switch devices?

29. What is the effectiveness based on the reduction in fatalities, injuries, and property damage from recent changes in State laws regarding the use of engine cut-off switch devices?

Dated: June 2, 2011.

Kevin S. Cook, Rear Admiral, U.S. Coast Guard, Director of Prevention Policy.

[FR Doc. 2011–14410 Filed 6–7–11; 8:45 am]
BILLING CODE 9110–04–P

DEPARTMENT OF DEFENSE
Defense Acquisition Regulations System
48 CFR Parts 211, 246, and 252
RIN 0750–AG74
Defense Federal Acquisition Regulation Supplement (DFARS); Warranty Tracking of Serialized Items, DFARS Case 2009–D018
AGENCY: Defense Acquisition Regulations System, Department of Defense (DoD).
ACTION: Final rule.

SUMMARY: DoD is issuing a final rule to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to implement a policy memorandum of the Undersecretary of Defense for Acquisition, Technology and Logistics dated February 6, 2007, which required definition of the requirements to track warranties for Item Unique Identification-required items in the DoD Item Unique Identification Registry. The capability to track warranties will significantly enhance the ability of DoD to—

• Identify and enforce warranties;
• Ensure sufficient durations of warranties for specific goods; and
• Realize improved material readiness.

DoD issued a proposed rule in the Federal Register at 75 FR 52917 on August 30, 2010, to address the requirement to more effectively track warranties for Item Unique Identification items. The comment period closed October 29, 2010.

II. Public Comment

One respondent submitted comments to the proposed rule, which are discussed below.

Comment: The respondent states that while the unique item identification requirement was not established for the purpose of tracking warranty items, its use as a warranty-tracking methodology would result in increased costs for contractors and the Government. The addition of warranties to DFARS 211.274–2 will expand the criteria for selecting the items to be uniquely identified. Today, that determination is based almost completely on the value of the item. Warranted items may or may not meet the value criterion established for determining what should be uniquely identified and marked. An application of unique item identification to warranted items may cause a part to be covered by unique item identification under a contract calling for warranty and not covered by unique item identification on another contract without warranty.

Response: This requirement applies to any “warranted serialized item,” and a clarifying change was made at 211.274–2(4)(iii) by adding the term “any warranted serialized item.”

Comment: The respondent also recommends that DoD not publish a final rule on warranty tracking of serialized items.

Response: DoD requires a more effective way to track warranties for Item Unique Identification items. Presently, DoD lacks the enterprise capability to provide visibility and accountability of warranty data associated with acquired goods. The tracking of warranties, from the identification of the requirement to the expiration date of the warranted item, will significantly enhance the ability of DoD to take full advantage of warranties when they are part of an acquisition. This will result in reduced costs, ability to recognize benefits, and the ability to compare performance against
Government-specified warranties. The consequence of not collecting this data is that warranty management of mission critical assets is not optimized, which may have a significant impact during time of war or in response to contingencies. When this capability is developed, it is expected that warranty information will be collected and shared by acquisition organizations to document and improve warranty management. Additionally, as counterfeit items, particularly electronics parts increase, this traceability of items to a warranty will assist all members of the supply chain to manage risk appropriately. This traceability also leads to ensuring the Government receives the supplies purchased, reducing the number of counterfeit items. Based upon the above, DoD published a final rule.

III. Additional Technical Changes Required

During the final rule development, DoD restructured the layout of the rule to reduce burden to contractors and to facilitate data capture. This change required moving the tables from the clause at 252.246–7006, Warranty Tracking of Serialized Items, to 246.710–70, Warranty attachment. This will enable data capture through the use of the warranty attachments. DoD has posted schema to the DPAP/Program Development and Implementation Web site at http://www.acq.osd.mil/dpap/pdi/eb/gfp.html, to facilitate this process. A summary of the required technical changes follows—

• DFARS 211.274–2, Policy for unique item identification—added the term “any warranted serialized item” to clarify that this rule applies to serialized warranted items, regardless of the value. The existence of a warranty does not solely create a criterion for Item Unique Identification applicability.

• DFARS 246.701, Definitions—added references to definitions for “duration,” “enterprise,” “enterprise identifier,” “fixed expiration,” “issuing agency,” “item type,” “starting event,” “serialized item,” “unique item identifier,” “usage,” “warranty administrator,” “warranty guarantor,” “warranty repair source,” and “warranty tracking” as being defined in the clause at 252.246–7006.

• DFARS 246.710, Solicitation provision and contract clauses, paragraph (5)—replaced previous references to tables I and II as the warranty attachments were added to DFARS 246.710–70. Related subparts were revised accordingly to incorporate tables I and II, which were previously referred to in the provision at 252.246–7005, and included in the clause at 252.246–7006. Electronic business systems are being expanded to capture the data elements needed to support warranty tracking through the use of an attachment format. The procurement data strategy, the DoD method to implement data capture, relies on attachment file formats. This format can be embedded in the contract data file by the contract writing system, or sent in parallel as a separate attachment. To facilitate data capture, the tables for warranty data have been translated into an XML attachment schema published by DPAP, and available at this website: http://www.acq.osd.mil/dpap/pdi/eb/gfp.html. This schema will enable data flow from system to system. Data flow from a clause is not possible because the clause is text, not data. Extracting the data requirements from the clause and carrying it separately in an attachment will make the flowing of the data to the various business systems possible without modifying every DoD contract writing system.

• DFARS 246.710–70, Warranty attachment—a new section was added to provide two attachments and completion instructions to replace two tables previously included in the proposed clause at 252.247–70YY. The two new attachments are “Attachment : Warranty Tracking Information,” and “Attachment : Warranty Repair Source Instructions.”

• The “Warranty Tracking Information” attachment title is supplemented to include “Solicitation or Contract Number [To be filled in by the contracting officer].” Further, this attachment indicates that data marked “**” is to be completed by the requiring activity if a warranty is specified by the Government otherwise all offerors are to complete those elements as part of their offers. Data marked by “***” is to be completed by the contractor at the time of award. A reference to “***” was added for data to be completed at or after the time of award. The definition for “warranty administrator enterprise identifier” was revised to include the term “globally unique” identifier code.

• The “Warranty Repair Source Instructions” attachment title is supplemented to include “Solicitation or Contract Number [To be filled in by the contracting officer].” Additionally, the numbering for the table notes was revised for that table only. The definition for “warranty administrator enterprise identifier” was revised for clarity to include the term “globally unique” rather than using the term “non-repeatable.” Also, a note for “instructions” was moved from the table, and made a stand-alone note under the table.

IV. Executive Orders 12866 and 13563

Executive Orders 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. 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.

V. Regulatory Flexibility Act

DoD has prepared a final regulatory flexibility analysis consistent with 5 U.S.C. 604 et seq. A copy of the analysis may be obtained from the point of contact specified herein and is summarized below. The objective of this rule was for DoD to develop a more effective way to track warranties for Item Unique Identification items. DoD has lacked the enterprise capability that would provide visibility and accountability of warranty data associated with acquired goods. The tracking of warranties, from the identification of the requirement to the expiration date of the warranted item, will significantly enhance the ability of
DoD to take full advantage of warranties when they are part of an acquisition, resulting in the ability to—

- Identify and enforce warranties;
- Ensure sufficient durations of warranties for specific goods; and
- Realize improved material readiness.

In FY 2009, DoD issued approximately 16,000 solicitations that use warranty clauses. In response to those solicitations, DoD estimates that approximately 76,000 offers may have been received (66,000 from small business, 10,000 from other than small business). Of that total, DoD estimates that 50% of the time the Government will provide the required warranty information for 38,000 offers (33,000 small and 5,000 other than small businesses). Therefore, approximately 33,000 small entities may be impacted by the rule.

This rule was published as a proposed rule in the Federal Register at 75 FR 52971, on August 30, 2010. No comments were received from small entities on the affected DFARS subpart with regard to small businesses. We anticipate that there will be limited, if any, additional costs imposed on small businesses unless there is a covered claim filed against a particular contractor.

IV. Paperwork Reduction Act

The provision at 252.246–7005, Notice of Warranty Tracking of Serialized Items and the clause at 252.246–7006, Warranty Tracking of Serialized Items, contain new information collection requirements. The Office of Management and Budget has approved the information collection requirements under Control Number 0704–0481, Warranty Tracking of Serialized Items.

List of Subjects in 48 CFR Parts 211, 246, and 252

Government procurement.

Mary Overstreet,
Editor, Defense Acquisition Regulations System.

Therefore, 48 CFR parts 211, 246, and 252 are amended as follows:

1. The authority citation for 48 CFR parts 211, 246, and 252 continues to read as follows:


PART 211—DESCRIBING AGENCY NEEDS

2. Amend section 211.274–2 as follows:

(a) Amend paragraph (a)(4)(i) to remove “and” after the semicolon;
(b) Amend paragraph (a)(4)(ii) to add the word “and” after the semicolon;
(c) Add new paragraph (a)(4)(iii) to read as set forth below.

211.274–2 Policy for unique item identification.

(a) * * *
(b) * * *
(c) Any warranted serialized item.

PART 246—QUALITY ASSURANCE

3. Revise section 246.701 to read as follows:

246.701 Definitions. As used in this subpart—

Acceptance as used in this subpart and in the warranty clauses at FAR 52.246–17, Warranty of Supplies of a Noncomplex Nature; FAR 52.246–18, Warranty of Supplies of a Complex Nature; FAR 52.246–19, Warranty of Systems and Equipment Under Performance Specifications or Design Criteria; and FAR 52.246–20, Warranty of Services, includes the execution of an official document (e.g., DD Form 250, Material Inspection and Receiving Report) by an authorized representative of the Government.

Defect means any condition or characteristic in any supply or service furnished by the contractor under the contract that is not in compliance with the requirements of the contract.

Duration, enterprise, enterprise identifier, fixed expiration, issuing agency, item type, starting event, serialized item, unique item identifier, usage, warranty administrator, warranty guarantor, warranty repair source, and warranty tracking are defined in the clause at 252.246–7006, Warranty Tracking of Serialized Items.

4. Amend section 246.710 to:

(a) Revise the section title; and
(b) Add new paragraph (5)(i).

The additions and revisions read as follows:

246.710 Solicitation provision and contract clauses.

* * * * *

(5)(i) In addition to 252.211–7003, Item Identification and Valuation, which is prescribed in 211.274–6(a), use the following provision and clause in solicitations and contracts when it is anticipated that the resulting contract will include a warranty for serialized items:

(A) 252.246–7005, Notice of Warranty Tracking of Serialized Items (include only if offers will be required to enter data with the offer); and
(B) 252.246–7006, Warranty Tracking of Serialized Items.

(i) If the Government specifies a warranty, include in the solicitation the appropriate warranty attachment from DFARS 246.710–70. The contracting officer shall request the requiring activity to provide information to ensure that Attachment __, Warranty Tracking Information, is populated with data specifying the Government’s required warranty provision by contract line item number, subline item number, or exhibit line item number prior to solicitation. In such case do not include 252.246–7005 in the solicitation.

(ii) If the Government does not specify a warranty, include 252.246–7005 in the solicitation, and the warranty attachment from DFARS 246.710–70. The contractor may offer a warranty and shall then populate Attachment __, Warranty Tracking Information, as appropriate, as part of its offer as required by 252.246–7005.

(iv) All warranty tracking information that is indicated with a single asterisk (*) in Attachment __, Warranty Tracking Information, shall be completed prior to award. Data indicated with two asterisks (**) may be completed at the time of award. Data indicated with three asterisks (***) may be completed at or after the time of award.

(v) The contractor shall provide warranty repair source instructions (as prescribed in the attachment) no later than the time of delivery.

5. Add new section 246.710–70 to read as follows:

246.710–70 Warranty attachment.

This is the prescribed attachment and format required and referenced in the provision at 252.246–7005, Notice of Warranty Tracking of Serialized Items, and the clause at 252.246–7006, Warranty Tracking of Serialized Items. The contracting officer shall number the attachment upon issuance of the solicitation and include the solicitation or contract number.

Attachment __ : Warranty Tracking Information
6. Amend section 252.211–7003 as follows:

   ■ (a) Amend the clause date by removing “(AUG 2008)” and adding in its place “(JUN 2011)”;

   ■ (b) Amend paragraph (a) by revising the definition of “Issuing agency” as shown below.

   252.211–7003 Item Identification and Valuation.

   * * * * *

PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

6. Amend section 252.211–7003 as follows:
6. Add section 252.246–7006 to read as follows:

**Warranty Tracking of Serialized Items (Jun 2011)**

(a) Definitions. As used in this clause—

**Duration** means the warranty period. This period may be a stated period of time, amount of usage, or the occurrence of a specified event, after formal acceptance of delivery, for the Government to assert a contractual right for the correction of defects.

**Enterprise** means the entity (e.g., a manufacturer or vendor) responsible for granting the warranty and/or assigning unique item identifiers to serialized warranty items.

**Enterprise identifier** means a code that is uniquely assigned to an enterprise by an issuing agency.

**Fixed expiration** means the date the warranty expires and the Contractor’s obligation to provide for a remedy or corrective action ends.

**Installation** means the date a unit is inserted into a higher level assembly in order to make that assembly operational.

**Issuing agency** means an organization responsible for assigning a globally unique identifier to an enterprise (e.g., Dun & Bradstreet’s Data Universal Numbering System [DUNS] Number, GS1 Company Prefix, Allied Committee 135 NATO Commercial and Government Entity (NCAGE)/Commercial and Government Entity [CAGE] Code, or the Coded Representation of the North American Telecommunications Industry Manufacturers, Suppliers, and Related Service Companies (ATIS–0322000) Number), European Health Industry Business Communication Council (EHIBCC) and Health Industry Business Communication Council (HIBCC)), as indicated in the Register of Issuing Agency Codes for ISO/IEC 15459, located at http://www.nen.nl/web/Normen-ontwikkelen/ISOIEC-15459-Issuing-Agency-Codes.htm.

**Usage** means each item produced and/or acceptance. The Contractor shall provide all information required by Attachment _Warranty Repair Source Instructions_, prior to, but not later than when the warranted items are presented for receipt and/or acceptance. The “Warranty Item Unique Item Identifier” data category may also be completed in conjunction with Attachment _Warranty Repair Source Instructions_. Information required in the warranty attachment shall include such information as duration, enterprise, enterprise identifier, first use, fixed expiration, installation, issuing agency, item type, starting event, serialized item, unique item identifier, usage, warranty administrator, warranty guarantor, warranty repair source, and warranty tracking. The Contractor shall submit the data for warranty tracking to the Contracting Officer with a copy to the requiring activity and the Contracting Officer Representative.

**Reservation of rights.** The terms of this clause shall not be construed to limit the Government’s rights or remedies under any other contract clause.

(End of clause)

7. Add section 252.246–7005 to read as follows:

**Notice of Warranty Tracking of Serialized Items.**

As prescribed in 246.710(5)(i)(A), use the following provision:

**Notice of Warranty Tracking of Serialized Items (Jun 2011)**

(a) Definition. Unique item identifier and warranty tracking are defined in the clause at 252.246–7006, Warranty Tracking of Serialized Items.

**Reporting of data for warranty tracking and administration.** The offeror shall provide the information required by Attachment _Warranty Tracking Information_, (indicated by a single asterisk (*)), on each contract line item number, subline item number, or exhibit line item number for warranted items. The offeror shall provide all information required by Attachment _Warranty Repair Source Instructions_, prior to, but not later than when the warranted items are presented for receipt and/or acceptance. The “Warranty Item Unique Item Identifier” data category may also be completed in conjunction with Attachment _Warranty Repair Source Instructions_. Information required in the warranty attachment shall include such information as duration, enterprise, enterprise identifier, first use, fixed expiration, installation, issuing agency, item type, starting event, serialized item, unique item identifier, usage, warranty administrator, warranty guarantor, warranty repair source, and warranty tracking. The Contractor shall submit the data for warranty tracking to the Contracting Officer with a copy to the requiring activity and the Contracting Officer Representative.

**Reservation of rights.** The terms of this clause shall not be construed to limit the Government’s rights or remedies under any other contract clause.

(End of clause)