

This rule will apply to small entities. Using estimates from department and agency subject matter experts, approximately 11,300 contracts subject to this rule need to be closed out by the Government. Of these contracts, the Government estimates that 50 percent, or 5,650, of the awards were made to small businesses.

This rule does not include any new reporting, recordkeeping, or other compliance requirements on any small entities.

DoD has not identified any alternatives that would meet the requirements of the applicable statute.

VII. 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 204

Government procurement.

Jennifer Lee Hawes,

Regulatory Control Officer, Defense Acquisition Regulations System.

Therefore, 48 CFR part 204 is amended as follows:

PART 204—ADMINISTRATIVE MATTERS

- 1. The authority citation for part 204 continues to read as follows:

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

- 2. Amend section 204.804 by—
 - a. In paragraph (1), removing “Contracting officers” and adding “Except as provided in paragraph (3) of this section, contracting officers” in its place;
 - b. In paragraph (2) removing “must” and adding “shall” in its place, and
 - c. Adding paragraph (3). The addition reads as follows:

204.804 Closeout of contract files.

* * * * *

(3)(i) In accordance with section 836 of the National Defense Authorization Act for Fiscal Year 2017 (Pub. L. 114–328) and section 824 of the National Defense Authorization Act for Fiscal Year 2018 (Pub. L. 115–91), contracting officers may close out contracts or groups of contracts through issuance of one or more modifications to such contracts without completing a reconciliation audit or other corrective action in accordance with FAR 4.804–5(a)(3) through (15), as appropriate, if each contract—

(A) Was entered into on a date that is at least 17 fiscal years before the current fiscal year;

(B) Has no further supplies or services due under the terms of the contract; and

(C) Has been determined by a contracting official, at least one level above the contracting officer, to be not otherwise reconcilable, because—

(1) The contract or related payment records have been destroyed or lost; or

(2) Although contract or related payment records are available, the time or effort required to establish the exact amount owed to the U.S. Government or amount owed to the contractor is disproportionate to the amount at issue.

(ii) Any contract or group of contracts meeting the requirements of paragraph (3)(i) of this section may be closed out through a negotiated settlement with the contractor. Except as provided in paragraph (3)(ii)(B) of this section, the contract closeout process shall include a bilateral modification of the affected contract, including those contracts that are closed out in accordance with a negotiated settlement.

(A) For a contract or groups of contracts, the contracting officer shall prepare a negotiation settlement memorandum that describes how the requirements of paragraph (3)(i) of this section have been met.

(B) For a group of contracts, a bilateral modification of at least one contract shall be made to reflect the negotiated settlement for a group of contracts, and unilateral modifications may be made, as appropriate, to other contracts in the group to reflect the negotiated settlement.

(iii) For contract closeout actions under paragraph (3) of this section, remaining contract balances—

(A) May be offset with balances in other contract line items within the same contract, regardless of the year or type of appropriation obligated to fund each contract line item and regardless of whether the appropriation obligated to fund such contract line item has closed; and

(B) May be offset with balances on other contracts, regardless of the year or type of appropriations obligated to fund each contract and regardless of whether such appropriations have closed.

(iv) USD(A&S) is authorized to waive any provision of acquisition law or regulation in order to carry out the closeout procedures authorized in paragraph (3)(i) of this section (see procedures at PGI 204.804(3)(iv).

[FR Doc. 2019–08482 Filed 4–29–19; 8:45 am]

BILLING CODE 5001–06–P

DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

48 CFR Part 209

[Docket DARS–2019–0001]

Defense Federal Acquisition Regulation Supplement: Technical Amendments

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

ACTION: Final rule.

SUMMARY: DoD is making a technical amendment to the Defense Federal Acquisition Regulation Supplement (DFARS) to update the list of debarring and suspending officials.

DATES: Effective April 30, 2019.

FOR FURTHER INFORMATION CONTACT: Ms. Jennifer L. Hawes, Defense Acquisition Regulations System, OUSD(A&S)DPC(DARS), Room 3B941, 3060 Defense Pentagon, Washington, DC 20301–3060. Telephone 571–372–6115; facsimile 571–372–6094.

SUPPLEMENTARY INFORMATION: This final rule amends DFARS 209.403 to add the officials who have been delegated the authority to serve as the debarring and suspending official for their respective agencies. The Staff Judge Advocate has been delegated authority to serve as the debarring and suspending official for the United States Cyber Command. The General Counsel has been delegated authority to serve as the debarring and suspending official for the Defense Health Agency.

List of Subjects in 48 CFR Part 209

Government procurement.

Jennifer Lee Hawes,

Regulatory Control Officer, Defense Acquisition Regulations System.

Therefore, 48 CFR parts 209 is amended as follows:

- 1. The authority citations for 48 CFR part 209 continue to read as follows:

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

PART 209—CONTRACTOR QUALIFICATIONS

- 2. In section 209.403, revise paragraph (1) of the definition of “debarred and suspending official” to read as follows:

209.403 Definitions.

Debarred and suspending official. (1) For DoD, the designees are—
Army—Director, Soldier & Family Legal Services

Navy/Marine Corps—The Assistant General Counsel (Acquisition Integrity)
 Air Force—Deputy General Counsel (Contractor Responsibility)
 Defense Advanced Research Projects Agency—The Director
 Defense Information Systems Agency—The General Counsel
 Defense Intelligence Agency—The Senior Procurement Executive
 Defense Logistics Agency—The Special Assistant for Contracting Integrity
 National Geospatial—Intelligence Agency—The General Counsel
 Defense Threat Reduction Agency—The Director
 National Security Agency—The Senior Acquisition Executive
 Missile Defense Agency—The General Counsel
 United States Cyber Command—The Staff Judge Advocate
 Defense Health Agency—The General Counsel
 Overseas installations—as designated by the agency head

* * * * *

[FR Doc. 2019-08488 Filed 4-29-19; 8:45 am]

BILLING CODE 5001-06-P

DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

48 CFR Parts 212, 225, and 252

[Docket DARS-2019-0016]

RIN 0750-AK15

Defense Federal Acquisition Regulation Supplement: Restriction on the Acquisition of Certain Magnets and Tungsten (DFARS Case 2018-D054)

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

ACTION: Interim rule.

SUMMARY: DoD is issuing an interim rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to implement a section of the National Defense Authorization Act for Fiscal Year 2019 that prohibits acquisition of certain magnets and tungsten from North Korea, China, Russia, and Iran.

DATES: Effective April 30, 2019. Comments on the interim rule should be submitted in writing to the address shown below on or before July 1, 2019, to be considered in the formation of a final rule.

ADDRESSES: Submit comments identified by DFARS Case 2018-D054, using any of the following methods:

○ *Regulations.gov:* <http://www.regulations.gov>. Search for “DFARS Case 2018-D054”. Select “Comment Now” and follow the instructions provided to submit a comment. Please include “DFARS Case 2018-D054” on any attached document.

○ *Email:* osd.dfars@mail.mil. Include DFARS Case 2018-D054 in the subject line of the message.

○ *Fax:* 571-372-6094.

○ *Mail:* Defense Acquisition Regulations System, Attn: Ms. Amy Williams, OUSD(A&S)DPC/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 Williams, telephone 571-372-6106.

SUPPLEMENTARY INFORMATION:

I. Background

DoD is revising the DFARS to implement section 871 of the National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232). Section 871 adds section 10 U.S.C. 2533c, which prohibits acquisition of samarium-cobalt magnets, neodymium-iron-boron magnets, tungsten metal powder, and tungsten heavy alloy or any finished or semi-finished component containing tungsten heavy alloy melted or produced in North Korea, China, Russia, and Iran, because these materials play an essential role in national defense.

Samarium-cobalt magnets and neodymium-iron-boron magnets are rare earth magnets with many military applications, particularly in aviation and navigation, such as sonar, radar, and guidance systems. Rare earth magnets have unique properties, such as very high magnetic force and the ability to withstand demagnetization at very high temperatures. The electrical systems in aircrafts use samarium-cobalt permanent magnets to generate power. These magnets are also essential to many military weapons systems. Aircrafts use small high-powered rare earth magnet actuators that control their various surfaces during operation. Rare earth magnets may also be used as fasteners. While substitutes can be used in some applications; they are usually not as effective.

While rare earth ore deposits are geographically diverse, current

capabilities to process rare earth metals into finished materials are limited mostly to Chinese sources. DoD has been studying this issue and the General Accountability Office provided a briefing in response to the National Defense Authorization Act for Fiscal Year 2010 (Pub. L. 111-84) (<https://www.gao.gov/products/GAO-10-617R>). Section 871, which was effective in August 2018, puts significant new restrictions at 10 U.S.C. 2533c on the use of foreign magnets in the military supply chain.

The element of tungsten and various tungsten heavy alloys are widely used in military applications, because tungsten heavy alloys can endure high temperature without deformation and are free from air erosion at room temperature. In addition, tungsten products are non-toxic and environmentally friendly. Some military uses include: Tungsten alloy bullets, shrapnel head; balance pinball in missiles and aircrafts; measuring core of armor-piercer; kinetic armor-piercer; armor and artillery shell; grenades; bullet-proof vehicles, armored tanks, artillery parts, gun; rocket accessories, and so on. The most significant use of tungsten is for a variety of high-speed ammunition, especially armor-piercer. Tungsten is almost an indispensable part of armor-piercer. The kinetic armor-piercer made from tungsten alloy can compete directly with the depleted uranium bomb (depleted uranium has become an environmental problem). Tungsten can also be used for nuclear weapon material shell protection. As well as offensive use, tungsten is used for some missile defense systems. A hypervelocity projectile, can be launched at 5,600 miles per hour, to defend against incoming projectiles, such as miniaturized nuclear warheads fired by tanks.

The new restriction in 10 U.S.C. 2533c is similar to the domestic source restrictions in the Specialty Metals Amendment (10 U.S.C. 2533b), though it differs in a few important respects. The Specialty Metals Amendment maintains a healthy and competitive U.S. specialty metals industry, especially for aerospace materials such as titanium and super alloys. 10 U.S.C. 2533c is meant to do the same for both rare earth magnets and tungsten. However, rather than limiting to domestic sources, 10 U.S.C. 2533c prohibits “covered material” that was “melted or produced” in China, Russia, North Korea, or Iran. While samarium-cobalt magnets have long been covered under the Specialty Metals Amendment (because cobalt is a specialty metal), 10