

- a. In paragraph (c)(3)(A) removing “PGI 215.403–1(c)(3)(A)” and adding “PGI 215.403–1(c)(3)” in its place;
- b. Removing paragraph (c)(3)(B);
- c. Redesignating paragraph (c)(3)(C) as paragraph (c)(3)(B); and
- d. Revising paragraph (c)(4)(B).

The revision reads as follows:

**215.403–1 Prohibition on obtaining certified cost or pricing data (10 U.S.C. 2306a and 41 U.S.C. chapter 35).**

\* \* \* \*

(c) \* \* \*

(4) \* \* \*

(B) By November 30th of each year, departments and agencies shall provide a report to the Director, Defense Pricing and Contracting, Pricing and Contracting Initiatives (DPC/PCI), of all waivers granted under FAR 15.403–1(b)(4), during the previous fiscal year, for any contract, subcontract, or modification expected to have a value of \$19.5 million or more. See PGI 215.403–1(c)(4)(B) for the format and guidance for the report.

\* \* \* \*

[FR Doc. 2020–11749 Filed 6–4–20; 8:45 am]

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**DEPARTMENT OF DEFENSE**

**Defense Acquisition Regulations System**

**48 CFR Part 225**

**[Docket DARS–2018–0004]**

**RIN 0750–AJ22**

**Defense Federal Acquisition Regulation Supplement: Restrictions on Acquisitions From Foreign Sources (DFARS Case 2017–D011); Correction**

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

**ACTION:** Correcting amendments.

**SUMMARY:** On December 21, 2018, DoD published a final rule to implement sections of the National Defense Authorization Act for Fiscal Year 2017, including a section that added Australia and the United Kingdom to the definition of the “National Technology and Industrial Base.” This action corrects several sections of the regulations where the revised definition of the “National Technology and Industrial Base” was inadvertently not implemented. This document corrects the final regulations in order to acquire from Australia or the United Kingdom, without waiver, certain naval vessel components.

**DATES:** Effective June 5, 2020.

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

**SUPPLEMENTARY INFORMATION:**

**I. Background**

DoD published a proposed rule in the **Federal Register** at 83 FR 42828 on August 24, 2018, that included implementation of section 881(b) of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017. The final rule was published in the **Federal Register** at 83 FR 65560 on December 21, 2018. Section 881(b) amends 10 U.S.C. 2500(1) by adding Australia and the United Kingdom of Great Britain and Northern Ireland to the United States and Canada, as countries within which the activities of the national technology and industrial base are conducted. Title 10 U.S.C. 2534 requires that DoD only procure certain items, if the manufacturer of the items is part of the national technology and industrial base, unless a waiver is granted by the Secretary of Defense (previously delegated to the Under Secretary of Defense (Acquisition, Technology, and Logistics); now the Under Secretary of Defense (Acquisition and Sustainment). The Under Secretary of Defense (Acquisition, Technology and Logistics) had granted annual waivers for certain naval vessel components from the United Kingdom. Such waivers are no longer required now that the United Kingdom is part of the national technology and industrial base.

**II. Discussion and Analysis**

At the time of the final rule, the DFARS addressed the following restrictions of 10 U.S.C. 25234:

Citation	Item	Waiver	Action taken
225.7004 .....	Foreign buses .....	No .....	Added Australia and U.K. at 225.7004–1 and 225.7004–3.
225.7006, 252.225–7037, and 252.225–7038.	Air circuit breakers for naval vessels .....	Yes—U.K. .....	Added Australia and U.K. at 225.7006–1. Added Australia at 252.225–7037(b) and 252.225–7038. Removed the information regarding the U.K. waiver at 225.7006–3(b) and 225.7006–4(a)(2). Inadvertently, no action taken.
225.7010 .....	Certain naval vessel components: gyrocompasses, electronic navigation chart systems, steering controls, pumps, propulsion and machinery control systems, totally enclosed lifeboats.	Yes—U.K. .....	

The actions comparable to those that were taken with regard to the air circuit breakers for naval vessels should have been taken for the other naval vessel components. These naval vessel components are listed in a separate section, because 10 U.S.C. 2534(h) prohibits the use of contract clauses or certifications to implement this restriction. Australia and the United Kingdom should have been added to the

list of countries in the national technology and industrial base at DFARS 225.7010–1 and paragraph (b) addressing the waiver for items from the U.K. at 225.7010–3 should have been removed. Because of the existing waiver for certain naval vessel components from the United Kingdom, this lack of action has only impacted the acquisition of these naval vessel components from Australia.

In addition, there is a section at DFARS 225.7008 that addresses the waiver of restrictions of 10 U.S.C. 2534 in general. For consistency with the new definition of “national technology and industrial base,” Australia and the United Kingdom should have been added to the discussions of satisfactory quality, only one source, and unreasonable costs at DFARS 225.7008(a)(2)(ii) and (iii) and (a)(3)

respectively; and 225.7008(b) that addresses the waiver of the restrictions of 10 U.S.C. 2534(a) for certain items manufactured in the United Kingdom should have been deleted as no longer necessary. There have been no requests for waiver of 10 U.S.C. 2534 since the final rule was issued.

### **III. Publication of This Final Rule Correction 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. 1707 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 correction is not required to be published for public comment, because the public received notice and opportunity to comment on the proposed rule, which stated that—

- The rule was implementing section 881(b) of the NDAA for FY 2017, that Australia and the United Kingdom were now included as the countries within which the activities of the national technology and industrial base are conducted;
- Title 10 U.S.C. 2534 requires that DoD only procure certain items if the manufacturer of the items is part of the national technology and industrial base; and
- DFARS sections that implement the restrictions of 10 U.S.C. 2534 are being modified to allow acquisitions from Australia and the United Kingdom.

In addition, the proposed rule mentioned that annual waivers authorizing purchases from the United Kingdom cover air circuit breakers for naval vessels and certain other naval vessel components.

Immediate correction of the error is necessary, because the new definition of national technology and industrial base has been in effect since December 2, 2019, and this correction is necessary in order to avoid inconsistent implementation of the restrictions of 10 U.S.C. 2534.

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

This final rule correction does not impact any provisions or clauses.

### **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 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.

### **VI. Executive Order 13771**

This final rule correction rule is not an E.O. 13771 regulatory action, because this rule is not significant under E.O. 12866.

### **VII. Regulatory Flexibility Act**

Because a notice of proposed rulemaking and an opportunity for public comment are not required to be given for this rule under 41 U.S.C. 1707(a)(1) (see section III. of this preamble), the analytical requirements of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) are not applicable. Accordingly, no regulatory flexibility analysis is required, and none has been prepared.

### **VIII. Paperwork Reduction Act**

The final rule correction 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 Lee Hawes,**

*Regulatory Control Officer, Defense Acquisition Regulations System.*

Therefore, 48 CFR part 225 is 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 225.7008 by—
  - a. Removing paragraph (b).
  - b. Redesignating paragraph (a)(2) and (3) as paragraphs (b) and (c), respectively;
  - c. Redesignating paragraphs (a) introductory text and (a)(1)(i) through (iv) as undesignated introductory text and paragraphs (a)(1) through (4), respectively;
  - d. In the newly redesignated paragraph (a)(1) introductory text, removing “(Acquisition, Technology, and Logistics) (USD(AT&L))” and adding “(Acquisition and Sustainment) (USD(A&S))” in its place;
  - e. Further redesignating newly redesigned paragraphs (a)(1)(A) and (B) as paragraphs (a)(1)(i) and (ii), respectively;
  - f. Further redesignating newly redesigned paragraphs (a)(4)(A) and (B) as paragraphs (a)(4)(i) and (ii), respectively;
  - g. Further redesignating newly redesigned paragraphs (b)(1) through (v) as paragraphs (b)(1) through (5), respectively; and
  - h. Revising newly redesigned paragraphs (b)(2) and (3) and (c).

The revisions read as follows:

### **225.7008 Waiver of restrictions of 10 U.S.C. 2534.**

\* \* \* \* \*

(b) \* \* \*

(2) Satisfactory quality items manufactured in the United States, Australia, or Canada, or the United Kingdom are not available.

(3) Application of the restriction would result in the existence of only one source for the item in the United States, Australia, or Canada, or the United Kingdom.

\* \* \* \* \*

(c) A restriction is waived when it would cause unreasonable costs. The cost of an item of U.S., Australian, Canadian, or United Kingdom origin is unreasonable if it exceeds 150 percent of the offered price, inclusive of duty, of items that are not of U.S., Australian, Canadian, or United Kingdom origin.

### **225.7010–1 [Amended]**

- 3. Amend section 225.7010–1 introductory text by removing “United States or Canada” and adding “United States, Australia, Canada, or the United Kingdom” in its place.
- 4. Revise section 225.7010–3 to read as follows:

**225.7010-3 Waiver.**

The waiver criteria at 225.7008(a) apply to this restriction.

[FR Doc. 2020-11756 Filed 6-4-20; 8:45 am]

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**DEPARTMENT OF DEFENSE****Defense Acquisition Regulations System****48 CFR Parts 249 and 252**

[Docket DARS-2019-0060]

**RIN 0750-AK56**

**Defense Federal Acquisition Regulation Supplement: Modification of DFARS Clause “Notification of Anticipated Contract Termination or Reduction” (DFARS Case 2019-D019)**

**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 update legal and DFARS citations in an existing DFARS clause, conform the clause text to the current DFARS convention regarding the use of dollar thresholds in contract clauses; and remove clause text that is no longer needed to implement the underlying statutory language. The rule is pursuant to action taken by the DoD Regulatory Reform Task Force.

**DATES:** Effective June 5, 2020.

**FOR FURTHER INFORMATION CONTACT:** Ms. Carrie Moore, telephone 571-372-6093.

**SUPPLEMENTARY INFORMATION:****I. Background**

DoD published a proposed rule in the **Federal Register** at 84 FR 58366 on October 31, 2019, to identify the dollar thresholds of the implementing statute (10 U.S.C. 2501 note) for DFARS 249.70 and DFARS clause 252.249-7002, Notification of Anticipated Contract Termination or Reduction, in accordance with current DFARS drafting conventions, and update the clause to reflect the current statute under which employee and training opportunities apply under the clause. No public comments were received in response to the proposed rule. Minor editorial changes are made in the final rule to a cross-reference at DFARS 252.249-7002(c)(2) and the formats of the statutory references.

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

This rule does not create any new provisions or clauses. The rule simply updates legal and DFARS citations in the clause and removes unnecessary information. This rule does not change the applicability of the affected clause, which does not apply to contracts valued at or below the simplified acquisition threshold, or commercial or commercially available off-the-shelf items.

**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 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.

**IV. Executive Order 13771**

This rule is not subject to E.O. 13771, because this rule is not a significant regulatory action under E.O. 12866.

**V. Regulatory Flexibility Act**

A final regulatory flexibility analysis (FRFA) has been prepared consistent with the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.* The FRFA is summarized as follows:

The Department of Defense is amending the Defense Federal Acquisition Regulation Supplement (DFARS) to modify the text of DFARS clause 252.249-7002, Notification of Anticipated Contract Termination or Reduction, to: (1) Update legal and DFARS citations in the clause; (2) remove text that is no longer necessary to implement 10 U.S.C. 2501 note; and (3) conform the clause text to the current DFARS convention for referencing dollar thresholds in a clause. The objective of this rule is to provide accurate and up-to-date information to contractors and maintain consistency within the DFARS clause text. The modification of this DFARS text and clause is pursuant to action

taken by the Regulatory Reform Task Force under Executive Order 13777, Enforcing the Regulatory Reform Agenda.

No public comments were received in response to the initial regulatory flexibility analysis.

DoD does not collect data on the number of small businesses that have been awarded contracts under a major defense programs and have also received notice of contract termination or a substantial reduction in funding resulting from an Appropriations Act. Senior DoD Program Acquisition officials estimate that such notification of the termination or substantial reduction in a major defense program occurs, on average, no more than once or twice per year. This rule is not expected to have a significant impact on small business entities, as it does not impose any new requirements or change any existing requirements for small business entities.

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

DoD did not identify any significant alternatives that would minimize or reduce the significant economic impact, because there is no significant impact on small entities.

**VI. Paperwork Reduction Act**

The Paperwork Reduction Act (44 U.S.C. chapter 35) does apply; however, the changes to DFARS 252.249-7002 do not impose additional information collection requirements to the paperwork burden previously approved under OMB Control Number 0704-0533, titled: DFARS Subpart 249—Termination of Contracts.

**List of Subjects in 48 CFR Parts 249 and 252**

Government procurement.

**Jennifer Lee Hawes,**  
*Regulatory Control Officer, Defense Acquisition Regulations System.*

Therefore, 48 CFR parts 249 and 252 are amended as follows:

**PART 249—TERMINATION OF CONTRACTS**

- 1. The authority citation for part 249 is revised to read as follows:

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

- 2. Amend section 249.7003 by—
  - a. In paragraph (a), removing “Section 824” and “Job Training Partnership Act (29 U.S.C. 1661 and 1662)” and adding “section 824” and “Workforce Innovation and Opportunity Act (29