

in leader company contracting. DoD rarely uses leader company contracting. Incentives for major DoD contractors to assist small disadvantaged business concerns are provided through the DoD Pilot Mentor-Protégé Program, in accordance with DFARS Subpart 219.71 and Appendix I.

- Lower the approval level at DFARS 219.705-4(d), from two levels above the contracting officer to one level above the contracting officer, for small business subcontracting plans that contain a small disadvantaged business goal of less than five percent.

This rule was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993.

B. 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.*, because the rule deletes text that is seldom used and revises review procedures that are internal to DoD. Therefore, DoD has not performed an initial regulatory flexibility analysis. DoD invites comments from small businesses and other interested parties. DoD also will consider comments from small entities concerning the affected DFARS subparts in accordance with 5 U.S.C. 610. Such comments should be submitted separately and should cite DFARS Case 2003-D092.

C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply, because the rule does not impose any information collection requirements that require the approval of the Office of Management and Budget under 44 U.S.C. 3501, *et seq.*

List of Subjects in 48 CFR Parts 217 and 219

Government procurement.

Michele P. Peterson,

Executive Editor, Defense Acquisition Regulations Council.

Therefore, DoD proposes to amend 48 CFR parts 217 and 219 as follows:

1. The authority citation for 48 CFR parts 217 and 219 continues to read as follows:

Authority: 41 U.S.C. 421 and 48 CFR Chapter 1.

PART 217—SPECIAL CONTRACTING METHODS

Subpart 217.4—[Removed]

2. Subpart 217.4 is removed.

PART 219—SMALL BUSINESS PROGRAMS

3. Section 219.705-4 is amended in paragraph (d) by revising the second sentence to read as follows:

219.705-4 Reviewing the subcontracting plan.

(d) * * * A small disadvantaged business goal of less than five percent must be approved one level above the contracting officer.

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DEPARTMENT OF DEFENSE

48 CFR Part 219

[DFARS Case 2003-D060]

Defense Federal Acquisition Regulation Supplement; Threshold for Small Business Specialist Review

AGENCY: Department of Defense (DoD).

ACTION: Proposed rule with request for comments.

SUMMARY: DoD is proposing to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to revise text pertaining to DoD implementation of small business programs. This proposed rule is a result of an initiative undertaken by DoD to dramatically change the purpose and content of the DFARS.

DATES: Comments on the proposed rule should be submitted in writing to the address shown below on or before June 22, 2004, to be considered in the formation of the final rule.

ADDRESSES: Respondents may submit comments via the Internet at <http://emissary.acq.osd.mil/dar/dfars.nsf/pubcomm>. As an alternative, respondents may e-mail comments to: dfars@osd.mil. Please cite DFARS Case 2003-D060 in the subject line of e-mailed comments.

Respondents that cannot submit comments using either of the above methods may submit comments to: Defense Acquisition Regulations Council, Attn: Ms. Karen Fischetti, OUSD(AT&L)DPAP(DAR), IMD 3C132, 3062 Defense Pentagon, Washington, DC 20301-3062; facsimile (703) 602-0350. Please cite DFARS Case 2003-D060.

At the end of the comment period, interested parties may view public comments on the Internet at <http://emissary.acq.osd.mil/dar/dfars.nsf>.

FOR FURTHER INFORMATION CONTACT: Ms. Karen Fischetti, (703) 602-0288.

SUPPLEMENTARY INFORMATION:

A. Background

DFARS Transformation is a major DoD initiative to dramatically change the purpose and content of the DFARS. The objective is to improve the efficiency and effectiveness of the acquisition process, while allowing the acquisition workforce the flexibility to innovate. The transformed DFARS will contain only requirements of law, DoD-wide policies, delegations of FAR authorities, deviations from FAR requirements, and policies/procedures that have a significant effect beyond the internal operating procedures of DoD or a significant cost or administrative impact on contractors or offerors. Additional information on the DFARS Transformation initiative is available at <http://www.acq.osd.mil/dpap/dfars/transf.htm>.

This proposed rule is a result of the DFARS Transformation initiative. The proposed changes—

- Delete an unnecessary general policy statement at DFARS 219.201(a).

- Revise DFARS 219.201(d)(10) to eliminate requirements for small business specialists to review proposed acquisitions that are (1) within the scope and under the terms of the existing contract; or (2) under \$100,000 and totally set aside for small business concerns.

- Delete text at DFARS 219.201(e) regarding the appointment and functions of DoD small business specialists. Text on this subject will be relocated to DoD Directive 4205.1, DoD Small Business and Small Disadvantaged Business Utilization Programs, or to the new DFARS companion resource, Procedures, Guidance, and Information (PGI). A proposed rule describing the purpose and structure of PGI was published at 69 FR 8145 on February 23, 2004.

This rule was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993.

B. 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.*, because the rule pertains to internal DoD procedures for the implementation of small business programs. Therefore, DoD has not performed an initial regulatory flexibility analysis. DoD invites comments from small businesses and other interested parties. DoD also will consider comments from small entities concerning the affected DFARS subpart in accordance with 5 U.S.C.

610. Such comments should be submitted separately and should cite DFARS Case 2003–D060.

C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply, because the rule does not impose any information collection requirements that require the approval of the Office of Management and Budget under 44 U.S.C. 3501, *et seq.*

List of Subjects in 48 CFR Part 219

Government procurement.

Michele P. Peterson,

Executive Editor, Defense Acquisition Regulations Council.

Therefore, DoD proposes to amend 48 CFR Part 219 as follows:

1. The authority citation for 48 CFR Part 219 continues to read as follows:

Authority: 41 U.S.C. 421 and 48 CFR Chapter 1.

PART 219—SMALL BUSINESS PROGRAMS

2. Section 219.201 is amended as follows:

- a. By removing paragraph (a);
- b. By revising paragraph (d)(10)(A);
- c. In paragraph (d)(10)(B), by removing “issue” and adding in its place “issuance”; and
- d. By revising paragraph (e) to read as follows:

219.201 General policy.

(d) * * *

(10) * * *

(A) Reviewing and making recommendations for all acquisitions over \$10,000, except those—

(1) Within the scope and under the terms of the existing contract; or

(2) Under \$100,000 that are totally set aside for small business concerns in accordance with FAR 19.502–2;

* * * * *

(e) For information on the appointment and functions of small business specialists, see PGI 219.201(e).

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