

25.004 [Removed]

■ 3. Remove section 25.004.

[FR Doc. 2013-14617 Filed 6-20-13; 8:45 am]

BILLING CODE 6820-EP-P

DEPARTMENT OF DEFENSE**GENERAL SERVICES
ADMINISTRATION****NATIONAL AERONAUTICS AND
SPACE ADMINISTRATION****48 CFR Parts 25 and 52****[FAC 2005-67; FAR Case 2012-027; Item
IX; Docket 2012-0027, Sequence 1]**

RIN 9000-AM43

**Federal Acquisition Regulation; Free
Trade Agreement (FTA)-Panama****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, without change, an
interim rule amending the Federal
Acquisition Regulation (FAR) to
implement the United States-Panama
Trade Promotion Agreement. This Trade
Promotion Agreement is a free trade
agreement that provides for mutually
non-discriminatory treatment of eligible
products and services from Panama.**DATES:** *Effective Date:* June 21, 2013.**FOR FURTHER INFORMATION CONTACT:** Ms.
Cecelia L. Davis, Procurement Analyst,
at 202-219-0202, for clarification of
content. For information pertaining to
status or publication schedules, contact
the Regulatory Secretariat at 202-501-
4755. Please cite FAC 2005-67, FAR
Case 2012-027.**SUPPLEMENTARY INFORMATION:****I. Background**DoD, GSA, and NASA published an
interim rule in the **Federal Register** at
77 FR 69723, on November 20, 2012, to
implement the United States-Panama
Trade Promotion Agreement. The
comment period closed on January 22,
2013. Two respondents submitted
comments on the interim rule.The interim rule added Panama to the
definition of "Free Trade Agreement
country" in multiple locations in the
FAR. The Panama FTA covers
acquisitions of supplies and services
equal to or exceeding \$202,000. The
threshold for the Panama FTA is
\$7,777,000 for construction contracts.
The Panama FTA threshold for supplies
and services is higher than the thresholdfor supplies and services for most of the
FTAs (\$77,494), and equals the Bahrain,
Morocco, Oman, and Peru FTA
thresholds for supplies and services
(\$202,000). The excluded services for
the Panama FTA are the same as for the
Bahrain FTA, Dominican Republic—
Central American FTA, Chile FTA,
Colombia FTA, NAFTA, Oman FTA,
and Peru FTA.**II. Discussion and Analysis**The Civilian Agency Acquisition
Council and the Defense Acquisition
Regulations Council (the Councils)
reviewed the comments in the
development of the final rule. A
discussion of the comments is provided
as follows:*A. Summary of Significant Changes*The Councils have adopted the
interim rule as final without change.*B. Analysis of Public Comments***1. Need for Separate Defense Federal
Acquisition Regulation Supplement
(DFARS) Rule***Comment:* One respondent
commented that they were concerned
about the necessity of the interim rule,
under Executive Orders 12866 and
13563, for a separate, redundant DFARS
rule for the Free Trade Agreement.*Response:* Implementation of trade
agreements in the FAR is necessary for
broad government-wide application of
the trade agreements. DoD needs its
unique provisions and clauses to cover
Buy American and trade agreements
because of unique requirements. One of
the most significant reasons is the need
to address the products of qualifying
countries (those countries with which
DoD has a Reciprocal Defense
Procurement Memorandum of
Understanding or other International
Agreement). In addition, the Oman FTA
and the Israeli Trade Agreement do not
apply to DoD acquisitions. There are
also statutory and policy determinations
that impact DoD acquisitions of the
products of Iraq and Afghanistan and
other countries in the region (South
Caucasus and Central and South Asia).
DoD also continues to implement the
Balance of Payments Program, applying
the principles of the Buy American
statute to acquisitions of goods for use
outside the United States. Therefore,
DoD has never been able to rely on
promulgation of Free Trade Agreements
solely within the FAR.**2. Information Collection Requirement***Comment:* One respondent was
further concerned that the information
collection requirement is not negligible
as characterized by the DFARS interimrule. According to the respondent, the
DFARS requirement will require costly
duplicate reporting in order to maintain
compliance and is therefore not
negligible.*Response:* The **Federal Register**
preamble for the FAR and DFARS rules
did not state that the information
collection requirement relating to Free
Trade Agreements was negligible. The
statement was that the change caused by
adding Panama as a Free Trade
Agreement country is negligible. There
are approved burdens for the FAR Buy
American and trade provisions under
OMB clearance numbers 9000-0025,
9000-0130, 9000-0136, and 9000-0141.
There are also burden hours approved
for DoD acquisitions subject to Buy
American or trade agreements under
OMB clearance number 0704-0229. The
DFARS requirement does not cause
duplicate reporting, because no
solicitation should include both the
FAR and the DFARS Buy American
and/or trade agreements provision. The
DFARS provisions are used in lieu of
the FAR provisions.**3. Access Through Canal and Security
for Cargo***Comment:* One respondent
commented that we should work with
other companies for joint economic
development projects and, as to
Panama, make certain that the
agreements provide that we will have
continued access through the canal and
the necessary security for our cargo.*Response:* The Council takes no
position on this comment because it is
outside the scope of this case, which
was limited to implementing the United
States-Panama Trade Promotion
Agreement. The Office of the United
States Trade Representative negotiates
the treaties, which are then
implemented in law by Congress.**III. Executive Orders 12866 and 13563**Executive Orders (E.O.s) 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). E.O. 13563 emphasizes the
importance of quantifying both costs
and benefits, of reducing costs, of
harmonizing rules, and of promoting
flexibility. This is a significant
regulatory action and, therefore, was
subject to review under section 6(b) of
E.O. 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

The Department of Defense, the General Services Administration, and the National Aeronautics and Space Administration 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 although the rule now opens up Government procurement to the goods and services of Panama, DoD, GSA, and NASA do not anticipate any significant economic impact on U.S. small businesses. The Department of Defense only applies the trade agreements to the non-defense items listed at DFARS 225.401–70, and acquisitions that are set aside or provide other form of preference for small businesses are exempt. FAR 19.502–2 states that acquisitions of supplies or services with an anticipated dollar value between \$3,000 and \$150,000 (with some exceptions) are automatically reserved for small business concerns.

V. Paperwork Reduction Act

The rule affects the certification and information collection requirements in the provisions at FAR 52.212–3, 52.225–4, 52.225–6, and 52.225–11 currently approved under the OMB Control Numbers 9000–0136, titled: Commercial Item Acquisition; 9000–0130, titled: Buy American Act-Free Trade Agreements–Israeli Trade Act Certificate; 9000–0025, titled: Trade Agreements Certificate; and 9000–0141, titled: Buy American–Construction, respectively, in accordance with the Paperwork Reduction Act (44 U.S.C. chapter 35). The impact, however, is negligible, because it is just a question of which category offered goods from Panama would be listed under.

List of Subjects in 48 CFR Parts 25 and 52

Government procurement.

Dated: June 13, 2013.

William Clark,

Acting Director, Office of Governmentwide Acquisition Policy, Office of Acquisition Policy, Office of Governmentwide Policy.

Interim Rule Adopted as Final Without Change

■ Accordingly, the interim rule amending 48 CFR parts 25 and 52, which was published in the **Federal Register** at 77 FR 69723, on November 20, 2012, is adopted as a final rule without change.

Authority: 40 U.S.C. 121(c); 10 U.S.C. chapter 137; and 51 U.S.C. 20113.

[FR Doc. 2013–14618 Filed 6–20–13; 8:45 am]

BILLING CODE 6820–EP–P

DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Part 31

[FAC 2005–67; FAR Case 2011–019; Item X; Docket 2011–0019, Sequence 1]

RIN 9000–AM23

Federal Acquisition Regulation; Updated Postretirement Benefit (PRB) References

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 remove references to specific paragraphs of an accounting standard that were deleted in the Financial Accounting Standards Board’s (FASB’s) Accounting Standards Codification (ASC) of Generally Accepted Accounting Principles (GAAP). The references no longer exist in the authoritative GAAP (the ASC). This final rule replaces the current GAAP references in the FAR with explicit criteria that generally replicate the substance of the formerly referenced GAAP methodology so that the substance of the FAR does not change as a result of this final rule.

DATES: *Effective Date:* July 22, 2013.

FOR FURTHER INFORMATION CONTACT: Mr. Edward N. Chambers, Procurement Analyst, at 202–501–3221 for clarification of content. For information pertaining to status or publication schedules, contact the Regulatory Secretariat at 202–501–4755. Please cite FAC 2005–67, FAR Case 2011–019.

SUPPLEMENTARY INFORMATION:

I. Background

DoD, GSA, and NASA published a proposed rule in the **Federal Register** at 77 FR 29305 on May 17, 2012, to replace the obsolete references to paragraphs 110, 112, and 113 of Financial Accounting Standard (FAS) 106 (provisions of GAAP that no longer exist) in FAR 31.205–6(o)(2)(iii)(A)(1) with explicit criteria that generally

replicate the GAAP methodology detailed in the deleted paragraphs. This revision is intended to allow a general continuation for FAR purposes (for PRB costs for Government contract cost accounting) of the now-obsolete GAAP delayed recognition method for contractors that move from a pay-as-you-go method of accounting to an accrual basis of accounting.

In June of 2009, the FASB announced, in its Statement Number 168, that effective for financial statements issued for interim and annual periods ending after September 15, 2009, the ASC would become the source of authoritative U.S. GAAP recognized by the FASB to be applied by nongovernmental entities. The FASB stated that this codification supersedes existing references in U.S. GAAP.

The now-superseded GAAP provisions in FAR 31.205–6(o)(2)(iii)(A)(1) referenced the description of “transition obligation” in paragraph 110 of FAS 106 and the “delayed recognition methodology” in paragraphs 112 and 113, also of FAS 106.

These references to FAS 106 in the cost principle were added in FAR Case 91–42, published in the **Federal Register** at 56 FR 41738 on August 22, 1991. At the time, the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) decided not to allow contractors to claim the entire “transition obligation” associated with their initial application of FAS 106 as an allowable cost in accordance with the “immediate recognition” procedure in (the now-superseded) paragraph 111 of FAS 106. (The transition obligation associated with initial application of FAS 106 is referred to hereafter as the “initial application transition obligation.”) Therefore, the Councils disallowed costs for the amortization of the initial application transition obligation in excess of the amount amortized using the delayed recognition method procedure in (the now-superseded) paragraphs 112 and 113 of FAS 106.

As a result of the FASB announcement that the ASC is now the source of the authoritative U.S. GAAP, the Councils note that the references to paragraphs 111, 112, and 113, respectively, of FAS 106 (for the immediate and delayed recognition procedures for the initial application transition obligation), are no longer valid because FAS 106 no longer exists in the authoritative GAAP (the ASC). When the FASB recodified FAS 106 into the ASC, paragraphs 111 through 114 were not included because public