

DEPARTMENT OF DEFENSE**GENERAL SERVICES
ADMINISTRATION****NATIONAL AERONAUTICS AND
SPACE ADMINISTRATION****48 CFR Chapter 1**

[Docket No. FAR 2016–0051, Sequence No. 9]

**Federal Acquisition Regulation;
Federal Acquisition Circular 2005–95;
Introduction**AGENCY: Department of Defense (DoD),
General Services Administration (GSA),and National Aeronautics and Space
Administration (NASA).**ACTION:** Summary presentation of final
rules.**SUMMARY:** This document summarizes
the Federal Acquisition Regulation
(FAR) rules agreed to by the Civilian
Agency Acquisition Council and the
Defense Acquisition Regulations
Council (Councils) in this Federal
Acquisition Circular (FAC) 2005–95. A
companion document, the *Small Entity
Compliance Guide* (SECG), follows this
FAC. The FAC, including the SECG, is
available via the Internet at [http://
www.regulations.gov](http://www.regulations.gov).**DATES:** For effective dates see the
separate documents, which follow.**FOR FURTHER INFORMATION CONTACT:** The
analyst whose name appears in the table
below in relation to the FAR case.
Please cite FAC 2005–95 and the
specific FAR case number. For
information pertaining to status or
publication schedules, contact the
Regulatory Secretariat Division at 202–
501–4755.**RULES LISTED IN FAC 2005–95**

Item	Subject	FAR Case	Analyst
I	Uniform Use of Line Items	2013–014	Francis.
II	Acquisition Threshold for Special Emergency Procurement Authority	2016–004	Francis.
III	Contractor Employee Internal Confidentiality Agreements or Statements	2015–012	Davis.
IV	Contracts Under the Small Business Administration 8(a) Program	2012–022	Uddowla.
V	Prohibition on Reimbursement for Congressional Investigations and Inquiries	2015–016	Delgado.

SUPPLEMENTARY INFORMATION:

Summaries for each FAR rule follow.
For the actual revisions and/or
amendments made by these rules, refer
to the specific item numbers and
subjects set forth in the documents
following these item summaries. FAC
2005–95 amends the FAR as follows:

**Item I—Uniform Use of Line Items
(FAR Case 2013–014)**

This final rule amends the FAR to
establish standards for the uniform use
of line items in Federal procurement.
These standards are designed to
improve the accuracy, traceability, and
usability of procurement data. The
implementation of these standards will
facilitate the identification and
traceability of spending from
appropriation through expenditure,
supporting automated collection of
information using key identifiers. The
implementation date for FAR 4.1002
through 4.1008 will be October 1, 2019.

The requirements in the rule have the
potential to impact any entity, small or
large, that does business with the
Federal Government because the
proposed rule would apply to purchases
of items, including commercial items
and commercially available off-the-shelf
items, and purchases under the
simplified acquisition threshold. Any
small business that contracts with a
Federal agency could be impacted to at
least some extent.

**Item II—Acquisition Threshold for
Special Emergency Procurement
Authority (FAR Case 2016–004)**

This final rule amends the FAR by
increasing the simplified acquisition
threshold (SAT) for special emergency
procurement authority from \$300,000 to
\$750,000 (within the United States) and
from \$1 million to \$1.5 million (outside
the United States) for acquisitions of
supplies or services that, as determined
by the head of the agency, are to be used
to support a contingency operation or to
facilitate defense against or recovery
from nuclear, biological, chemical, or
radiological attack. This change
implements Section 816 of the National
Defense Authorization Act for Fiscal
Year 2016 (Pub. L. 114–92). This rule
provides contracting officers with more
flexibility when contracting in support
of contingency operations.

The rule is not anticipated to have a
significant economic impact on small
business entities, because the rule raises
the SAT for special emergency
procurements, an arena in which a
smaller percentage of small businesses
participate, as compared to larger
businesses. This final rule does not
place any new requirements on small
entities.

**Item III—Contractor Employee Internal
Confidentiality Agreements or
Statements (FAR Case 2015–012)**

This final rule revises the FAR to
implement section 743 of division E,
title VII, of the Consolidated and

Further Continuing Appropriations Act,
2015 (Pub. L. 113–235) and successor
provisions in subsequent appropriations
acts. Section 743 prohibits the use of
funds appropriated or otherwise made
available by Division E or any other act,
for a contract with an entity that
requires employees and subcontractors
of such entity to sign internal
confidentiality agreements or statements
prohibiting or otherwise restricting such
employees or subcontractors from
lawfully reporting waste, fraud, or
abuse, to a designated investigative or
law enforcement representative of a
Federal department or agency
authorized to receive such information
(e.g., agency office of the Inspector
General). This rule is not expected to
have a significant impact on small
entities contracting with the
Government.

**Item IV—Contracts Under the Small
Business Administration 8(a) Program
(FAR Case 2012–022)**

This final rule amends the Federal
Acquisition Regulation (FAR) to
implement clarifications made by the
Small Business Administration in its
final rule, which published in the
Federal Register at 76 FR 8222 on
February 11, 2011. This final rule
clarifies in the FAR the procedures and
requirements used when contracting
under the 8(a) program. Clarifications
include the evaluation, offering, and
acceptance process, procedures for
acquiring SBA's consent to procure an

8(a) requirement outside the 8(a) program, and the impact of exiting the 8(a) program in terms of the firm's ability to receive future 8(a) requirements and its current contractual commitments.

This final rule does not place any new requirements, financial or otherwise, on small entities, and serves mainly to provide more explicit guidance to Federal contracting officials.

Item V—Prohibition on Reimbursement for Congressional Investigations and Inquiries (FAR Case 2015–016)

This rule amends the FAR to implement section 857 of the Carl Levin and Howard P. 'Buck' McKeon National Defense Authorization Act for Fiscal Year 2015. Section 857 imposes additional requirements relative to the allowability of costs incurred by a contractor in connection with a congressional investigation or inquiry. Contracting officers need to be aware of these new restrictions on certain costs, which cannot be charged under contracts. Although small businesses subject to FAR part 31 will need to maintain accounting records, this rule does not place any new requirements on small entities.

Dated: December 21, 2016.

William F. Clark,

Director, Office of Government-wide Acquisition Policy, Office of Acquisition Policy, Office of Government-wide Policy.

Federal Acquisition Circular (FAC) 2005–95 is issued under the authority of the Secretary of Defense, the Administrator of General Services, and the Administrator for the National Aeronautics and Space Administration.

Unless otherwise specified, all Federal Acquisition Regulation (FAR) and other directive material contained in FAC 2005–95 is effective January 13, 2017 except for item III, which is effective January 19, 2017.

Dated: December 21, 2016.

Claire M. Grady,

Director, Defense Procurement and Acquisition Policy.

Dated: December 21, 2016.

William F. Clark,

Acting, Senior Procurement Executive, Office of Acquisition Policy, U.S. General Services Administration.

Dated: December 19, 2016.

William P. McNally,

Assistant Administrator, Office of Procurement National Aeronautics and Space Administration.

[FR Doc. 2016–31494 Filed 1–12–17; 8:45 am]

BILLING CODE 6820–EP–P

DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Parts 2, 3, 4, 5, 7, 8, 9, 12, 14, 15, 16, 17, 27, 32, 42, 48, 49, and 52

[FAC 2005–95; FAR Case 2013–014; Item I; Docket No. 2013–0014, Sequence No. 1]

RIN 9000–AM73

Federal Acquisition Regulation; Uniform Use of Line Items

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 establish uniform use of line items in Federal procurement.

DATES: *Effective:* January 13, 2017. In order to provide agencies with time to transition their information systems, agencies have until October 1, 2019, to apply the requirements of FAR 4.1002 through 4.1008 of subpart 4.10.

FOR FURTHER INFORMATION CONTACT: Ms. Camara Francis, Procurement Analyst, at 202–550–0935 for clarification of content. For information pertaining to status or publication schedules, contact the Regulatory Secretariat Division at 202–501–4755. Please cite FAC 2005–95, FAR Case 2013–014.

SUPPLEMENTARY INFORMATION:

I. Background

DoD, GSA, and NASA published a proposed rule in the **Federal Register** at 79 FR 45408 on August 5, 2014, to establish uniform use of line items in Federal procurement. The uniform line item structure is designed to improve the accuracy, traceability, and usability of procurement data. The need for this rule stems from the lack of access to reliable and comprehensive data on Federal procurement actions that is essential to management and program decisions that result in delivering services to taxpayers in the most efficient and effective manner. Lack of standards for identifying and tracing tax dollars across the acquisition contributes to duplication in spending, gaps in reporting, and inefficiencies in management decisions. The implementation of these standards will facilitate the identification and traceability of spending from

appropriation through expenditure, supporting automated collection of information using key identifiers. Three respondents submitted comments on the proposed rule.

II. Discussion and Analysis

The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (the Councils) reviewed the public comments in the development of the final rule. A discussion of the comments and the changes made to the rule as a result of those comments are provided as follows:

A. Summary of Significant Changes From the Proposed Rule

1. The rule provides agencies time to transition their information systems and appropriately train the workforce. Accordingly, agencies have until October 1, 2019, to apply the requirements of FAR 4.1002 through 4.1008 of subpart 4.10.

2. The term “line item unique identifier” was removed and replaced with “line item number” for consistency with the current version of the FAR text. The term “unique” is no longer necessary due to changes made by the Uniform Procurement Identification rule (FAR Case 2012–023) published in the **Federal Register** at 79 FR 61739 on October 14, 2014.

B. Analysis of Public Comments

1. Alternative Line Item Structure

Comment: One respondent suggested removing text that would allow offerors to propose their own alternative line item structure, because this would be counterproductive to the goal of standardized reporting.

Response: The language on alternative line items was intended to allow flexibility, consistent with the requirements at FAR subpart 4.10. To clarify that the Government is not requesting contractors to create line items inconsistent with the rule, the clause is renamed “Alternative Line Item Proposal” and the explanatory text will no longer use the term “structure,” as this seemed to be the cause of some confusion.

2. Accounting Classification Citation

Comment: One respondent asked if each subline item is expected to have its own accounting classification citation.

Response: It is not a requirement for each subline item to have its own accounting classification citation. However, each deliverable subline item is expected to have its own accounting classification citation. This should not be construed to mean that the same