

contractors, or members of the public which 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 31

Government procurement.

Dated: June 4, 1996.

Edward C. Loeb,

Director, Federal Acquisition Policy Division.

Therefore, 48 CFR Part 31 is amended as set forth below:

PART 31—CONTRACT COST PRINCIPLES AND PROCEDURES

1. The authority citation for 48 CFR Part 31 continues to read as follows:

Authority: 40 U.S.C. 486(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

2. Section 31.205–22 is amended by revising the section heading; at the end of paragraph (a)(4) by removing the word “or”; at the end of paragraph (a)(5) by removing the period and inserting “;or”; by adding paragraph (a)(6); and by removing paragraph (f) and redesignating paragraph (g) as (f) to read as follows:

31.205–22 Lobbying and political activity costs.

(a) * * *

(6) Costs incurred in attempting to improperly influence (see 3.401), either directly or indirectly, an employee or officer of the Executive branch of the Federal Government to give consideration to or act regarding a regulatory or contract matter.

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31.205–50 [Reserved]

3. Section 31.205–50 is removed and reserved.

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48 CFR Part 31

[FAC 90–39; FAR Case 93–022; Item XXI]

RIN 9000–AG00

Federal Acquisition Regulation; Travel Costs

AGENCIES: Department of Defense (DOD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

ACTION: Final rule.

SUMMARY: The Civilian Agency Acquisition Council (CAAC) and the Defense Acquisition Regulations Council (DARC) have agreed on a final rule to amend the Federal Acquisition

Regulation (FAR) to specify the documentation required to support the allowability of contractors' claimed travel costs. This regulatory action was subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993. It is not a major rule under 5 U.S.C. 804.

EFFECTIVE DATE: August 19, 1996.

FOR FURTHER INFORMATION CONTACT: Mr. Jeremy F. Olson at (202) 501–3221 in reference to this FAR case. For general information, contact the FAR Secretariat, Room 4037, GS Building, Washington, DC 20405 (202) 501–4755. Please cite FAC 90–39, FAR case 93–022.

SUPPLEMENTARY INFORMATION:

A. Background

A proposed rule was published in the Federal Register at 59 FR 47777, September 16, 1994, because the CAAC and the DARC determined that the FAR did not adequately specify what documentation is required to support travel costs incurred under Government contracts. The rule reflects a recommendation made by the Office of Federal Procurement Policy SWAT Team on Civilian Agency Contracting in its report of December 3, 1992, entitled “Improving Contracting Practices and Management Controls on Cost-Type Federal Contracts,” which found that agencies were having difficulty because the travel cost principle is silent on the documentation requirements.

The rule amends FAR 31.205–46 by adding paragraph (a)(7) which sets forth specific documentation criteria for travel costs. The major difference between the final rule and the proposed rule is that the final rule strikes the reference to “time” and adds a parenthetical after “place” in (a)(7)(i) to make the rule consistent with similar requirements already imposed by section 274 of the Internal Revenue Code for claiming costs for Federal tax purposes (26 U.S.C. 274(d)). The final rule also coincides with guidance currently contained in the Defense Contract Audit Manual (CAM) at CAM 7–1002.2.

B. Regulatory Flexibility Act

The Department of Defense, the General Services Administration, and the National Aeronautics and Space Administration certify that this final rule will not 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 most contracts awarded to small entities are awarded on a competitive, fixed-price

basis and the cost principles do not apply. No comments were received on the impact of this rule on small entities during the public comment period.

C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the changes to the FAR do not impose recordkeeping or information collection requirements, or collections of information from offerors, contractors, or members of the public which 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 31

Government procurement.

Dated: June 4, 1996.

Edward C. Loeb,

Director, Federal Acquisition Policy Division.

Therefore, 48 CFR Part 31 is amended as set forth below:

PART 31—CONTRACT COST PRINCIPLES AND PROCEDURES

1. The authority citation for 48 CFR Part 31 continues to read as follows:

Authority: 40 U.S.C. 486(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

2. Section 31.205–46 is amended—
(a) By adding a heading to paragraph (a) and by revising paragraph (a)(1);
(b) By revising the first sentence of paragraph (a)(3)(iv); and
(c) By adding paragraph (a)(7) immediately preceding paragraph (b) to read as follows:

31.205–46 Travel costs.

(a) *Costs for transportation, lodging, meals, and incidental expenses.* (1) Costs incurred by contractor personnel on official company business are allowable, subject to the limitations contained in this subsection. Costs for transportation may be based on mileage rates, actual costs incurred, or on a combination thereof, provided the method used results in a reasonable charge. Costs for lodging, meals, and incidental expenses may be based on per diem, actual expenses, or a combination thereof, provided the method used results in a reasonable charge.

* * * * *

(3) * * *

(iv) Documentation to support actual costs incurred shall be in accordance with the contractor's established practices, subject to paragraph (a)(7) of this subsection, and provided that a receipt is required for each expenditure in excess of \$25.00. * * *

* * * * *

(7) Costs shall be allowable only if the following information is documented:

(i) Date and place (city, town, or other similar designation) of the expenses;

(ii) Purpose of the trip; and

(iii) Name of person on trip and that person's title or relationship to the contractor.

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48 CFR Parts 32 and 52

[FAC 90-39; FAR Case 92-046; Item XXII]

RIN 9000-AF41

Federal Acquisition Regulation; Prompt Payment Overseas

AGENCIES: Department of Defense (DOD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

ACTION: Interim rule adopted as final.

SUMMARY: The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council have agreed to convert the interim rule published in the Federal Register at 59 FR 11379, March 10, 1994, and amended by FAR case 94-770 (60 FR 34741, July 3, 1995), to a final rule. This rule amends the Federal Acquisition Regulation (FAR) to reflect that the Prompt Payment Act applies to overseas contracts. This regulatory action was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993, and is not a major rule under 5 U.S.C. 804.

EFFECTIVE DATE: June 20, 1996.

FOR FURTHER INFORMATION CONTACT: Mr. Jeremy F. Olson at (202) 501-3221 in reference to this FAR case. For general information, contact the FAR Secretariat, Room 4037, GS Building, Washington, DC 20405 (202) 501-4755. Please cite FAC 90-39, FAR case 92-046.

SUPPLEMENTARY INFORMATION:

A. Background

On January 13, 1992, the Armed Services Board of Contract Appeals (ASBCA), in *Held & Francke Baukittengesellschaft* (ASBCA Nos. 42463 and 42464), held that FAR 32.901 improperly excluded applicability of the Prompt Payment Act (31 U.S.C. 3901, *et seq.*) to contracts awarded to foreign contractors for work performed outside the United States. As a result of the ASBCA decision, an interim rule was issued which, in effect, makes the Government liable for payment of interest and interest penalties under the

Act for contracts with foreign contractors for work performed or supplies delivered overseas.

Section 32.901 and the clauses at 52.232-25, 52.232-26, and 52.232-27 were amended by the interim rule to remove the statements that no interest penalty will be paid on contracts awarded to foreign vendors outside the United States for work performed outside the United States and to remove the definition of "foreign vendor" from the clauses. That interim rule, as amended on July 3, 1995, is now converted to a final rule without further change.

B. Regulatory Flexibility Act

The Department of Defense, the General Services Administration, and the National Aeronautics and Space Administration certify that this final rule will not 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 only applies to contracts with foreign contractors for work performed overseas by extending the Government's liability to pay interest and penalties under the Prompt Payment Act to such entities. No comments were received on the impact of this rule on small entities during the public comment period.

C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the changes to the FAR do not impose recordkeeping or information collection requirements, or collections of information from offerors, contractors, or members of the public which 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 32 and 52

Government procurement.

Interim Rule Adopted as Final Without Change

Accordingly, the interim rule amending CFR Parts 32 and 52, which was published at 59 FR 11379, March 10, 1994 (FAC 90-20, Item XIII), and further amended by FAR case 94-770 (60 FR 34741, July 3, 1995), is adopted as a final rule without further change.

The authority citation for 48 CFR Parts 32 and 52 continues to read as follows:

Authority: 40 U.S.C. 486(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

Dated: June 4, 1996.

Edward C. Loeb,

Director, Federal Acquisition Policy Division.

[FR Doc. 96-14537 Filed 6-19-96; 8:45 am]

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48 CFR Parts 33, 42, and 52

[FAC 90-39; FAR Cases 91-062 and 92-301; Item XXIII]

RIN 9000-AE96/9000-AF35

Federal Acquisition Regulation; Alternate Dispute Resolution and Federal Courts Administration Act

AGENCIES: Department of Defense (DOD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

ACTION: Interim rules adopted as final.

SUMMARY: The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council have agreed to adopt two interim rules as final: FAR Case 91-62, Alternative Dispute Resolution, published in the Federal Register (FR) at 56 FR 67416, December 30, 1991, and 92-301, Federal Courts Administration Act, published at 59 FR 11380 on March 10, 1994. The rules amend the claim certification procedures and the Alternative Means of Dispute Resolution (ADR) procedures, and implement section 907(a) of the Federal Courts Administration Act of 1992. These regulatory actions were not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993, and are not major rules under 5 U.S.C. 804.

EFFECTIVE DATE: June 20, 1996.

FOR FURTHER INFORMATION CONTACT: Mr. Jack O'Neill at (202) 501-3856 in reference to this FAR case. For general information, contact the FAR Secretariat, Room 4037, GS Building, Washington, DC 20405 (202) 501-4755. Please cite FAC 90-39, FAR cases 91-062 and 92-301.

SUPPLEMENTARY INFORMATION:

A. Background

Upon passage of the Federal Courts Administration Act (Act) of 1992, the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council issued two interim rules implementing the changes made by the Act as well as changes to the Alternative Disputes Resolution procedures and claim certification procedures. Only three parties submitted comments in response to the interim rules. No issue was raised by the public comments that