

of these employees and remit those payments to the appropriate Afghanistan taxing authority. These withholdings are an individual's liability, not a tax against the Contractor.

(e) The Contractor shall include the substance of this clause, including this paragraph (e), in all subcontracts, including subcontracts for commercial items. (End of clause)

**252.229-7015 Taxes—Foreign Contracts in Afghanistan (North Atlantic Treaty Organization Status of Forces Agreement).**

As prescribed in 229.402-70(l), use the following clause:

**Taxes—Foreign Contracts in Afghanistan (North Atlantic Treaty Organization Status of Forces Agreement) (DEC 2015)**

(a) This acquisition is covered by the Status of Forces Agreement (SOFA) entered into between the North Atlantic Treaty Organization (NATO) and the Islamic Republic of Afghanistan issued on September 30, 2014, and entered into force on January 1, 2015.

(b) The SOFA exempts NATO Forces and its contractors and subcontractors (other than those that are Afghan legal entities or residents) from paying any tax or similar charge assessed within Afghanistan. The SOFA also exempts the acquisition, importation, exportation, reexportation, transportation and use of supplies and services in Afghanistan from all Afghan taxes, customs, duties, fees, or similar charges.

(c) The Contractor shall exclude any Afghan taxes, customs, duties, fees or similar

charges from the contract price, other than those that are Afghan legal entities or residents.

(d) Afghan citizens employed by NATO contractors and subcontractors are subject to Afghan tax laws. To the extent required by Afghan law, the Contractor shall withhold tax from the wages of these employees and remit those withholdings to the Afghanistan Revenue Department. These withholdings are an individual's liability, not a tax against the Contractor.

(e) The Contractor shall include the substance of this clause, including this paragraph (e), in all subcontracts including subcontracts for commercial items. (End of clause)

[FR Doc. 2015-32870 Filed 12-29-15; 8:45 am]

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**DEPARTMENT OF DEFENSE**

**Defense Acquisition Regulations System**

**48 CFR Parts 225 and 252**

[Docket DARS-2015-0066]

RIN 0750-AI79

**Defense Federal Acquisition Regulation Supplement: Trade Agreements Thresholds (DFARS Case 2016-D003)**

**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 incorporate increased thresholds for application of the World Trade Organization Government Procurement Agreement and the Free Trade Agreements, as determined by the United States Trade Representative.

**DATES:** *Effective:* January 1, 2016.

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

**SUPPLEMENTARY INFORMATION:**

**I. Background**

Every two years, the trade agreements thresholds are escalated according to a predetermined formula set forth in the agreements. The United States Trade Representative has specified the following new thresholds in the **Federal Register** (80 FR 77694, December 15, 2015):

Trade agreement	Supply contract (equal to or exceeding)	Construction contract (equal to or exceeding)
WTO GPA .....	191,000	7,358,000
FTAs:		
Australia FTA .....	77,533	7,358,000
Bahrain FTA .....	191,000	10,079,365
CAFTA-DR (Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua) ...	77,533	7,358,000
Chile FTA .....	77,533	7,358,000
Colombia FTA .....	77,533	7,358,000
Korea FTA .....	100,000	7,358,000
Morocco FTA .....	191,000	7,358,000
NAFTA		
—Canada .....	25,000	10,079,365
—Mexico .....	77,533	10,079,365
Panama FTA .....	191,000	7,358,000
Peru FTA .....	191,000	7,358,000
Singapore FTA .....	77,533	7,358,000

**II. Discussion and Analysis**

This final rule implements the new thresholds in DFARS part 225, Foreign Contracting, for sections that include trade agreements thresholds (*i.e.*, 225.1101, 225.7017-3, 225.7017-4, and 225.7503). Additionally, the rule updates clauses 252.225-7017, Photovoltaic Devices, and 252.225-7018, Photovoltaic Devices—Certificate,

with conforming changes. A minor technical amendment corrects cross references at 225.1101(10)(i) and paragraphs (b)(1)(i) and (ii) of the clause at 252.225-7018.

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

The statute that applies to the publication of the Federal Acquisition

Regulation (FAR) is 41 U.S.C. entitled "Publication of Proposed Regulations." 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 it only adjusts the thresholds according to predetermined formulae to adjust for changes in economic conditions, thus maintaining the status quo, without significant effect beyond the internal operating procedures of the Government.

#### IV. 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.

#### V. Regulatory Flexibility Act

The Regulatory Flexibility Act does not apply to this rule because this final rule does not constitute a significant FAR revision within the meaning of FAR 1.501-1, and 41 U.S.C. 1707 does not require publication for public comment.

#### VI. Paperwork Reduction Act

The Paperwork Reduction Act (44 U.S.C. chapter 35) does apply, because the final rule affects the prescriptions for use of the certification and information collection requirements in the provision at DFARS 252.225-7035 and the certification and information collection requirements in the provision at DFARS 252.225-7018 (both currently approved under OMB Control #0704-0229), Defense Federal Acquisition Regulation Supplement Part 225, Foreign Acquisition and Related Clauses. However, there is no impact on the estimated burden hours, because the threshold changes are in line with inflation and maintain the status quo.

#### List of Subjects in 48 CFR Parts 225 and 252

Government procurement.

Jennifer L. Hawes,

Editor, Defense Acquisition Regulations System.

Therefore, 48 CFR parts 225 and 252 are amended as follows:

■ 1. The authority citation for 48 CFR parts 225 and 252 continues to read as follows:

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

#### PART 225—FOREIGN CONTRACTING

##### 225.1101 [Amended]

■ 2. Amend section 225.1101—

■ a. In paragraph (6) introductory text, by removing “\$204,000” and adding “\$191,000” in its place;

■ b. In paragraph (10)(i) introductory text, by removing “\$204,000” and adding “\$191,000” in its place, and removing “at 25.401 applies” and adding “at FAR 25.401 or 225.401 applies” in its place;

■ c. In paragraphs (10)(i)(A), by removing “\$204,000” and adding “\$191,000” in its place;

■ d. In paragraph (10)(i)(B), by removing “\$79,507” and adding “\$77,533” in its place;

■ e. In paragraph (10)(i)(C), by removing “\$204,000” and adding “\$191,000” in its place; and

■ f. In paragraphs (10)(i)(D) through (F), by removing “\$79,507” wherever it appears and adding “\$77,533” in its place.

##### 225.7017-3 [Amended]

■ 3. Amend section 225.7017-3 in paragraph (b) by removing “\$204,000” and adding “\$191,000” in its place.

##### 225.7017-4 [Amended]

■ 4. Amend section 225.7017-4 in paragraphs (a)(1) and (b)(1) by removing “\$204,000” and adding “\$191,000” in both places.

##### 225.7503 [Amended]

■ 5. Amend section 225.7503—

■ a. In paragraphs (a) and (b) introductory text, by removing “\$7,864,000” and adding “\$7,358,000” in both places;

■ b. In paragraph (b)(1), by removing “\$10,335,931” and adding “\$10,079,365” in its place;

■ c. In paragraph (b)(2), by removing “\$7,864,000” and adding “\$7,358,000” in its place, and removing “\$10,335,931” and adding “\$10,079,365” in its place;

■ d. In paragraph (b)(3) by removing “\$10,335,931” and adding “\$10,079,365” in its place; and

■ e. In paragraph (b)(4), by removing “\$7,864,000” and adding “\$7,358,000” in its place, and removing “\$10,335,931” and adding “\$10,079,365” in its place.

#### PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

##### 252.225-7017 [Amended]

■ 6. Amend section 252.225-7017—

■ a. By removing clause date “(NOV 2015)” and adding “(JAN 2016)” in its place;

■ b. In paragraphs (c)(2) and (3), by removing “\$79,507” and adding “\$77,533” in its place; and

■ c. In paragraphs (c)(4) and (5), by removing “\$204,000” and adding “\$191,000” in its place.

##### 252.225-7018 [Amended]

■ 7. Amend section 252.225-7018—

■ a. By removing clause date “(NOV 2015)” and adding “(JAN 2016)” in its place;

■ b. In paragraph (b)(1) introductory text, by removing “\$204,000” and adding “\$191,000” in its place;

■ c. In paragraph (b)(1)(i), by removing “DFARS 225.217-4(b)” and adding “DFARS 225.7017-4(b)” in its place;

■ d. In paragraph (b)(1)(ii), by removing “DFARS 225.217-4(a)” and adding “DFARS 225.7017-4(a)” in its place;

■ e. In paragraph (b)(2), by removing “\$204,000” and adding “\$191,000” in its place;

■ f. In paragraphs (d)(3) and (4) introductory text, by removing “\$79,507” and adding “\$77,533” in both places; and

■ g. In paragraphs (d)(5) and (6) introductory text, by removing “\$204,000” and adding “\$191,000” in both places.

[FR Doc. 2015-32875 Filed 12-29-15; 8:45 am]

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