

(I) Rule 411 and Rule 413, adopted on April 6, 1995.

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[FR Doc. 96-2971 Filed 2-12-96; 8:45 am]

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DEPARTMENT OF TRANSPORTATION
Coast Guard
46 CFR Part 150

of October 1, 1995, on page 23 following § 150.170, Figure 1.—Compatibility Chart was inadvertently omitted. The table should appear as follows:

Compatibility of Cargoes

FIGURE 1—COMPATIBILITY CHART

CFR Correction

[X INDICATES INCOMPATIBLE GROUPS]

In Title 46 of the Code of Federal Regulations, parts 140 to 155, revised as

Figure 1.—Compatibility Chart

CARGO COMPATIBILITY CARGO GROUPS	REACTIVE GROUPS																								
	1. NON-OXIDIZING MINERAL ACIDS	2. SULFURIC ACID	3. NITRIC ACID	4. ORGANIC ACIDS	5. CAUSTICS	6. AMMONIA	7. ALIPHATIC AMINES	8. ALKANOLAMINES	9. AROMATIC AMINES	10. AMIDES	11. ORGANIC ANHYDRIDES	12. ISOCYANATES	13. VINYL ACETATE	14. ACRYLATES	15. SUBSTITUTED ALLYLS	16. ALKYLENE OXIDES	17. EPICHLOROHYDRIN	18. KETONES	19. ALDEHYDES	20. ALCOHOLS, GLYCOLS	21. PHENOLS, CRESOLS	22. CAPROLACTAM SOLUTION			
1. NON-OXIDIZING MINERAL ACIDS		X																						1	
2. SULFURIC ACID	X																								2
3. NITRIC ACID		X																							3
4. ORGANIC ACIDS		X																							4
5. CAUSTICS	X	X	X	X																					5
6. AMMONIA	X	X	X	X																					6
7. ALIPHATIC AMINES	X	X	X	X																					7
8. ALKANOLAMINES	X	X	X	X																					8
9. AROMATIC AMINES	X	X	X																						9
10. AMIDES	X	X	X																						10
11. ORGANIC ANHYDRIDES	X	X	X		X	X	X	X	X																11
12. ISOCYANATES	X	X	X	X	X	X	X	X	X	X															12
13. VINYL ACETATE	X	X	X																						13
14. ACRYLATES		X	X																						14
15. SUBSTITUTED ALLYLS		X	X																						15
16. ALKYLENE OXIDES	X	X	X	X	X	X	X	X																	16
17. EPICHLOROHYDRIN	X	X	X	X	X	X	X	X																	17
18. KETONES		X	X																						18
19. ALDEHYDES		X	X		X	X	X	X	X																19
20. ALCOHOLS, GLYCOLS		X	X		X																				20
21. PHENOLS, CRESOLS		X	X		X		X			X															21
22. CAPROLACTAM SOLUTION		X			X		X					X													22
30. OLEFINS		X	X																						30
31. PARAFFINS																									31
32. AROMATIC HYDROCARBONS				X																					32
33. MISCELLANEOUS HYDROCARBON MIXTURES				X																					33
34. ESTERS		X	X																						34
35. VINYL HALIDES				X																			X		35
36. HALOGENATED HYDROCARBONS																									36
37. NITRILES		X																							37
38. CARBON DISULFIDE							X	X																	38
39. SULFOLANE																									39
40. GLYCOL ETHERS		X										X													40
41. ETHERS		X	X																						41
42. NITROCOMPOUNDS					X	X	X	X	X																42
43. MISCELLANEOUS WATER SOLUTIONS		X										X													43
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22			

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BILLING CODE 1505-01-D

DEPARTMENT OF THE INTERIOR**Office of the Secretary****48 CFR Parts 1403, 1425, and 1452**

RIN 1090-AA54

Department of the Interior Acquisition Regulation; Internal Procedures

AGENCY: Office of the Secretary, Interior.
ACTION: Final rule.

SUMMARY: In the interests of streamlining processes and improving relationships with contractors, this final rule amends the Department of the Interior Acquisition Regulation (DIAR) by removing nonessential portions of those regulations. The material being removed deals with exclusively internal procedures. Other regulations that are not obsolete and not currently part of 48 CFR are being added.

EFFECTIVE DATE: March 14, 1996.

FOR FURTHER INFORMATION CONTACT:

Mary L. McGarvey, Office of Acquisition and Property Management, (202) 208-3158.

SUPPLEMENTARY INFORMATION: Under the auspices of the National Performance Review, a thorough review of the DIAR was conducted. The review revealed unnecessary and outdated regulations, and some excessively burdensome procedures.

In the interests of streamlining processes and improving relationships with contractors, nonessential portions of the DIAR are being removed from the CFR. The two subparts and two sections being removed from Parts 1403 and 1425 deal with exclusively internal procedures so codification is not necessary. Sections 1403.570 and 1452.203-70 concerning Restrictions on Endorsements are being added to the CFR.

When the DIAR was issued in 1984 as a supplement to the Federal Acquisition Regulation (FAR), FAR Part 3 required Agency regulations prescribing "Standards of Conduct". The Department of the Interior (DOI) regulations governing the conduct and responsibilities of regular and special employees are contained in 43 CFR Part 20. Additional guidance is contained in the DOI publication of "Ethics, An Employee Guide". This information is strictly limited to internal agency procedures and information and is issued as a supplement to the FAR Section 3.101-3.

FAR 3.203 specifically requires agency personnel to report suspected violations of the Gratuities clause to the contracting officer or other designated

official in accordance with agency procedures. DIAR 1403.2 provides the implementation of FAR 3.203 as required by the FAR. These are strictly limited to agency procedures in implementation of FAR 3.203. These agency procedures do not have a significant effect beyond the internal operating procedures of the agency nor do they have a significant cost or administrative impact on contractors or offerors. This language merely implements a higher level issuance (FAR) that has previously undergone the public comment process, and does not pose additional significant cost or administrative impact on contractors or offerors or effect beyond the internal operating procedures of DOI.

DIAR 1425—Foreign Acquisition implements FAR 25.202, 25.203, 25.204, and 25.205. This action will effect the removal of DIAR 1425.202 and 1425.204 from 48 CFR. These are strictly limited to internal agency procedures in implementation of FAR. These agency procedures do not have a significant effect beyond the internal operating procedures of the agency or have a significant cost or administrative impact on contractors or offerors. This language merely implements a higher level issuance (FAR) that has previously undergone the public comment process, and does not pose additional significant cost or administrative impact on contractors or offerors or effect beyond the internal operating procedures of DOI. DIAR 1425.203 and 1425.205 are revised and will be retained in 48 CFR. The revision and retained language will be submitted and published under another interim final action.

DIAR Section 1403.570 Restrictions on Contractor Advertising and Section 1452.203-70 Restrictions on Endorsements are being added to 48 CFR. This section and related clause inform contractors of DOI's position on endorsements and may have a minimal administrative impact on contractors.

Required Determinations

The Department believes that public comment is unnecessary because the material being removed is outdated or deals exclusively with internal procedures. The added material is primarily normal Government operating procedures. Therefore, in accordance with 5 U.S.C. 553(b)(B), the Department finds good cause to publish this document as a final rule. This rule was not subject of Office of Management and Budget review under Executive Order 12866. This rule does not contain a collection of information subject to the Paperwork Reduction Act of 1995 as amended (P.L. 104-13). In accordance

with the Regulatory Flexibility Act (5 U.S.C. 601 et seq), the Department has determined that this rule will not have a significant economic impact on a substantial number of small entities because no requirements are being added for small businesses and no protections are being withdrawn. The Department has determined that this rule does not constitute a major Federal action having a significant impact on the human environment under the National Environmental Policy Act of 1969. The Department has certified that this rule meets the applicable standards provided in Sections 2(a) and 2(b)(2) of Executive Order 12778.

List of Subjects in 48 CFR Parts 1403, 1425, and 1452

Government procurement, Reporting and recordkeeping requirements.

Dated: January 26, 1996.

Bonnie Cohen,

Assistant Secretary—Policy, Management and Budget.

Chapter 14 of Title 48 of the Code of Federal Regulations is amended as follows:

1. The authority citation for 48 CFR parts 1403, 1425 and 1452 continues to read as follows:

Authority: Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c), and 5 U.S.C. 301.

2. Part 1403 is amended by removing Subpart 1403.1 and 1403.2 and by adding new Subpart 1403.5 to read as follows:

PART 1403—IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST**Subpart 1403.5—Other Improper Business Practices**

Sec.

1403.570 Restrictions on contractor advertising.

1403.570-1 Policy.

1403.570-3 Contract clause.

Subpart 1403.5—Other Improper Business Practices**1403.570 Restrictions on contractor advertising.****1403.570-1 Policy.**

Award of a contract does not signify endorsement of the supplies or services purchased, nor does it signify agreement with any views espoused by officials of the awards. It is vital to the integrity of the procurement system to avoid even the appearance of an improper preference toward a particular vendor. Therefore, contractors shall not be permitted to publicize, or otherwise circulate, promotional materials which

state or imply Governmental endorsement of a product, service or position which the contractor represents.

1403.570-3 Contract clause.

CO's shall include the clause at 48 CFR 1452.203-70, Restriction on Endorsements, in all solicitations, contracts and agreements which are not executed in accordance with SAT procedures.

3. Part 1425 is amended by removing Sections 1425.202 and 1425.204.

4. Part 1452 is amended by adding new Section 1452.203-70 to read as follows:

PART 1452—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

1452.203-70 Restriction on endorsements.

As prescribed in 48 CFR 1403.570-3, insert the following clause in all solicitations, contracts and agreements which are expected to exceed the simplified acquisition threshold.

Restriction on Endorsements—Department of the Interior (Nov 1995)

The contractor shall not refer to contracts awarded by the Department of the Interior in commercial advertising, as defined in FAR 31.205-1, in a manner which states or implies that the product or service provided is approved or endorsed by the Government, or is considered by the Government to be superior to other products or services. This restriction is intended to avoid the appearance of preference by the Government toward any product or service. The contractor may request a determination as to the propriety of promotional material from the CO.

(End of Clause)

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OFFICE OF MANAGEMENT AND BUDGET

Office of Federal Procurement Policy

48 CFR Part 9904

Cost Accounting Standards Board; Treatment of Gains or Losses Subsequent to Mergers or Business Combinations by Government Contractors; Increase in Minimum Acquisition Cost Criterion for Capitalization of Tangible Capital Assets

AGENCY: Cost Accounting Standards Board, Office of Federal Procurement Policy, OMB.

ACTION: Final rule.

SUMMARY: The Office of Federal Procurement Policy, Cost Accounting Standards Board (CASB), hereby amends the Cost Accounting Standards (CAS) relating to the treatment of gains or losses attributable to tangible capital assets subsequent to mergers or business combinations by government contractors, and relating to the minimum acquisition cost criterion for capitalization of tangible capital assets by raising the prescribed criterion from \$1,500 to \$5,000.

To resolve the problems that have been identified in this area, the Board hereby amends CAS 9904.404, "Capitalization of Tangible Assets" and CAS 9904.409, "Depreciation of Tangible Capital Assets". These amendments are based on an approach involving a "no step-up, no step-down" of asset bases and no recognition of gain or loss on a transfer of assets following a business combination by contractors subject to CAS.

Section 26(g)(1) of the Office of Federal Procurement Policy Act requires that the Board, prior to the promulgation of any new or revised Cost Accounting Standard, publish a final rule. This final rule addresses the Board's proposal to amend CAS 9904.404 and CAS 9904.409 to deal with the issue of gains and losses subsequent to a merger or business combination.

EFFECTIVE DATE: This rule is effective April 15, 1996.

FOR FURTHER INFORMATION CONTACT: Dr. Rein Abel, Director of Research, Cost Accounting Standards Board (telephone 202-395-3254).

SUPPLEMENTARY INFORMATION:

A. Regulatory Process

The Cost Accounting Standards Board's rules and regulations are codified at 48 CFR Chapter 99. Section 26(g)(1) of the Office of Federal Procurement Policy Act, 41 U.S.C. § 422(g)(1), requires that the Board, prior to the establishment of any new or revised Cost Accounting Standard, complete a prescribed rulemaking process. This process consists of the following four steps:

1. Consult with interested persons concerning the advantages, disadvantages and improvements anticipated in the pricing and administration of government contracts as a result of a proposed Standard.
2. Promulgate an Advance Notice of Proposed Rulemaking.
3. Promulgate a Notice of Proposed Rulemaking.
4. Promulgate a final rule.

This final rule is step four in the four step process.

B. Background

Prior Promulgations

The issues addressed in this proposal were first identified by commenters in response to the Board's request for agenda topics in November 1990. Subsequently, two Staff Discussion Papers (SDPs) were issued.

The first SDP, dated August 26, 1991 and titled "Recognition and Pricing of Changing Capital Asset Values Resulting from Mergers and Business Combination by Government Contractors," (56 FR 42079) raised broad issues such as the scope of the proposed project, the basis for any Government claim to gains or losses resulting from a business combination and the likely economic consequences of a policy that would prohibit revaluation of assets following a merger.

The responses to this SDP were used by the Board as the basis for discussing the basic issues involved in this case. As a result of this discussion, the Board decided to issue a second SDP dealing with a series of questions concerning the specific procedures needed to deal effectively with the recognition, allocation and recovery of the gain or loss subsequent to a merger or business combination. The second SDP, entitled "Treatment of Gains or Losses Subsequent to Mergers or Business Combinations by Government Contractors," was issued on November 4, 1993 (58 FR 58882). On the basis of comments received in response to that SDP, an Advance Notice of Proposed Rulemaking (ANPRM) was developed and published in the Federal Register on May 24, 1994 (59 FR 26774). The responses to the ANPRM were of significant assistance to the Board in developing a Notice of Proposed Rulemaking (NPRM). The NPRM was published in the Federal Register on March 8, 1995 (60 FR 12725).

Public Comments

Ten sets of public comments were received in response to the NPRM from government contractors, professional and industrial associations, law firms and Federal agencies.

The views expressed by the various parties were, in essence, consistent with the views expressed by the same parties earlier when the ANPRM was published. The basic no step-up, no step-down approach was supported by the Government commenters and it was generally opposed by other commenters although some of these other