252.232–7004 DoD Progress Payment Rates.

As prescribed in 232.502–4–70(b), use the following clause:

DOD PROGRESS PAYMENT RATES (OCT 2014)

If the Contractor is a small business concern, the Progress Payments clause of this contract is modified to change each mention of the progress payment rate and liquidations rate (excepting paragraph (k), Limitations on Undefinitized Contract Actions) to 90 percent.

(End of clause)

■ 25. Amend Appendix I to Chapter 2 by:

■ a. Revising section I–101.5(a.)

■ b. Amending section I–112.1 by removing paragraph (c).

The revision reads as follows:

Appendix I to Chapter 2—Policy and Procedures for the DoD Pilot Mentor-Protege Program

* * * * *

I–101.5 * * *

(a) An SDB concern as defined in 13 CFR 124.1002;

* * * * *

[FR Doc. 2014–24225 Filed 10–10–14; 8:45 am]

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DEPARTMENT OF DEFENSE

Defense Acquisition Regulation System

48 CFR Part 247

RIN 0750–AI38

Defense Federal Acquisition Regulation: Ocean Transportation by U.S.-Flag Vessels (DFARS Case 2014–D012)

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

ACTION: Final rule.

SUMMARY: DoD is issuing a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to remove text regarding contracting officer responsibilities, when purchasing ocean transportation services, that are procedural in nature.

DATES: *Effective* October 14, 2014.

FOR FURTHER INFORMATION CONTACT: Ms. Veronica Fallon, telephone 571–372–6098.

SUPPLEMENTARY INFORMATION:

I. Discussion

DoD is revising DFARS 247.572 and 247.573 to include a statement of delegated authority and to remove guidance that is internal to DoD concerning procedures contracting officers must follow when purchasing ocean transportation services. The internal DoD guidance removed from DFARS will be addressed in revised DFARS Procedures, Guidance and Information (PGI) 247.573.

II. Publication of This Final Rule for Public Comment Is Not Required by Statute

''Publication of proposed regulations,'' 41 U.S.C. 1707, is the statute which applies to the publication of the Federal Acquisition Regulation. Paragraph (a)(1) of the statute requires that a procurement policy, regulation, procedure or form (including an amendment or modification thereof) must be published for public comment if it relates to the expenditure of appropriated funds, and has either a significant effect beyond the internal operating procedures of the agency issuing the policy, regulation, procedure or form, or has a significant cost or administrative impact on contractors or offerors. This final rule is not required to be published for public comment, because the change is not substantive and only modifies the internal operating procedures of DoD.

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). EO 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, or 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 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 Regulatory Flexibility Act does not apply to this rule because this final rule does not constitute a significant DFARS revision within the meaning of FAR 1.501–1, and 41 U.S.C. 1707 does not require publication for public comment.

V. Paperwork Reduction Act

This 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 247

Government procurement.

Manuel Quinones,

Editor, Defense Acquisition Regulations System.

Therefore, 48 CFR part 247 is amended as follows:

PART 247—TRANSPORTATION

■ 1. The authority citation for 48 CFR part 247 continues to read as follows:

Authority: 41 U.S.C. 1303 and 48 CFR chapter 1.

■ 2. Section 247.572 paragraph (a) is revised to read as follows:

247.572 Policy.

(a) In accordance with 10 U.S.C. 2631(a), DoD contractors shall transport supplies, as defined in the clause at 252.247–7023, Transportation of Supplies by Sea, exclusively on U.S.-flag vessels unless—

(1) Those vessels are not available;

(2) The proposed charges to the Government are higher than charges to private persons for the transportation of like goods; or

(3) The proposed freight charges are excessive or unreasonable.

* * * * *

■ 3. Section 247.573 heading is revised and new text added to read as follows:

247.573 General.

(a) *Delegated authority.* Pursuant to 10 U.S.C. 2631(a) and Secretary of Defense Memorandum dated February 7, 2012, (see PGI 245.573) the authority to make determinations of excessive ocean liner rates and excessive charter rates is delegated to—

(1) The Commander, United States Transportation Command, for excessive ocean liner rate determinations; and

(2) The Secretary of the Navy for excessive charter rate determinations.

(b) *Procedures.* (1) Contracting officers shall follow the procedures at PGI 247.573(b)(1) when purchase of ocean transportation services is incidental to a contract for supplies, services, or construction.

(2) Contracting officers shall follow the procedures at PGI 247.573(b)(2) when direct purchase of ocean transportation services is the principal purpose of the contract.

(3) Agency and department procedures relating to annual reporting requirements of information received

from offerors in response to solicitation provision 252.247–7026, Evaluation Preference for Use of Domestic Shipyards—Applicable to Acquisition of Carriage by Vessel for DoD Cargo in the Coastwise of Noncontiguous Trade, are found at PGI 247.573(b)(3).

(4) Procedures are provided at PGI 247.573(b)(4) to accomplish security background checks pursuant to clause 252.247–7027, Riding Gang Member Requirements.

247.573–1, 247.573–2 and 247.573–3 [Removed]

■ 4. Remove sections 247.573–1, 247.573–2, and 247.573–3.

247.574 [Amended]

■ 5. Section 247.574 is amended by—
■ a. In paragraph (e), removing the last two sentences; and
■ b. In paragraph (f), removing the last sentence.

[FR Doc. 2014–24401 Filed 10–10–14; 8:45 am]

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DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

48 CFR Part 252

RIN 0750–AI30

Defense Federal Acquisition Regulation Supplement: Flowdown of Specialty Metals Restrictions (DFARS Case 2014–D011)

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

ACTION: Final rule.

SUMMARY: DoD is issuing a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to clarify the flowdown requirements for the DFARS clause entitled ''Restriction on Acquisition of Certain Articles Containing Specialty Metals.''

DATES: *Effective* October 14, 2014.

FOR FURTHER INFORMATION CONTACT: Ms. Amy G. Williams, telephone 571–372–6106.

SUPPLEMENTARY INFORMATION:

I. Background

DoD published a proposed rule in the **Federal Register** at 79 FR 35507 on June 23, 2014, to clarify the flowdown requirements for the DFARS clause entitled ''Restriction on Acquisition of Certain Articles Containing Specialty Metals.'' In order to prevent misinterpretation of the current flowdown requirement to insert the ''substance of the clause'' in subcontracts, the flowdown requirement has been rewritten to specify that the only modifications allowed when flowing down the clause are as follows:

- Exclude and reserve paragraph (d) of the clause.
- Modify paragraph (c)(6) of the clause only as necessary to facilitate management of the allowance for up to 2 percent otherwise noncompliant specialty metal content in the end product, while recognizing that the minimal content exception does not apply to specialty metals contained in high-performance magnets.
- Not further alter the clause, other than to identify the appropriate parties.

One respondent submitted public comments in response to the proposed rule.

II. Discussion and Analysis

DoD reviewed the public comments in the development of the final rule. No changes were made to the rule as a result of those comments.

Comment: The respondent noted that the proposed clarification may well be necessary and welcomed DoD's willingness to minimize misinterpretations of laws and regulations.

Response: Noted.

Comment: The respondent expressed concern about the number of national security waivers issued to accept noncompliant specialty metals from China and other noncompliant sources.

Response: The granting of national security waivers is outside the scope of this case.

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 not a significant regulatory action and, therefore, was not 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

A final regulatory flexibility analysis has been prepared consistent with the Regulatory Flexibility Act, 5 U.S.C. 604, and is summarized as follows:

The reason for issuance of this rule is to clarify the flowdown requirements for DFARS clause 252.225–7009, Restriction on Acquisition of Certain Articles Containing Specialty Metals. The objective of the rule is to more fully implement the requirements of 10 U.S.C. 2533b, which restricts the acquisition of specialty metals not melted in the United States, its outlying areas, or a qualifying country, in order to strengthen the United States industrial base.

There were no significant issues raised by the public comments in response to the initial regulatory flexibility analysis.

This rule applies to DoD contractors and subcontractors that are providing aircraft, missile or space systems, ships, tank or automotive items, weapon systems, ammunition, or components thereof that contain specialty metals.

Based on Fiscal Year 2013 data in the Federal Procurement Data System (FPDS), DoD awarded 1,566 contracts that exceeded the simplified acquisition threshold for aircraft, missile or space systems, ships, tank or automotive items, weapon systems, ammunition, or components thereof. Of those awards, 642 were to 533 unique small business entities (83%). FPDS does not contain data on subcontracts. If we estimate an average of 20 subcontracts per contract for items containing specialty metals, and that 35 percent of those subcontracts are awarded to small businesses, 2 second-tier subcontracts with small business entities per subcontract with a small business entity, then this rule may apply to approximately 27,828 small business entities subject to DFARS 52.225–7009. (1,566 contracts × 2031,320 subcontracts × .3510,962 1st tier subcontracts with small entities × 2 = 21,924 second-tier subcontracts with small entities. Total small business entities = .83(642 + 10,962 + 21,924) = 27,828)

There are no reporting or recordkeeping requirements associated with this rule. With some exceptions, the rule requires contractors to provide certain end products containing specialty metals melted or produced in the United States, its outlying areas, or a qualifying country. However, end items may contain a minimal amount of otherwise noncompliant specialty metals, if the total weight of such noncompliant metals does not exceed 2 percent of the total of all specialty