

introductory text, removing “WAWF RR” and adding “WAWF RR and WAWF RRR” in its place; and adding paragraph (e)(3);

- c. In section F–104, redesignating paragraph (b) as paragraph (c) and adding a new paragraph (b);
- d. Revising the part 3 heading;
- e. In section F–301, revising paragraphs (b)(15)(ii) and (b)(18);
- f. In section F–303, by removing “WAWF RR” and adding “WAWF RR or WAWF RRR” in its place;
- g. Revising section F–304; and
- h. In section F–306, revising the introductory text and paragraph (a).

The revisions and additions read as follows:

APPENDIX F TO CHAPTER 2— MATERIAL INSPECTION AND RECEIVING REPORT

PART 1—INTRODUCTION

F–101 General.

(a) * * * The WAWF RRR is the electronic equivalent of the DD Form 250 for repair, maintenance, or overhaul of Government-furnished property.

* * * * *

F–103 Use.

* * * * *

(e) * * *

(3) Reporting of Government-Furnished Property, when the clause at DFARS 252.211–7007, Reporting of Government-Furnished Property, is used in the contract, use of the WAWF RRR will capture the shipment of Government-furnished property items after acceptance of repair services and forward the data to the IUID registry. WAWF is the only way a contractor can report the transfer of Government-furnished property items in the IUID registry.

F–104 Application.

(a) * * *

(b) *WAWF RRR or DD Form 250.* Use as in (a) above for delivery of services for repair, overhaul, or maintenance.

* * * * *

PART 3—PREPARATION OF THE WIDE AREA WORKFLOW (WAWF) RECEIVING REPORT (RR), THE WIDE AREA WORKFLOW REPARABLE RECEIVING REPORT (WAWF RRR), AND WAWF ENERGY RR

* * * * *

F–301 Preparation instructions.

* * * * *

(b) * * *

(15) * * *

(ii) For service line items, select SV for “SERVICE” in the type field followed by as short a description as is possible in the description field. Some examples of service line items are maintenance, repair, alteration, rehabilitation, engineering, research, development, training, and testing.

(A) For RRRs, the “Ship To” code is the DoDAAC, MAPAC, or CAGE code from the contract or shipping instructions.

(B) For service line items not using a RRR, the “Ship To” code and the “Unit” shall be filled out. The “Ship To” code is the destination Service Acceptor Code for WAWF. If source inspected and accepted, enter the service performance location as the “Ship To” code.

* * * * *

(18) **UNIT PRICE.** The contractor shall enter unit prices on all WAWF RR copies. When using the WAWF RRR, the unit price is the price of the repair, overhaul, or maintenance service from the contract.

* * * * *

F–304 Correction instructions.

Functionality for correcting a WAWF RR or WAWF RRR is available for DCMA administered contracts paid using the Mechanization of Contract Administration Services (MOCAS) system with source acceptance. Preparation instructions and training for corrections is available at <https://wawftraining.eb.mil>. The instructions are part of the Vendor Training section.

* * * * *

F–306 Packing list instructions.

Contractors may also use a WAWF processed RR, including the WAWF RRR, as a packing list. WAWF provides options to print the RR. These printed RRs may also be used if a signed copy is required.

(a) WAWF provides a print capability for its RR. The WAWF printed RR can be identified by its distinctive format and by the text title at the top of each printed page “Material Inspection and Receiving Report in accordance with DFARS Appendix F. Paper DD Form 250 is usable in lieu of this document on an exception basis.” (See DFARS 252.232–7003(c).) This printed copy can be used as a packing list. If needed, the signature can be verified by reviewing the signed RR in WAWF.

* * * * *

[FR Doc. 2016–06726 Filed 3–24–16; 8:45 am]

BILLING CODE 5001–06–P

DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

48 CFR Part 225

[Docket DARS–2016–0007]

RIN 0750–AI88

Defense Federal Acquisition Regulation Supplement: Treatment of Interagency and State and Local Purchases (DFARS Case 2016–D009)

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

ACTION: Proposed rule.

SUMMARY: DoD is proposing to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to

implement a section of the National Defense Authorization Act for Fiscal Year 2016 to provide that contracts executed by DoD as a result of the transfer of contracts from the General Services Administration, or for which DoD serves as an item manager for products on behalf of the General Services Administration, shall not be subject to certain domestic source restrictions, to the extent that such contracts are for the purchase of products by other Federal agencies or State or local governments.

DATES: Comments on the proposed rule should be submitted in writing to the address shown below on or before May 24, 2016, to be considered in the formation of a final rule.

ADDRESSES: Submit comments identified by DFARS Case 2016–D009, using any of the following methods:

○ *Regulations.gov:* <http://www.regulations.gov>. Submit comments via the Federal eRulemaking portal by entering “DFARS Case 2016–D009” under the heading “Enter keyword or ID” and selecting “Search.” Select the link “Submit a Comment” that corresponds with “DFARS Case 2016–D009.” Follow the instructions provided at the “Submit a Comment” screen. Please include your name, company name (if any), and “DFARS Case 2016–D009” on your attached document.

○ *Email:* osd.dfars@mail.mil. Include DFARS Case 2016–D009 in the subject line of the message.

○ *Fax:* 571–372–6094.
 ○ *Mail:* Defense Acquisition Regulations System, Attn: Ms. Amy G. Williams, OUSD(AT&L)DPAP/DARS, Room 3B941, 3060 Defense Pentagon, Washington, DC 20301–3060.

Comments received generally will be posted without change to <http://www.regulations.gov>, including any personal information provided. To confirm receipt of your comment(s), please check www.regulations.gov, approximately two to three days after submission to verify posting (except allow 30 days for posting of comments submitted by mail).

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

SUPPLEMENTARY INFORMATION:

I. Background

DoD is proposing to amend the DFARS to implement section 897 of the National Defense Authorization Act for Fiscal Year 2016 (Pub. L. 114–92). Section 897 entitled “Treatment of Interagency and State and Local Purchases” provides that contracts executed by DoD as a result of the

transfer of contracts from the General Services Administration (GSA) or for which DoD serves as an item manager for products on behalf of GSA shall not be subject to the requirements under 10 U.S.C. chapter 148 (National Defense Technology and Industrial Base, Defense Investment, and Defense Conversion), to the extent that such contracts are for the purchase of products by other Federal agencies or State or local governments.

10 U.S.C. chapter 148 includes domestic source restrictions at 10 U.S.C. 2533a (Berry Amendment), 10 U.S.C. 2533b (specialty metals), and 10 U.S.C. 2534 (miscellaneous domestic source restrictions), which are implemented in DFARS subpart 225.70 as follows:

- 225.7002 (Berry Amendment).
- 225.7003 (specialty metals purchased directly by DoD or aircraft, missile or space systems, ships, tank or automotive items, weapon systems, or ammunition containing specialty metals).
- 225.7004 (buses).
- 225.7005 (certain chemical weapons antidotes).
- 225.7006 (air circuit breakers for naval vessels).
- 225.7010 (certain naval vessel components).

II. Discussion and Analysis

DoD reviewed the domestic source restrictions in 10 U.S.C. chapter 148 as implemented in DFARS subpart 225.70. DoD proposes to amend DFARS 225.7002–2, which implements 10 U.S.C. 2533a (Berry Amendment), to include an exception in a new paragraph (o) to implement section 897.

DoD does not propose to amend DFARS 225.7003, which implements 10 U.S.C. 2533b (specialty metals), because these restrictions apply to direct purchase of specialty metals by DoD or acquisition of items (*e.g.*, aircraft or missiles containing specialty metals or components for naval vessels) that are of a military nature that GSA does not contract for and that another Federal agency or a State or local government would not be purchasing. Note that “automotive item” is defined at DFARS 225.7003 to cover military transport tactical vehicles and does not include commercially available off-the-shelf vehicles, construction equipment, or other self-propelled equipment such as cranes or aircraft ground support.

DoD also does not propose to amend DFARS 225.7004 (buses), 225.7005 (certain chemical weapons antidotes), 225.7006 (air circuit breakers for naval vessels), or 225.7010 (certain naval vessel components), which implement 10 U.S.C. 2534. With the exception of

buses, these are items for which GSA does not contract. Furthermore, 10 U.S.C. 2534(f) sets forth a principle of statutory construction, which requires a subsequent law to specifically reference 10 U.S.C. 2534 in order to modify it. Section 897 does not specifically reference 10 U.S.C. 2534, so there is not the required indication that section 897 is authorizing a modification to 10 U.S.C. 2534. Applying section 897 to 10 U.S.C. 2534, while not directly changing the language of 10 U.S.C. 2534, would change the way DoD currently applies 10 U.S.C. 2534.

III. Applicability to Contracts at or Below the Simplified Acquisition Threshold and for Commercial Items, Including Commercially Available Off-the-Shelf Items

This case does not add any new provisions or clauses or impact any existing provisions or clauses.

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

DoD does not expect this rule to 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.* Nevertheless, an initial regulatory flexibility analysis has been performed and is summarized as follows:

This rule implements section 897 of the National Defense Authorization Act for Fiscal Year 2016. The objective of this rule is to eliminate the domestic source restrictions of 10 U.S.C. chapter 148 when contracts executed by DoD as a result of the transfer of contracts from the General Services Administration (GSA) or for which DoD serves as an item manager for products on behalf of GSA, to the extent that such contracts are for the purchase of products by other

Federal agencies or State or local governments.

DoD does not anticipate frequent application of this rule. The rule removes a limitation on potential sources for the specified items. In the rare instance in which the circumstances of the statute apply, it is possible that an item could be acquired from a foreign source, rather than a domestic source, which could potentially be a small business. It is not possible to estimate the number of small entities that may be affected, because it is unknown the extent to which the given circumstances may occur.

There are no projected reporting, recordkeeping, or other compliance requirements.

The rule does not duplicate, overlap, or conflict with any other Federal rules.

DoD has not identified any alternatives which would minimize any economic impact on small entities and still meet the requirements of the statute.

DoD invites comments from small business concerns and other interested parties on the expected impact of this rule on small entities.

DoD will also consider comments from small entities concerning the existing regulations in subparts affected by this rule in accordance with 5 U.S.C. 610. Interested parties must submit such comments separately and should cite 5 U.S.C. 610 (DFARS Case 2016-D009), in correspondence.

VI. Paperwork Reduction Act

The 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 225

Government procurement.

Jennifer L. Hawes,
Editor, Defense Acquisition Regulations System.

Therefore, 48 CFR part 225 is proposed to be amended as follows:

PART 225—FOREIGN ACQUISITION

- 1. The authority citation for 48 CFR part 225 continues to read as follows:

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

- 2. Amend section 225.7002–2 by adding paragraph (o) to read as follows:

225.7002–2 Exceptions.

* * * * *

(o) Acquisitions that are interagency, State, or local purchases that are

executed by DoD as a result of the transfer of contracts from the General Services Administration or for which DoD serves as an item manager for products on behalf of the General Services Administration. According to section 897 of the National Defense Authorization Act for Fiscal Year 2016 (Pub. L. 114–92), such contracts shall not be subject to requirements under chapter 148 of title 10, United States Code (including 10 U.S.C. 2533a), to the extent such contracts are for purchases of products by other Federal agencies or State or local governments.

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DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

48 CFR Part 231

[Docket DARS–2016–0002]

RIN 0750–AI86

Defense Federal Acquisition Regulation Supplement: Costs Related to Counterfeit Electronic Parts (DFARS Case 2016–D010)

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

ACTION: Proposed rule.

SUMMARY: DoD is proposing to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to implement a section of the National Defense Authorization Act for Fiscal Year 2016 that amends the allowability of costs of counterfeit electronic parts or suspect counterfeit electronic parts and the cost of rework or corrective action that may be required to remedy the use or inclusion of such parts.

DATES: Comments on the proposed rule should be submitted in writing to the address shown below on or before May 24, 2016, to be considered in the formation of a final rule.

ADDRESSES: Submit comments identified by DFARS Case 2016–D010, using any of the following methods:

- *Regulations.gov:* <http://www.regulations.gov>. Submit comments via the Federal eRulemaking portal by entering “DFARS Case 2016–D010” under the heading “Enter keyword or ID” and selecting “Search.” Select the link “Submit a Comment” that corresponds with “DFARS Case 2016–D010.” Follow the instructions provided at the “Submit a Comment” screen. Please include your name, company

name (if any), and “DFARS Case 2016–D010” on your attached document.

- *Email:* osd.dfars@mail.mil. Include DFARS Case 2016–D010 in the subject line of the message.

- *Fax:* 571–372–6094.
- *Mail:* Defense Acquisition Regulations System, Attn: Ms. Amy G. Williams, OUSD(AT&L)DPAP/DARS, Room 3B941, 3060 Defense Pentagon, Washington, DC 20301–3060.

Comments received generally will be posted without change to <http://www.regulations.gov>, including any personal information provided. To confirm receipt of your comment(s), please check www.regulations.gov, approximately two to three days after submission to verify posting (except allow 30 days for posting of comments submitted by mail).

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

SUPPLEMENTARY INFORMATION:

I. Background

DoD is proposing to amend the DFARS to implement section 885(a) of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2016 (Pub. L. 114–92). Section 885(a) provides that the costs of counterfeit parts or suspect counterfeit parts and the cost of rework or corrective action that may be required to remedy the use or inclusion of such parts may be allowable if—

- The counterfeit electronic parts or suspect counterfeit electronic parts were obtained by the contractor in accordance with the regulations described in paragraph (c)(3) of section 818 of the NDAA for FY 2012, as amended;
- The contractor discovers the counterfeit electronic parts or suspect counterfeit electronic parts; and
- The contractor provides timely (*i.e.*, within 60 days after the contractor becomes aware) notice to the Government.

A final rule is in process under DFARS Case 2014–D005, Detection and Avoidance of Counterfeit Parts—Further Implementation, to implement section 818(c)(3) of the NDAA for FY 2012, as amended. A proposed rule was published under DFARS Case 2014–D005 in the **Federal Register** on September 21, 2015 (80 FR 56939). The final rule under this case 2016–D010 will not be published until after publication of the final rule under DFARS Case 2014–D005.

II. Discussion and Analysis

This rule proposes to amend the cost principle at DFARS 231.205–71 to

incorporate the new provisions of section 885(a) of the NDAA for FY 2016.

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

DoD does not expect this rule to 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.* Nevertheless, an initial regulatory flexibility analysis has been performed and is summarized as follows:

This proposed rule implements section 885(a) of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2016 (Pub. L. 114–92).

The objective of this rule is to amend the allowability of costs for counterfeit parts or suspect counterfeit parts and the cost of rework or corrective action that may be required to remedy the use or inclusion of such parts. Such costs may be allowable if—

- The parts were obtained by the contractor/subcontractor in accordance with the regulations described at section 818(c)(3) of the NDAA for FY 2012, as amended (such regulations will be published as a final rule under DFARS Case 2014–D005);

- The contractor discovers the counterfeit electronic parts or suspect counterfeit electronic parts; and

- The contractor provides timely notice to the Government.

DoD is unable to estimate the number of small entities that will be impacted by this rule. This rule will apply to all DoD prime and subcontractors with cost contracts. This rule will only impact cost allowability if the contractor or subcontractor has complied with DFARS 246.870, but nevertheless acquired, used, or included counterfeit electronic parts or suspect counterfeit electronic parts in performance of a DoD contract or subcontract, and has