ADDRESSES: Send comments to the Chair, Progress Payments Rewrite Team, Mr. Richard Brown, PDUSD(A&T)DP/CPF, Room 3C800, Defense Pentagon, Washington, DC 20301–3060.

FOR FURTHER INFORMATION CONTACT: Mr. Richard Brown, by telephone at (703) 695–7197, by FAX at (703) 693–9616, or by e-mail at brownrg@acq.osd.mil.

Background

The Director of Defense Procurement, Department of Defense, has established a special interagency team, with participants from the Office of the Under Secretary of Defense (Comptroller), the Military Departments, the Defense Logistics Agency, the Defense Contract Audit Agency, the Defense Finance and Accounting Service, the Department of Energy, and the National Aeronautics and Space Administration, that will review and rewrite FAR Part 32 and Part 52 provisions regarding Progress Payments to make them easier to understand and to minimize the burdens imposed on contractors and contracting officers. The Director of Defense Procurement will provide a forum for an exchange of ideas and information with government and industry personnel by holding at least one public meeting, soliciting public comments, and publishing notices of public meetings in the **Federal Register**. Discussion will focus on draft revisions of FAR Part 32, Subpart 32.5, Progress Payments Based on Costs, and associated contract clauses and forms. In addition to the overall simplification of the progress payments process, the rewrite team will also consider changes needed in the progress payments provisions to address the inclusion of performance-based payments and commercial financing payments to subcontractors as part of a contractor's request for progress payments. The rewrite team will also address whether indirect costs for supplies and services purchased by the contractor are eligible for progress payment reimbursement before the contractor has paid the direct costs that are burdened by those indirect costs and included the direct costs in progress payment requests.

Michele P. Peterson,

Executive Editor, Defense Acquisition Regulations Council.

[FR Doc. 97–11296 Filed 4–30–97; 8:45 am]

BILLING CODE 5000–04–M

DEPARTMENT OF DEFENSE

48 CFR Part 252

[DFARS Case 97–D007]

Specialty Metals; Agreements with Qualifying Countries

AGENCY: Department of Defense (DoD).

ACTION: Proposed rule with request for comments.

SUMMARY: The Director of Defense Procurement is proposing to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to revise the Preference for Domestic Speciality Metals clause for consistency with the provisions of the Berry Amendment.

DATES: Comments on the proposed rule should be submitted in writing to the address shown below on or before June 30, 1997.

ADDRESSES: Interested parties should submit written comments to: Defense Acquisition Regulations Council, ATTN: Ms. Amy Williams, PDUSD(A&T)DP(DAR), 3062 Defense Pentagon, Washington, DC 20301–3062. Telefax number (703) 602–0305. Please cite DFARS Case 97–D007 in all correspondence related to this issue.

FOR FURTHER INFORMATION CONTACT: Ms. Amy Williams, (703) 602–0131.

SUPPLEMENTARY INFORMATION:

A. Background

This proposed rule amends the contract clause at DFARS 252.225–7014, Preference for Domestic Specialty Metals. The clause requires that, with certain exceptions, any specialty metals incorporated in articles delivered under the contract will be melted in the United States, its possessions, or Puerto Rico. Paragraph(c)(2) of the clause presently provides for an exception to this requirement when the acquisition is for an end product of a qualifying country listed in DFARS 225.872–1. This proposed rule revises paragraph (c)(2) of the clause to provide an exception for speciality metals melted in a qualifying country or incorporated in an article manufactured in a qualifying country, rather than only providing an exception for the acquisition of end products of a qualifying country. This proposed revision is consistent with the Berry Amendment (10 U.S.C. 2241 note) (as implemented at DFARS 225.7002–2(i)), which provides an exception from domestic source restrictions for the procurement of specialty metals where such procurement is necessary in furtherance of agreements with foreign governments in which both governments agree to remove barriers to purchase of supplies produced in the other country.

B. Regulatory Flexibility Act

The proposed rule may 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 increases the opportunity for foreign competition by firms providing speciality metals melted in qualifying countries or qualifying country components containing specialty metals. An Initial Regulatory Flexibility Analysis (IRFA) has, therefore, been performed, and is summarized as follows: This proposed rule amends the clause at DFARS 252.225–7014 to make the exception in the clause consistent with the Berry Amendment (10 U.S.C. 2241 note) and with the existing DFARS text at 225.7002–2(i). The clause at DFARS 252.225–7014 is prescribed for use in all solicitations and contracts over the simplified acquisition threshold that require delivery of an article containing specialty metals. The clause is prescribed for use with its Alternate I if the article containing specialty metals is for one of certain major programs. The basic clause only restricts the direct acquisition of specialty metals by the prime contractor, whereas Alternate I flows down the restriction to subcontractors at any tier. The proposed rule does not affect the already unrestricted sources of speciality metals when acquiring qualifying country end products or when acquiring components including speciality metals for use in an end product for other than a major program. The proposed rule does loosen the restriction on domestic specialty metals for prime contractors providing domestic nonqualifying country end products, permitting them to incorporate speciality metals melted in a qualifying country (for both major and non-major programs), or qualifying country components containing specialty metals of unrestricted source for use in end products for major programs. Because the components subject to increased foreign competition are at a subcontract level, it is not possible to more specifically identify the items or whether they are produced by small business firms. The proposed rule does not require any new reporting or recordkeeping, and does not duplicate, overlap, or conflict with other relevant Federal rules. An alternative approach would be to require that the specialty metals incorporated in articles manufactured in a qualifying country also be melted in a qualifying country.

This approach could slightly reduce the extent of foreign competition facing domestic entities. However, this approach appeared to go beyond the requirements of the statute being implemented.

A copy of the IRFA has been submitted to the Chief Counsel for Advocacy of the Small Business Administration. Interested parties may obtain a copy of the IRFA from the address specified herein. Comments are invited. Comments from small entities concerning the affected DFARS subpart also will be considered in accordance with 5 U.S.C. 610. Such comments should be submitted separately and should cite DFARS Case 97–D007 in correspondence.

C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the proposed rule contains no 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 252

Government procurement.

Michele P. Peterson

Executive Editor, Defense Acquisition Regulations Council.

Therefore, 48 CFR Part 252 is proposed to be amended as follows:

1. The authority citation for 48 CFR part 252 continues to read as follows:

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

PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

2. Section 252.225–7014 is amended by revising the date of the clause, paragraph (c)(2) of Alternate I to read as follows:

252.225–7014 Preference for domestic specialty metals.

* * * * *

Preference for Domestic Specialty Metals (Date)

* * * * *

(c) * * *

(2) The specialty metal is melted in a qualifying country, or is incorporated in an article manufactured in a qualifying country. (Qualifying countries are those countries listed in subsection 225–872–1 of the Defense Federal Acquisition Regulation Supplement);

* * * * *

Alternate I (Date)

* * * * *

(c) * * *

(2) The specialty metal is melted in a qualifying country, or is incorporated in an article manufactured in a qualifying country. (Qualifying countries are those countries listed in subsection 225.872–1 of the Defense Federal Acquisition Regulation Supplement); or

* * * * *

[FR Doc. 97–11297 Filed 4–30–97; 8:45 am]

BILLING CODE 5000–04–M

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

49 CFR Parts 1121 and 1150

[STB Ex Parte No. 562]

Acquisition of Rail Lines Under 49 U.S.C. 10901 and 10902—Advance Notice of Proposed Transactions

AGENCY: Surface Transportation Board, Transportation.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Surface Transportation Board, after reviewing public comments on labor protective requirements for line acquisitions by Class II railroads in Wisconsin Central Ltd.—Acquisition Exemption—Lines of Union Pacific Railroad Company, STB Finance Docket No. 33116 (STB served Apr. 17, 1997), proposes to establish a 60-day notice period for the benefit of rail employees who work on rail lines subject to, and to facilitate the implementation of, transactions: under 49 U.S.C. 10902 by Class II rail carriers; under 49 U.S.C. 10902 by Class III rail carriers to acquire or operate additional rail lines where the lines to be acquired or operated, together with the acquiring carrier's existing lines, would produce annual revenue exceeding $5 million; and under 49 U.S.C. 10901 by noncarriers to acquire or operate rail lines where the lines to be acquired or operated would produce annual revenue exceeding $5 million.

DATES: Comments are due on June 2, 1997.

ADDRESSES: Send comments (an original and 10 copies) referring to STB Ex Parte No. 562 to: Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423–0001.

FOR FURTHER INFORMATION CONTACT: Joseph H. Dettmar, (202) 565–1600. [TDD for the hearing impaired: (202) 565–1695.]

SUPPLEMENTARY INFORMATION: We considered and recently granted the petition by Wisconsin Central Ltd. (WCL), a Class II carrier, for an exemption for its acquisition of two rail lines from Union Pacific Railroad Company in Wisconsin Central Ltd.—Acquisition Exemption—Lines of Union Pacific Railroad Company, STB Finance Docket No. 33116 (STB served Apr. 17, 1997) (WCL Exemption). By **Federal Register** notice published November 27, 1996 (61 FR 60320–21), we had described WCL's exemption request and its proposed employee protective arrangement, and had sought public comments on the issues of whether WCL's proposed labor protection met the statutory requirements of 49 U.S.C. 10902 and whether the Board should establish and/or oversee the procedural aspects of such arrangements in rail line acquisitions by Class II railroads. A number of comments were filed, including comments by WCL and the Transportation Trades Department of the AFL–CIO (TTD).

In WCL Exemption, we adopted standards for implementing the labor protection requirement of subsection 10902(d), other than for a specific notice period for the seller's employees to be affected by a line sale. While TTD had requested a 90-day notice period, we determined that affected employees on the line to be sold had been afforded at least that amount of notice. Rather than adopt a specific notice period in that proceeding, we announced that we would seek public comments on a proposed requirement that Class II railroads provide a minimum of 60 days' notice in future proceedings under § 10902. We also proposed to amend the existing class exemption rules so that a similar 60-day notice period is afforded in all transactions, involving acquisitions under § 10902 by Class III carriers or under 49 U.S.C. 10901 by noncarriers, that would result in the acquiring entity becoming a carrier with annual revenues in excess of $5 million.

As preliminarily concluded in WCL Exemption, we are not proposing that individual employee notice be required. Rather, we believe that requiring the posting and submission of notice to the national offices of the labor unions with employees on the affected line setting forth the terms of employment and principles of selection to be followed by the acquiring carrier should be sufficient.[1]

Sixty days is the notice period for displaced workers adopted by the Worker Adjustment and Retraining Notification Act, Pub. L. No. 100–379 (August 4, 1988). That seems to be a

[1] *See* 49 CFR 1150.35(b)(2), (c)(3); and 49 CFR 1150.45(b)(2), (c)(3), for current notice requirements in our class exemptions for larger transactions under 49 U.S.C. 10901 and 10902.