

final rule revises the exception for fibers and yarns to apply to those that are for use in synthetic fabric or coated synthetic fabric, if such fabric is to be used as a component of an end item that is not a textile product; and provides examples of textile products, which include, but are not limited to, products in Federal Supply Groups 83 and 84.

Five respondents submitted comments on the interim rule. All comments were considered in developing the final rule.

B. Regulatory Flexibility Act

A final regulatory flexibility analysis has been performed. The analysis is summarized as follows: The legal basis for this rule is the Berry Amendment (10 U.S.C. 2241 note). There were no public comments in response to the initial regulatory flexibility analysis. However, various comments on the interim rule suggested other ways to identify the textile products to which the domestic source restrictions on textile fibers apply. As a result, the final rule uses additional examples to clarify what products are "textile products." This rule is expected to have a positive impact on small entities that provide domestic textile products or specialty metals restricted by the Berry Amendment, because it reduces foreign competition for those items. The rule imposes no new reporting, recordkeeping, or compliance requirements for offerors or contractors. There are no practical alternatives that will meet the requirements of the Berry Amendment.

A copy of the analysis may be obtained by contacting the Defense Acquisition Regulations Council, Attn: Ms. Amy Williams, PDUSD(A&T)DP(DAR), IMD 3D139, 3062 Defense Pentagon, Washington, DC 20301-3062. Telephone (703) 602-0131; telefax (703) 602-0350.

C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply, because this final rule does not impose any reporting or recordkeeping requirements that require Office of Management and Budget approval under 44 U.S.C. 3501, et seq.

List of Subjects in 48 CFR Parts 212, 225, 244, and 252

Government procurement.

Michele P. Peterson,
Executive Editor, Defense Acquisition Regulations Council.

Interim Rule Adopted as Final With Changes

Accordingly, the interim rule amending 48 CFR parts 212, 225, 244,

and 252, which was published at 62 FR 5779 on February 7, 1997, is adopted as final with the following changes:

1. The authority citation for 48 CFR parts 212, 225, 244, and 252 continues to read as follows:

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

PART 225—FOREIGN ACQUISITION

2. Section 225.7002-1 is amended by revising paragraph (a)(9) to read as follows:

225.7002-1 Restrictions.

(a) * * *

(9) Any item of individual equipment (Federal Supply Class 8465) manufactured from or containing any of the listed fibers, yarns, fabrics, or materials.

* * * * *

3. Section 225.7002-2 is amended by revising paragraph (j) to read as follows:

225.7002-2 Exceptions.

* * * * *

(j) Purchases of fibers and yarns that are for use in synthetic fabric or coated synthetic fabric (but not the purchase of the synthetic or coated synthetic fabric itself), if such fabric is to be used as a component of an end item that is not a textile product. Examples of textile products, made in whole or in part of fabric, include—

(1) Draperies, floor coverings, furnishings, and bedding (Federal Supply Group 72, Household and Commercial Furnishings and Appliances);

(2) Items made in whole or in part of fabric in Federal Supply Group 83, Textile/leather/furs/apparel/findings/tents/flags, or Federal Supply Group 84, Clothing, Individual Equipment and Insignia;

(3) Upholstered seats (whether for household, office, or other use); and

(4) Parachutes (Federal Supply Class 1670).

PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

4. Section 252.225-7012 is amended by revising the clause date and paragraphs (a)(10) and (b)(4) to read as follows:

252.225-7012 Preference for certain domestic commodities.

* * * * *

Preference for Certain Domestic Commodities (Sept. 1997)

(a) * * *

(10) Any item of individual equipment (Federal Supply Class 8465) manufactured

from or containing such fibers, yarns, fabrics, or materials.

(b) * * *

(4) To purchase of fibers and yarns that are for use in synthetic fabric or coated synthetic fabric (but not the purchase of the synthetic or coated synthetic fabric itself), if such fabric is to be used as a component of an end item that is not a textile product. Examples of textile products, made in whole or in part of fabric, include—

(i) Draperies, floor coverings, furnishings, and bedding (Federal Supply Group 72, Household and Commercial Furnishings and Appliances);

(ii) Items made in whole or in part of fabric in Federal Supply Group 83, Textile/leather/furs/apparel/findings/tents/flags, or Federal Supply Group 84, Clothing, Individual Equipment and Insignia;

(iii) Upholstered seats (whether for household, office, or other use); and

(iv) Parachutes (Federal Supply Class 1670).

(End of clause)

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DEPARTMENT OF DEFENSE

48 CFR Part 231

[DFARS Case 95-D714]

Defense Federal Acquisition Regulation Supplement; Cost Principles

AGENCY: Department of Defense (DoD).

ACTION: Final rule.

SUMMARY: The Director of Defense Procurement has issued a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to implement provisions of the Federal Acquisition Streamlining Act of 1994 pertaining to legislative lobbying costs.

EFFECTIVE DATES: September 8, 1997.

FOR FURTHER INFORMATION CONTACT: Ms. Sandra G. Haberlin, PDUSD (A&T) DP (DAR), IMD 3D139, 3062 Defense Pentagon, Washington, DC 20301-3062. Telephone (703) 602-0131; telefax (703) 602-0350. Please cite DFARS Case 95-D714.

SUPPLEMENTARY INFORMATION:

A. Background

This final rule implements Section 7202 of the Federal Acquisition Streamlining Act of 1994 (Pub. L. 103-355). Section 7202 prohibits the expenditure of funds to assist any DoD contractor in preparing any material, report, list, or analysis, with respect to the actual or projected economic or employment impact in a particular State or congressional district of an

acquisition program for which all research, development, testing, and evaluation has not been completed.

A proposed rule was published on October 13, 1995 (60 FR 53320). No public comments were received. The final rule differs from the proposed rule by changing the statutory citation at 231.205-22 (a), 231.303(4), 231.603(2), and 231.703(2) from "10 U.S.C. 2247" to "10 U.S.C. 2249." 10 U.S.C. 2247 was redesignated as 10 U.S.C. 2249 by Section 4321 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106).

B. Regulatory Flexibility Act

The Department of Defense certifies 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 do not require application of the cost principle contained in this rule.

C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply, because this final rule does not impose any reporting or recordkeeping requirements that require Office of Management and Budget approval under 44 U.S.C. 3501, *et seq.*

List of Subjects in 48 CFR Part 231

Government procurement.

Michele P. Peterson,
Executive Editor, Defense Acquisition Regulations Council.

Therefore, 48 CFR Part 231 is amended as follows:

1. The authority citation for 48 CFR Part 231 continues to read as follows:

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

PART 231—CONTRACT COST PRINCIPLES AND PROCEDURES

2. Section 231.205-22 is revised to read as follows:

231.205-22 Legislative lobbying costs.

(a) Preparing any material, report, list, or analysis on the actual or projected economic or employment impact in a particular State or congressional district

of an acquisition program for which all research, development, testing, and evaluation has not been completed (10 U.S.C. 2249).

3. Section 231.303 is amended by adding paragraph (4) to read as follows:

231.303 Requirements.

* * * * *

(4) Under 10 U.S.C. 2249, the costs cited in 231.205-22(a) are unallowable.

4. Section 231.603 is amended by designating the existing text as paragraph (1), and by adding paragraph (2) to read as follows:

231.603 Requirements.

* * * * *

(2) Under 10 U.S.C. 2249, the costs cited in 231.205-22(a) are unallowable.

5. Section 231.703 is amended by designating the existing text as paragraph (1), and by adding paragraph (2) to read as follows:

231.703 Requirements.

* * * * *

(2) Under 10 U.S.C. 2249, the costs cited in 231.205-22(a) are unallowable.

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