

- e. Adding paragraph (b)(7)(iii).  
The additions read as follows:

**16.505 Ordering.**

\* \* \* \* \*

- (b) \* \* \*  
(1) \* \* \*  
(ii) \* \* \*

(F) Except for DoD, ensure the criteria at 15.101–2(c)(1)–(5) are met when using the lowest price technically acceptable source selection process; and

(G) Except for DoD, avoid using the lowest price technically acceptable source selection process to acquire certain supplies and services in accordance with 15.101–2(d).

\* \* \* \* \*

- (7) \* \* \*

(iii) Except for DoD, the contracting officer shall document in the contract file a justification for use of the lowest price technically acceptable source selection process, when applicable.

\* \* \* \* \*

**PART 37—SERVICE CONTRACTING**

- 7. Amend section 37.102 by adding paragraph (j) to read as follows:

**37.102 Policy.**

\* \* \* \* \*

(j) Except for DoD, see 15.101–2(d) for limitations on the use of the lowest price technically acceptable source selection process to acquire certain services.

[FR Doc. 2019–20798 Filed 10–1–19; 8:45 am]

**BILLING CODE 6820–EP–P**

**DEPARTMENT OF DEFENSE**

**GENERAL SERVICES  
ADMINISTRATION**

**NATIONAL AERONAUTICS AND  
SPACE ADMINISTRATION**

**48 CFR Parts 14, 15, 30, and 52**

[FAR Case 2018–005; Docket No. FAR–2018–0006, Sequence No. 1]

**RIN 9000–AN69**

**Federal Acquisition Regulation:  
Modifications to Cost or Pricing Data  
Reporting Requirements**

**AGENCY:** Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

**ACTION:** Proposed rule.

**SUMMARY:** DoD, GSA, and NASA are proposing to amend the Federal Acquisition Regulation (FAR) to implement a section of the National

Defense Authorization Act for Fiscal Year 2018 to increase the threshold for requiring certified cost or pricing data.

**DATES:** Interested parties should submit written comments to the Regulatory Secretariat Division at one of the addresses shown below on or before December 2, 2019 to be considered in the formation of the final rule.

**ADDRESSES:** Submit comments in response to FAR Case 2018–005 by any of the following methods:

- *Regulations.gov:* <http://www.regulations.gov>. Submit comments via the Federal eRulemaking portal by searching for “FAR Case 2018–005”. Select the link “Comment Now” that corresponds with “FAR Case 2018–005”. Follow the instructions provided on the screen. Please include your name, company name (if any), and “FAR Case 2018–005” on your attached document.

- *Mail:* General Services Administration, Regulatory Secretariat Division (MVCB), ATTN: Lois Mandell, 1800 F Street NW, 2nd Floor, Washington, DC 20405.

*Instructions:* Please submit comments only and cite “FAR Case 2018–005”, in all correspondence related to this case. All comments received will be posted without change to <http://www.regulations.gov>, including any personal and/or business confidential information provided. To confirm receipt of your comment(s), please check [www.regulations.gov](http://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. Zenaida Delgado, Procurement Analyst, at 202–969–7207 or [zenaida.delgado@gsa.gov](mailto:zenaida.delgado@gsa.gov) for clarification of content. For information pertaining to status or publication schedules, contact the Regulatory Secretariat Division at 202–501–4755. Please cite “FAR Case 2018–005”.

**SUPPLEMENTARY INFORMATION:**

**I. Background**

*Cost or Pricing Data:* Truth in Negotiations, 10 U.S.C. 2306a, and Required cost or pricing data and certification, 41 U.S.C. 3502, require that the Government obtain certified cost or pricing data for certain contract actions listed at 15.403–4(a)(1), such as negotiated contracts, certain subcontracts and certain contract modifications. Section 811 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2018 amends 10 U.S.C. 2306a and 41 U.S.C. 3502 to increase the threshold for

requesting certified cost or pricing data from \$750,000 to \$2 million for contracts entered into after June 30, 2018.

**II. Discussion and Analysis**

DoD, GSA and NASA are proposing to amend the FAR to implement section 811 of the NDAA for FY 2018 to increase the threshold for requesting certified cost or pricing data from \$750,000 to \$2 million for contracts entered into after June 30, 2018.

In the case of a change or modification made to a prime contract that was entered into before July 1, 2018, the threshold for obtaining certified cost or pricing data remains \$750,000, with the following exception. Upon the request of a contractor that was required to submit certified cost or pricing data in connection with a prime contract entered into before July 1, 2018, the contracting officer shall modify the contract without requiring consideration to reflect a \$2 million threshold for obtaining certified cost or pricing data from subcontractors. Similarly for sealed bidding, upon request by a contractor, the contracting officer shall modify the contract without requiring consideration to replace the relevant clause.

The proposed changes to the FAR are summarized in the following paragraphs.

A. Subpart 14.2, Solicitation of Bids, is revised to add the prescription for Alternate I of the clause at FAR 52.214–28, Subcontractor Certified Cost or Pricing Data-Modifications-Sealed Bidding. The Alternate I will be used in the circumstances described at FAR 14.201–7(c)(1)(ii).

B. Subpart 15.4, Contract Pricing, is revised to incorporate the revised threshold for obtaining certified cost or pricing data at FAR 15.403–4(a)(1). The example provided of a price adjustment is also revised to reflect the increased threshold. A new paragraph (a)(3) is added to allow a contractor with a prime contract entered into before July 1, 2018, to request that the contracting officer modify the contract without requiring consideration to reflect a \$2 million threshold for obtaining certified cost or pricing data on subcontracts entered on and after July 1, 2018, by replacing the following clauses, as applicable. The prescriptions at FAR 15.408 will instruct the contracting officer to:

- Replace FAR clause 52.215–12, Subcontractor Certified Cost or Pricing Data, with its Alternate I.
- Replace FAR clause 52.215–13, Subcontractor Certified Cost or Pricing

Data—Modifications, with its Alternate I.

C. Subpart 30.2, CAS Program Requirements, is revised to reflect the new \$2 million threshold for inserting the FAR clause at 52.230-3, Disclosure and Consistency of Cost Accounting Practices, in negotiated contracts. The threshold for Cost Accounting Standards (CAS) applicability is required by 41 U.S.C. 1502(b)(1)(B) to be the same as the threshold at FAR 15.403-4(a)(1). Thus, changes are made to adjust the thresholds. Conforming changes are also made to the thresholds in FAR provision at 52.230-1, Cost Accounting Standards Notices and Certification; and the clauses at 52.230-2, Cost Accounting Standards; 52.230-3, Disclosure and Consistency of Cost Accounting Practices; 52.230-4, Disclosure and Consistency of Cost Accounting Practices—Foreign Concerns; and 52.230-5, Cost Accounting Standards—Educational Institution.

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

The proposed changes are not applicable to contracts at or below the simplified acquisition threshold or to contracts for the acquisition of commercial items.

**IV. Expected Cost Savings**

DoD, GSA, and NASA have performed a regulatory cost analysis on this rule. The following is a summary of the estimated public and Government cost savings. This rule will impact large and small businesses which currently compete on solicitations issued using FAR part 15 negotiation procedures and are valued between \$750,000 and \$2 million as these firms will no longer be required to submit certified cost or pricing data between those amounts. In addition, because of the comparable increase in the cost accounting standards threshold, fewer contractors will be required to comply with FAR clauses that implement the cost accounting standards. The following is a summary of the estimated cost savings to the public calculated in perpetuity in 2016 dollars at a 7 percent discount rate:

Present Value Cost Savings .....	– \$588,988,385
Annualized Cost Savings	– \$ 41,229,187
Annualized Value Cost Savings as of 2016 if Year 1 is 2020 .....	– \$ 31,453,549

The following is a summary of the estimated cost savings to the Government calculated in perpetuity in 2016 dollars at a 7 percent discount rate:

Present Value Cost Savings .....	– \$90,669,628
Annualized Cost Savings	– \$6,346,874
Annualized Value Cost Savings as of 2016 if Year 1 is 2020 .....	– \$4,841,999

The Councils welcome comments on both the methodology and the analysis during the public comment period on this rule. To access the full Regulatory Cost Analysis for this rule, go to the Federal eRulemaking Portal at [www.regulations.gov](http://www.regulations.gov), search for “FAR Case 2018-005,” click “Open Docket,” and view “Supporting Documents.”

**V. 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 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, is 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.

**VI. Executive Order 13771**

This proposed rule is expected to be an E.O. 13771 deregulatory action. Information on the estimated cost savings of this rule are discussed in the “Expected Cost Savings” section of this preamble.

**VII. Regulatory Flexibility Act**

The changes in this rule are not expected 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.* However, an Initial Regulatory Flexibility Analysis (IRFA) has been performed and it is summarized as follows:

DoD, GSA, and NASA are proposing to amend the FAR to increase the threshold for requiring certified cost or pricing data from \$750,000 to \$2 million.

The objective is to implement section 811 of the National Defense Authorization Act for Fiscal Year 2018 which amends 10 U.S.C.

2306a and 41 U.S.C. 3502 to increase the threshold for requesting certified cost or pricing data from \$750,000 to \$2 million.

This rule will impact small entities who compete on solicitations issued using FAR part 15, Contracting by Negotiation, valued between \$750,000 and \$2 million. It also impacts subcontracts and contract modifications, including those contracts awarded under sealed bidding procedures, valued between \$750,000 and \$2 million. Offerors and contractors under the revised threshold will no longer be required to submit “certified cost or pricing data” and will now submit “data other than certified cost or pricing data,” which takes less time to prepare.

In order to calculate the savings due to the increased threshold, the same FY 2016 Federal Procurement Data System (FPDS) data was utilized that was used to calculate information collection burdens associated with submission of certified cost or pricing data and of data other than certified cost or pricing data under the Office of Management and Budget (OMB) Control Number 9000-0013, which was cleared in January 2018. For contracts and orders awarded using FAR part 15 that were valued between \$750,000 and \$2 million, reflecting the actions impacted by the increase in the threshold, there were 2,697 contract awards/orders issued, 636 modifications to contracts or orders, an estimated 1,288 subcontracts awarded, and 592 subcontract modifications. Of these responses, 3,364 were from small entities. Of the 1,871 small entities that were awarded contract or issued orders, 1,501 were unique small entities (about 1.25 contracts/orders per small entity). We estimate a comparable ratio of actions to entities in the other categories. This ratio is less than the overall ratio of actions to entities because this is just a small slice of the total range covered by the information collection clearance. The cost accounting standards do not apply to small entities, therefore that threshold change only affects other than small entities.

The proposed rule does not include additional reporting or record keeping requirements.

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

There are no available alternatives to the proposed rule to accomplish the desired objective of the statute. However, the impact on small entities will be beneficial, as it will relieve them of the requirement to provide certified cost or pricing data when the acquisition is less than \$2 million. Instead, they may submit data other than certified cost or pricing data which is estimated to save 40 hours of labor effort and related cost savings for each submission not requiring certification.

The Regulatory Secretariat Division has submitted a copy of the IRFA to the Chief Counsel for Advocacy of the Small Business Administration. A copy of the IRFA may be obtained from the Regulatory Secretariat Division. DoD, GSA and NASA invite comments from small business concerns and other interested parties on the expected impact of this rule on small entities.

DoD, GSA, and NASA will also consider comments from small entities concerning the existing regulations in subparts affected by the rule in accordance with 5 U.S.C. 610. Interested parties must submit such comments separately and should cite 5 U.S.C. 610 (FAR Case 2018–005), in correspondence.

### VIII. Paperwork Reduction Act

The Paperwork Reduction Act (44 U.S.C. Chapter 35) does apply. However, DoD, GSA, and NASA believe the changes proposed by this rule will result in a reduction to the paperwork burden approved under the following two OMB Control Numbers: 9000–0013, Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data, and 9000–0129, Cost Accounting Standards Administration.

OMB Control Number 9000–0013

OMB Control Number 9000–0013 covers the paperwork burden for submitting cost or pricing data and certified cost or pricing data. With this proposed rule, the public reporting burden for this collection is expected to decrease from 9,759,813 hours to 9,160,160 as fewer contractors will be required to submit certified cost or pricing data.

Based on this proposed rule, the revised annual reporting burden has been estimated as follows:

FAR Clause 52.214–28:

Respondents 2

Total annual responses 2

Response burden hours 320

FAR Clause 52.215–12:

Respondents 2,544

Total annual responses 2,544

Response burden hours 407,040

FAR Clause 52.215–13:

Respondents 700

Total annual responses 700

Response burden hours 112,000

FAR Clause 52.215–20:

Respondents 25,853

Total annual responses 117,225

Response burden hours 6,259,120

FAR Clause 52.215–21:

Respondents 8,440

Total annual responses 27,623

Response burden hours 2,381,680

As part of this proposed rulemaking, the FAR Council is soliciting comments from the public in order to:

(1) Evaluate whether the proposed revisions to this collection of information are necessary for the proper performance of the functions of the FAR Council, including whether the information will have practical utility;

(2) Evaluate the accuracy of the FAR Council's estimate of the burden of the

revised collection of information, including the validity of the methodology and assumptions used;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate collection techniques.

Organizations and individuals desiring to submit comments on the information collection requirements associated with this rulemaking should submit comments not later than December 2, 2019 to: FAR Desk Officer, OMB, Room 10102, NEOB, Washington, DC 20503, and a copy to the General Services Administration, Regulatory Secretariat Division (MVCB). The copy to GSA can be submitted by either of the following methods:

- *Federal eRulemaking Portal*: This website provides the ability to type short comments directly into the comment field or attach a file for lengthier comments. Go to <http://www.regulations.gov> and follow the instructions on the site.

- *Mail*: General Services Administration, Regulatory Secretariat Division (MVCB), 1800 F Street NW, 2nd Floor, Washington, DC 20405. ATTN: Lois Mandell/IC 9000–0013, Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data.

*Instructions*: All items submitted must cite Information Collection 9000–0013, Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data. Comments received generally will be posted without change to <http://www.regulations.gov>, including any personal and/or business confidential information provided. To confirm receipt of your comment(s), please check [www.regulations.gov](http://www.regulations.gov), approximately two to three days after submission to verify posting (except allow 30 days for posting of comments submitted by mail).

OMB Control Number 9000–0129

OMB Control Number 9000–0129 requires contractors performing CAS-covered contracts to submit notifications and descriptions of certain cost accounting practice changes, including revisions to their Disclosure Statements, if applicable. With this proposed rule, the public reporting burden for this collection is expected to decrease from 474,075 to 314,475 hours as fewer contracts will be over the threshold for CAS applicability, which is the same as the threshold for obtaining certified cost or pricing data.

A request for public comment on a revision and extension of OMB Control Number 9000–0129 was published on August 2, 2019.

### List of Subjects in 48 CFR Parts 14, 15, 30, and 52

Government procurement.

**William F. Clark,**

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

Therefore, DoD, GSA, and NASA are proposing to amend 48 CFR parts 14, 15, 30, and 52 as set forth below:

■ 1. The authority citation for 48 CFR parts 14, 15, 30, and 52 continues to read as follows:

**Authority:** 40 U.S.C. 121(c); 10 U.S.C. chapter 137; and 51 U.S.C. 20113.

### PART 14—SEALED BIDDING

■ 2. Amend section 14.201–7 by revising paragraph (c)(1) to read as follows:

#### 14.201–7 Contract clauses.

\* \* \* \* \*

(c)(1) When contracting by sealed bidding, the contracting officer shall—

(i) Insert the clause at 52.214–28, Subcontractor Certified Cost or Pricing Data—Modifications—Sealed Bidding, in solicitations and contracts if the contract amount is expected to exceed the threshold for submission of certified cost or pricing data at 15.403–4(a)(1); or

(ii) Upon request of a contractor in connection with a prime contract entered into before July 1, 2018, the contracting officer shall modify the contract without requiring consideration to replace clause 52.214–28, Subcontractor Certified Cost or Pricing Data—Modifications—Sealed Bidding, with its Alternate I.

\* \* \* \* \*

### PART 15—CONTRACTING BY NEGOTIATION

■ 3. Amend section 15.403–4 by—

■ a. Revising the third sentence of paragraph (a)(1) introductory text;

■ b. Revising the second sentence of paragraph (a)(1)(iii) introductory text; and

■ c. Adding paragraph (a)(3).

The revised and added text reads as follows:

**15.403–4 Requiring certified cost or pricing data (10 U.S.C. 2306a and 41 U.S.C. chapter 35).**

(a)(1) \* \* \* The threshold for obtaining certified cost or pricing data is \$750,000 for prime contracts awarded before July 1, 2018, and \$2 million for

prime contracts awarded on or after July 1, 2018.

\* \* \* \* \*

(iii) \* \* \* Price adjustment amounts must consider both increases and decreases (e.g., a \$500,000 modification resulting from a reduction of \$1,500,000 and an increase of \$1,000,000 is a \$2,500,000 pricing adjustment exceeding the \$2,000,000 threshold).

\* \* \*

\* \* \* \* \*

(3) Upon the request of a contractor that was required to submit certified cost or pricing data in connection with a prime contract entered into before July 1, 2018, the contracting officer shall modify the contract, without requiring consideration, to reflect a \$2 million threshold for obtaining certified cost or pricing data on subcontracts entered on and after July 1, 2018. See 15.408.

■ 4. Amend section 15.408 by revising paragraphs (d) and (e) to read as follows:

**15.408 Solicitation provisions and contract clauses.**

\* \* \* \* \*

(d) *Subcontractor Certified Cost or Pricing Data.* The contracting officer shall—

(1) Insert the clause at 52.215–12, Subcontractor Certified Cost or Pricing Data, in solicitations and contracts when the clause prescribed in paragraph (b) of this section is included; or

(2) Upon the request of a contractor that was required to submit certified cost or pricing data in connection with a prime contract entered into before July 1, 2018, the contracting officer shall modify the contract without requiring consideration, to replace clause 52.215–12, Subcontractor Certified Cost or Pricing Data, with its Alternate I.

(e) *Subcontractor Certified Cost or Pricing Data—Modifications.* The contracting officer shall—

(1) Insert the clause at 52.215–13, Subcontractor Certified Cost or Pricing Data—Modifications, in solicitations and contracts when the clause prescribed in paragraph (c) of this section is included; or

(2) Upon the request of a contractor that was required to submit certified cost or pricing data in connection with a prime contract entered into before July 1, 2018, the contracting officer shall modify the contract without requiring consideration, to replace clause 52.215–13, Subcontractor Certified Cost or Pricing Data—Modifications, with its Alternate I.

\* \* \* \* \*

**PART 30—COST ACCOUNTING STANDARDS ADMINISTRATION**  
**30.201–4 [Amended]**

■ 5. Amend section 30.201–4 by removing from paragraph (b)(1) “\$750,000” and adding “\$2 million” in its place.

**PART 52—SOLICITATION PROVISIONS AND CONTRACT CLAUSES**

■ 6. Amend section 52.214–28 by—  
■ a. Removing from the clause prescription reference “14.201–7(c)” and adding “14.201–7(c)(1)(i)” in its place;  
■ b. Adding the Alternate I to the basic clause.

The revised text reads as follows:

**52.214–28 Subcontractor Certified Cost or Pricing Data—Modifications—Sealed Bidding.**

\* \* \* \* \*

*Alternate I (DATE).* As prescribed in 14.201–7(c)(1)(ii), substitute the following paragraph (b) in place of paragraph (b) of the basic clause:

(b) Unless an exception under FAR 15.403–1(b) applies, the Contractor shall require the subcontractor to submit certified cost or pricing data (actually or by specific identification in writing), as part of the subcontractor’s proposal in accordance with FAR 15.408, Table 15–2 (to include any information reasonably required to explain the subcontractor’s estimating process such as the judgmental factors applied and the mathematical or other methods used in the estimate, including those used in projecting from known data, and the nature and amount of any contingencies included in the price)—

(1) Before modifying any subcontract that was awarded prior to July 1, 2018, involving a pricing adjustment expected to exceed \$750,000; or

(2) Before awarding any subcontract expected to exceed \$2 million on or after July 1, 2018, or modifying any subcontract that was awarded on or after July 1, 2018, involving a pricing adjustment expected to exceed \$2 million.

■ 7. Amend section 52.215–12 by—  
■ a. Removing from the clause prescription reference “15.408(d)” and adding “15.408(d)(1)” in its place;  
■ b. Revising the clause date;  
■ c. Removing from the clause “15.403–4” and replacing it with “15.403–4(a)(1)”, twice; and  
■ d. Adding the Alternate I to the basic clause.

The revised text reads as follows:

**52.215–12 Subcontractor Certified Cost or Pricing Data.**

\* \* \* \* \*

**Subcontractor Certified Cost or Pricing Data (Date)**

\* \* \* \* \*

*Alternate I (Date).* As prescribed in 15.408(d)(2), substitute the following paragraph (a) in place of paragraph (a) of the basic clause:

(a) Unless an exception under FAR 15.403–1 applies, the Contractor shall require the subcontractor to submit certified cost or pricing data (actually or by specific identification in writing), in accordance with FAR 15.408, Table 15–2 (to include any information reasonably required to explain the subcontractor’s estimating process such as the judgmental factors applied and the mathematical or other methods used in the estimate, including those used in projecting from known data, and the nature and amount of any contingencies included in the price)—

(1) Before modifying any subcontract that was awarded prior to July 1, 2018, involving a pricing adjustment expected to exceed \$750,000; or

(2) Before awarding any subcontract expected to exceed \$2 million on or after July 1, 2018, or modifying any subcontract that was awarded on or after July 1, 2018, involving a pricing adjustment expected to exceed \$2 million.

■ 8. Amend section 52.215–13 by—  
■ a. Removing from the clause prescription reference “15.408(e)” and adding “15.408(e)(1)” in its place;  
■ b. Revising the clause date;  
■ c. Removing from the clause “15.403–4” and replacing it with “15.403–4(a)(1)”, four times; and  
■ d. Adding the Alternate I to the basic clause.

The revised text reads as follows:

**52.215–13 Subcontractor Certified Cost or Pricing Data—Modifications.**

\* \* \* \* \*

**Subcontractor Certified Cost or Pricing Data—Modifications (Date)**

\* \* \* \* \*

*Alternate I (DATE).* As prescribed in 15.408(e)(2), substitute the following paragraphs (a), (b), and (d) for paragraphs (a), (b), and (d) of the basic clause:

(a) The requirements of paragraphs (b) and (c) of this clause shall—

(1) Become operative only for any modification to this contract involving aggregate increases and/or decreases in costs, plus applicable profits, expected to exceed the threshold for submission of certified cost or pricing data at FAR 15.403–4(a)(1); and  
(2) Be limited to such modifications.

(b) Unless an exception under FAR 15.403–1 applies, the Contractor shall require the subcontractor to submit certified cost or pricing data (actually or by specific identification in writing), in accordance with FAR 15.408, Table 15–2 (to include any information reasonably required to explain the subcontractor’s estimating process such as the judgmental factors applied and the mathematical or other methods used in the estimate, including those used in projecting from known data, and the nature and amount of any contingencies included in the price)—

(1) Before modifying any subcontract that was awarded prior to July 1, 2018, involving a pricing adjustment expected to exceed \$750,000; or

(2) Before modifying any subcontract that was awarded on or after July 1, 2018, involving a pricing adjustment expected to exceed \$2 million.

(d) The Contractor shall insert the substance of this clause, including this paragraph (d), in each subcontract that exceeds \$2 million.

- 9. Amend section 52.230-1 by—
- a. Removing from the provision prescription reference “30.201-3” and the word “provisions”, adding “30.201-3(a)” and “provision” in its place respectively;
- b. Revising the date of the provision; and
- c. Removing from paragraph (a) “\$750,000” and adding “\$2 million” in its place.

The revision reads as follows:

**52.230-1 Cost Accounting Standards Notices and Certification.**

\* \* \* \* \*

**Cost Accounting Standards Notices and Certification (I DATE)**

\* \* \* \* \*

- 10. Amend section 52.230-2 by—
- a. Removing from the clause prescription reference “30.201-4(a)” and adding “30.201-4(a)(1)” in its place;
- b. Revising the date of the clause; and
- c. Removing from paragraph (d) “\$750,000” and adding “\$2 million” in its place.

The revision reads as follows:

**52.230-2 Cost Accounting Standards.**

\* \* \* \* \*

**Cost Accounting Standards (I DATE)**

\* \* \* \* \*

- 11. Amend section 52.230-3 by revising the date of the clause, and removing from paragraph (d)(2) “\$750,000” and adding “\$2 million” in its place.

The revision reads as follows:

**52.230-3 Disclosure and Consistency of Cost Accounting Practices.**

\* \* \* \* \*

**Disclosure and Consistency of Cost Accounting Practices (I DATE)**

\* \* \* \* \*

- 12. Amend section 52.230-4 by—
- a. Removing from the clause prescription reference “30.201-4(c)” and adding “30.201-4(c)(1)” in its place;
- b. Revising the date of the clause; and
- c. Removing from paragraph (d)(2) “\$750,000” and adding “\$2 million” in its place.

The revision reads as follows:

**52.230-4 Disclosure and Consistency of Cost Accounting Practices—Foreign Concerns.**

\* \* \* \* \*

**Disclosure and Consistency of Cost Accounting Practices—Foreign Concerns (I DATE)**

\* \* \* \* \*

- 13. Amend section 52.230-5 by—
- a. Removing from the clause prescription reference “30.201-4(e)” and adding “30.201-4(e)(1)” in its place;
- b. Revising the date of the clause; and
- c. Removing from paragraph (d)(2) “\$750,000” and adding “\$2 million” in its place.

The revision reads as follows:

**52.230-5 Cost Accounting Standards—Educational Institution.**

\* \* \* \* \*

**Cost Accounting Standards—Educational Institution (I DATE)**

\* \* \* \* \*

[FR Doc. 2019-20797 Filed 10-1-19; 8:45 am]

BILLING CODE 6820-EP-P

**DEPARTMENT OF TRANSPORTATION**

**Federal Motor Carrier Safety Administration**

**49 CFR Part 385**

[Docket No. FMCSA-2019-0068]

RIN 2126-AC28

**Incorporation by Reference; North American Standard Out-of-Service Criteria; Hazardous Materials Safety Permits**

**AGENCY:** Federal Motor Carrier Safety Administration (FMCSA), DOT.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** FMCSA proposes to amend its Hazardous Materials Safety Permits regulations to incorporate by reference the updated Commercial Vehicle Safety Alliance (CVSA) handbook. The Out-of-Service Criteria provide enforcement personnel nationwide, including FMCSA’s State partners, with uniform enforcement tolerances for roadside inspections. Currently, the regulations reference the April 1, 2018, edition of the handbook. Through this document, FMCSA proposes to incorporate by reference the April 1, 2019, edition.

**DATES:** Comments on this document must be received on or before November 1, 2019.

**ADDRESSES:** You may submit comments identified by Docket Number FMCSA-

2019-0068 using any of the following methods:

- **Federal eRulemaking Portal:** <http://www.regulations.gov>. Follow the online instructions for submitting comments.
- **Mail:** Docket Management Facility, U.S. Department of Transportation, 1200 New Jersey Avenue SE, West Building, Ground Floor, Room W12-140, Washington, DC 20590-0001.
- **Hand Delivery or Courier:** West Building, Ground Floor, Room W12-140, 1200 New Jersey Avenue SE, Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.
- **Fax:** 202-493-2251.

To avoid duplication, please use only one of these four methods. See the “Public Participation and Request for Comments” portion of the **SUPPLEMENTARY INFORMATION** section for instructions on submitting comments, including collection of information comments for the Office of Information and Regulatory Affairs, OMB.

**FOR FURTHER INFORMATION CONTACT:** Mr. Michael Huntley, Chief, Vehicle and Roadside Operations Division, Federal Motor Carrier Safety Administration, 1200 New Jersey Avenue SE, Washington, DC 20590-0001 by telephone at (202) 366-9209 or by email at [michael.huntley@dot.gov](mailto:michael.huntley@dot.gov). If you have questions on viewing or submitting material to the docket, contact Docket Services, telephone (202) 366-9826.

**SUPPLEMENTARY INFORMATION:** This notice of proposed rulemaking (NPRM) is organized as follows:

- I. Public Participation and Request for Comments
  - A. Submitting Comments
  - B. Viewing Comments and Documents
  - C. Privacy Act
  - D. Advance Notice of Proposed Rulemaking Not Required
- II. Executive Summary
- III. Legal Basis for the Rulemaking
- IV. Background
- V. Discussion of Proposed Rulemaking
- VI. International Impacts
- VII. Section-by-Section Analysis
- VIII. Regulatory Analyses
  - A. E.O. 12866 (Regulatory Planning and Review), E.O. 13563 (Improving Regulation and Regulatory Review), and DOT Regulatory Policies and Procedures
  - B. E.O. 13771 Reducing Regulation and Controlling Costs
  - C. Regulatory Flexibility Act (Small Entities)
  - D. Assistance for Small Entities
  - E. Unfunded Mandates Reform Act of 1995
  - F. Paperwork Reduction Act
  - G. E.O. 13132 (Federalism)
  - H. E.O. 12988 (Civil Justice Reform)
  - I. E.O. 13045 (Protection of Children)
  - J. E.O. 12630 (Taking of Private Property)
  - K. Privacy
  - L. E.O. 12372 (Intergovernmental Review)