

PART 217—SPECIAL CONTRACTING METHODS

6. Section 217.170 is amended by revising paragraph (d)(1)(i) to read as follows:

217.170 General.

* * * * *

(d)(1) * * *

(i) Exceed \$500 million for supplies (see 217.172(c) and 217.172(e)(4)) or \$565.5 million for services (see 217.171(a)(6));

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217.171 [Amended]

7. Section 217.171 is amended in paragraph (a)(6) by removing “\$500 million” and adding in its place “\$565.5 million”.

PART 219—SMALL BUSINESS PROGRAMS**219.502–2 [Amended]**

8. Section 219.502–2 is amended in paragraph (a)(i) by removing “\$2 million” and adding in its place “\$2.5 million”.

PART 223—ENVIRONMENT, ENERGY AND WATER EFFICIENCY, RENEWABLE ENERGY TECHNOLOGIES, OCCUPATIONAL SAFETY, AND DRUG-FREE WORKPLACE

9. Section 223.803 is revised to read as follows:

223.803 Policy.

No DoD contract may include a specification or standard that requires the use of a class I ozone-depleting substance or that can be met only through the use of such a substance unless the inclusion of the specification or standard is specifically authorized at a level no lower than a general or flag officer or a member of the Senior Executive Service of the requiring activity in accordance with Section 326, Public Law 102–484 (10 U.S.C. 2301 (repealed) note). This restriction is in addition to any imposed by the Clean Air Act and applies after June 1, 1993, to all DoD contracts, regardless of place of performance.

PART 225—FOREIGN ACQUISITION**225.7204 [Amended]**

10. Section 225.7204 is amended as follows:

a. In paragraphs (a) and (b) by removing “\$10 million” and adding in its place “\$11.5 million”; and

b. In paragraph (c) by removing “\$500,000” and adding in its place “\$550,000”.

PART 228—BOND INSURANCE**228.102–1 [Amended]**

11. Section 228.102–1 is amended in the second sentence of the introductory text and in paragraph (1) by removing “\$25,000” and adding in its place “\$30,000”.

PART 232—CONTRACT FINANCING**232.404 [Amended]**

12. Section 232.404 is amended in paragraph (a)(9) by removing “\$2,500” and adding in its place “\$3,000”.

232.502–1 [Amended]

13. Section 232.502–1 is amended in paragraph (b)(1) by removing “\$50,000” and adding in its place “\$55,000”.

PART 236—CONSTRUCTION AND ARCHITECT-ENGINEER CONTRACTS**236.601 [Amended]**

14. Section 236.601 is amended in paragraph (1)(ii) by removing “\$500,000” and adding in its place “\$550,000”.

PART 237—SERVICE CONTRACTING**237.170–2 [Amended]**

15. Section 237.170–2 is amended in paragraphs (a)(1) and (2) by removing “\$50,000,000” and adding in its place “\$77.5 million”.

PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

16. Section 252.209–7004 is amended by revising the clause date and paragraph (a) to read as follows:

252.209–7004 Subcontracting with firms that are owned or controlled by the government of a terrorist country.

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Subcontracting With Firms That Are Owned or Controlled by the Government of a Terrorist Country (XXX 2006)

(a) Unless the Government determines that there is a compelling reason to do so, the Contractor shall not enter into any subcontract in excess of \$30,000 with a firm, or a subsidiary of a firm, that is identified in the Excluded Parties List System as being ineligible for the award of Defense contracts or subcontracts because it is owned or controlled by the government of a terrorist country.

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252.225–7003 [Amended]

17. Section 252.225–7003 is amended as follows:

a. By revising the clause date to read “(XXX 2006)”;

b. In paragraph (b)(1) by removing “\$10 million” and adding in its place “\$11.5 million”; and

c. In paragraph (b)(2)(i) by removing “\$500,000” and adding in its place “\$550,000”.

252.225–7004 [Amended]

18. Section 252.225–7004 is amended as follows:

a. By revising the clause date to read “(XXX 2006)”;

b. In paragraph (b)(1) by removing “\$500,000” and adding in its place “\$550,000”.

252.225–7006 [Amended]

19. Section 252.225–7006 is amended as follows:

a. By revising the clause date to read “(XXX 2006)”;

b. In paragraph (f)(1) by removing “\$500,000” and adding in its place “\$550,000”.

252.232–7009 [Amended]

20. Section 252.232–7009 is amended as follows:

a. By revising the clause date to read “(XXX 2006)”;

b. By removing “\$2,500” and adding in its place “\$3,000”.

252.249–7002 [Amended]

21. Section 252.249–7002 is amended as follows:

a. By revising the clause date to read “(XXX 2006)”;

b. In paragraph (d)(1) by removing “\$500,000” and adding in its place “\$550,000”.

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DEPARTMENT OF DEFENSE**48 CFR Part 225**

[DFARS Case 2005–D012]

RIN 0750–AF21

Defense Acquisition Regulations System; Defense Federal Acquisition Regulation Supplement; Foreign Acquisition Procedures

AGENCY: Defense Acquisition Regulations System, 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 delete text addressing internal DoD procedures pertaining to foreign

acquisition. This text will be relocated to the new DFARS companion resource, Procedures, Guidance, and Information (PGI). The proposed rule is a result of a transformation 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 March 24, 2006, to be considered in the formation of the final rule.

ADDRESSES: You may submit comments, identified by DFARS Case 2005–D012, using any of the following methods:

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- E-mail: dfars@osd.mil. Include DFARS Case 2005–D012 in the subject line of the message.
- Fax: (703) 602–0350.
- Mail: Defense Acquisition Regulations System, Attn: Ms. Amy Williams, OUSD (AT&L) DPAP (DARS), IMD 3C132, 3062 Defense Pentagon, Washington, DC 20301–3062.

- Hand Delivery/Courier: Defense Acquisition Regulations System, Crystal Square 4, Suite 200A, 241 18th Street, Arlington, VA 22202–3402.

Comments received will be posted without change to <http://www.regulations.gov>, including any personal information provided.

FOR FURTHER INFORMATION CONTACT: Ms. Amy Williams, (703) 602–0328.

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/dars/dfars/transformation/index.htm>.

This proposed rule is a result of the DFARS Transformation initiative. The proposed rule deletes DFARS text addressing internal DoD procedures in the following areas:

DFARS 225.670–4—Processing of requests for waiver of foreign source restrictions.

DFARS 225.871–4—Processing of requests for waiver under North Atlantic Treaty Organization cooperative projects.

DFARS 225.7017–3—Preparation of determinations regarding award of a contract for ballistic missile defense research, development, test, and evaluation to a foreign source.

DFARS 225.7502—Application of the Balance of Payments Program to an acquisition.

This text will be relocated to the new DFARS companion resource, Procedures, Guidance, and Information (PGI), available at <http://www.acq.osd.mil/dpap/dars/pgi>.

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 proposed rule addresses internal DoD procedural matters and makes no significant change to DoD contracting policy. 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 2005–D012.

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 225

Government procurement.

Michele P. Peterson,
Editor, Defense Acquisition Regulations System.

Therefore, DoD proposes to amend 48 CFR part 225 as follows:

1. The authority citation for 48 CFR part 225 continues to read as follows:

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

PART 225—FOREIGN ACQUISITION

2. Section 225.670–4 is revised to read as follows:

225.670–4 Waivers.

The Secretary of Defense may waive this restriction on the basis of national security interests. To request a waiver, follow the procedures at PGI 225.670–4.

3. Section 225.871–4 is amended by revising paragraph (c) to read as follows:

225.871–4 Statutory waivers.

* * * * *

(c) To request a waiver under a cooperative project, follow the procedures at PGI 225.871–4.

* * * * *

4. Section 225.7017–3 is amended by revising paragraph (b) to read as follows:

225.7017–3 Exceptions.

* * * * *

(b) If the head of the contracting activity certifies in writing, before contract award, that a U.S. firm cannot competently perform a contract for RDT&E at a price equal to or less than the price at which a foreign government or firm would perform the RDT&E. The contracting officer or source selection authority, as applicable, shall make a determination, in accordance with PGI 225.7017–3(b), that will be the basis for the certification.

5. Section 225.7502 is revised to read as follows:

225.7502 Procedures.

If the Balance of Payments Program applies to the acquisition, follow the procedures at PGI 225.7502.

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DEPARTMENT OF DEFENSE

48 CFR Parts 242 and 252

[DFARS Case 2005–D006]

RIN 0750–AF19

Defense Acquisition Regulations System; Defense Federal Acquisition Regulation Supplement; Earned Value Management Systems

AGENCY: Defense Acquisition Regulations System, 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 update requirements for DoD contractors to establish and maintain earned value management systems (EVMS). The rule revises the dollar thresholds at which EVMS requirements are applied and eliminates requirements