

PART 602—OMB CONTROL NUMBERS UNDER THE PAPERWORK REDUCTION ACT

■ **Par. 47.** The authority citation for part 602 continues to read as follows:

Authority: 26 U.S.C. 7805.

§ 602.101 [Amended]

■ **Par. 48.**

■ 1. In § 602.101(b), the following entries to the table are removed:

| | |
|-------------------|-----------|
| 1.302-2T | 1545-2019 |
| 1.302-4T | 1545-2019 |
| 1.331-1T | 1545-2019 |
| 1.332-6T | 1545-2019 |
| 1.338-10T | 1545-2019 |
| 1.351-3T | 1545-2019 |
| 1.355-5T | 1545-2019 |
| 1.368-3T | 1545-2019 |
| 1.381(b)-1T | 1545-2019 |
| 1.382-8T | 1545-2019 |
| 1.382-11T | 1545-2019 |
| 1.1081-11T | 1545-2019 |
| 1.1221-2T | 1545-2019 |
| 1.1502-13T | 1545-2019 |
| 1.1502-31T | 1545-2019 |
| 1.1502-32T | 1545-2019 |
| 1.1502-33T | 1545-2019 |
| 1.1502-95T | 1545-2019 |
| 1.1563-3T | 1545-2019 |
| 1.6012-2T | 1545-2019 |

■ 2. The following entries are added in numerical order to the table:

| | |
|-----------------|-----------|
| 1.332-6 | 1545-2019 |
| 1.351-3 | 1545-2019 |
| 1.355-5 | 1545-2019 |
| 1.368-3 | 1545-2019 |
| 1.382-11 | 1545-2019 |
| 1.1081-11 | 1545-2019 |

Kevin M. Brown,

Deputy Commissioner for Services and Enforcement.

Approved: June 4, 2007.

Eric Solomon,

Assistant Secretary of the Treasury.

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BILLING CODE 4830-01-P

OFFICE OF MANAGEMENT AND BUDGET

Office of Federal Procurement Policy

48 CFR Parts 9901 and 9903

Cost Accounting Standards Board (CAS) Changes to Acquisition Thresholds

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

ACTION: Final rule.

SUMMARY: The Office of Federal Procurement Policy, Cost Accounting Standards (CAS) Board, is revising the threshold for the application of CAS to negotiated Government contracts. This rulemaking is authorized pursuant to Section 26 of the Office of Federal Procurement Policy Act. The Board is taking final action on this topic in order to adjust the CAS applicability threshold in accordance with Section 822 of the 2006 National Defense Authorization Act (Pub. L. 109-163). Section 822 amended 41 U.S.C. 422(f)(2)(A) to require that the threshold for CAS applicability be the same as the threshold for compliance with the Truth in Negotiations Act (TINA).

DATES: This final rule is effective June 14, 2007.

FOR FURTHER INFORMATION CONTACT:

Laura Auletta, Manager, Cost Accounting Standards Board, 725 17th Street, NW., Room 9013, Washington, DC 20503 (telephone: 202-395-3256).

SUPPLEMENTARY INFORMATION:

A. Background

On December 15, 2005, the CAS Board issued a proposed rule with request for comment (70 FR 73423) for the purpose of implementing Sec. 807 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005, Pub. L. 108-375, "Inflation Adjustment of Acquisition-Related Dollar Thresholds." Section 807 of Pub. L. 108-375 requires the periodic adjustment of acquisition-related thresholds contained in statutes that were in effect on October 1, 2000, with certain exceptions. The Federal Acquisition Regulation (FAR) Council is authorized to adjust these thresholds based on increases in the Consumer Price Index for all-urban consumers (CPI) and as prescribed in the Public Law.

Based on further review, the Board has determined that its thresholds are not subject to the provisions of Section 807 of the Pub. L. 108-375 because these thresholds are not "acquisition related," as defined by Section 807. Therefore, this final rule does not adjust the CAS thresholds to reflect the provisions of Section 807.

However, subsequent to the issuance of the CAS Board's proposed rule, Section 822 of the 2006 National Defense Authorization Act (Pub. L. 109-163) amended 41 U.S.C. 422(f)(2)(A) to require that the threshold for CAS applicability be the same as the threshold for compliance with the Truth in Negotiations Act (TINA). The TINA threshold is currently \$650,000 (71 FR 57363). Accordingly, the Board is

increasing the CAS applicability threshold to \$650,000 to comply with Public Law 109-163.

B. Public Comments

The Board received three sets of public comments in response to the proposed rule.

1. PL 108-375 Does Not Require Threshold Adjustments

Comment: Two commenters opined that Section 807 of Public Law 108-375 does not apply to statutory thresholds in the Board's rules, regulations and standards. These commenters asserted that the law applies only to acquisition-related statutory dollar thresholds contained in the FAR. Thus, the Board is not required to adjust its statutory thresholds in response to Pub. L. 108-375.

Response: After further review of this issue, the Board agrees that Section 807 does not apply to the CAS thresholds. Section 807 of Public Law 108-375 requires the Federal Acquisition Regulatory Council to adjust each "acquisition-related dollar threshold." Section 807 defines an acquisition-related dollar threshold as "a dollar threshold that is specified in law as a factor in defining the scope of the applicability of a policy, procedure, requirement, or restriction provided in that law to the procurement of property or services by an executive agency, as determined by the Federal Acquisition Regulatory Council." The scope and applicability of the CAS is within the sole purview of the CAS Board. The Federal Acquisition Regulatory Council does not determine the scope or applicability of the Cost Accounting Standards. Therefore, for purposes of applying Section 807, the thresholds in the CAS do not meet the definition of an "acquisition threshold." Thus, the requirements of Public Law 108-375 do not apply to the CAS thresholds. However, the Board is issuing a final rule to adjust the CAS applicability threshold required by Public Law 109-163.

2. Consistency Between CAS Applicability and TINA Thresholds

Comment: One commenter recommended that the CAS applicability threshold be modified to adopt the Truth in Negotiations Act (TINA) threshold for requiring cost or pricing data (FAR 15.403-4) since it will be very difficult to administer the impact of CAS issues associated with such contracts.

Response: As previously noted, shortly after the publication of the proposed rule, 41 U.S.C. 422(f)(2)(A)

was amended to require that the CAS applicability threshold be equal to the TINA threshold. Accordingly, this final rule adjusts the CAS applicability threshold to \$650,000, which is the current TINA threshold.

3. *Advisability of Adjusting CAS Thresholds*

Comment: One commenter asserted that the proposed threshold adjustments represent bad public policy and that previous increases in these thresholds have been “simply astounding, and far in excess of any inflationary increases, no matter how measured.”

Response: Consistent with the intent of the proposed rule, the final rule includes only those adjustments of the CAS applicability threshold that are statutorily required. As such, the Board does not believe the commenter’s assertion regarding the adjustments in the final rule has any merit.

4. *Failure To Track CAS Thresholds to Inflation Expands CAS Applicability Beyond Its Original Intent*

Comment: One commenter recommended that the Board independently review its thresholds to determine whether “economic factors have caused more contractors to have become subject to CAS coverage” and “consider if there are now contractors covered in 2006 that the Board did not intend to cover in 1992.”

Response: The purpose of the proposed and final rules was to adjust the CAS thresholds to reflect statutory requirements. As such, the Board is confining the adjustment of CAS thresholds in this final rule to those adjustments required by statute. The Board will consider the commenter’s recommendation to review the other CAS thresholds when formulating its agenda for future actions.

C. Paperwork Reduction Act

The Paperwork Reduction Act, Public Law 96–511, does not apply to this rulemaking, because this rule imposes no paperwork burden on offerors, affected contractors and subcontractors, or members of the public which requires the approval of OMB under 44 U.S.C. 3501, *et seq.*

D. Executive Order 12866 and the Regulatory Flexibility Act

The Board certifies that this rule will not have a significant effect on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*, because small businesses are exempt from the application of the Cost Accounting Standards.

List of Subjects in 48 CFR Part 9903

Accounting, Government procurement.

Paul A. Denett,

Administrator, Office of Federal Procurement Policy.

■ For the reasons set forth in this preamble, Chapter 99 of Title 48 of the Code of Federal Regulations is amended as set forth below:

PART 9901—RULES AND PROCEDURES

■ 1. The authority citation for part 9901 continues to read as follows:

Authority: Pub. L. 100–679, 102 Stat. 4056, 41 U.S.C. 422.

■ 2. Revise section 9901.306 to read as follows:

9901.306 Standards applicability.

Cost Accounting Standards promulgated by the Board shall be mandatory for use by all executive agencies and by contractors and subcontractors in estimating, accumulating, and reporting costs in connection with pricing and administration of, and settlement of disputes concerning, all negotiated prime contract and subcontract procurements with the United States Government in excess of \$650,000, other than contracts or subcontracts that have been exempted by the Board’s regulations.

PART 9903—CONTRACT COVERAGE

■ 3. The authority citation for part 9903 continues to read as follows:

Authority: Pub. L. 100–679, 102 Stat. 4056, 41 U.S.C. 422.

Subpart 9903.2—CAS Program Requirements

■ 4. Section 9903.201–1 is amended by revising paragraph (b)(2) to read as follows:

9903.201–1 CAS applicability.

* * * * *

(b) * * *

(2) Negotiated contracts and subcontracts not in excess of \$650,000. For purposes of this paragraph (b)(2) an order issued by one segment to another segment shall be treated as a subcontract.

* * * * *

■ 5. Section 9903.201–2 is amended by revising paragraphs (c)(3) and (c)(5) to read as follows:

9903.201–2 Types of CAS coverage.

(c) * * *

(3) *Applicable standards.* Coverage for educational institutions requires that the business unit comply with all of the CAS specified in part 9905 that are in effect on the date of the contract award and with any CAS that become applicable because of later award of a CAS-covered contract. This coverage applies to business units that receive negotiated contracts in excess of \$650,000, except for CAS-covered contracts awarded to FFRDCs operated by an educational institution.

* * * * *

(5) *Contract clauses.* The contract clause at 9903.201–4(e) shall be incorporated in each negotiated contract and subcontract awarded to an educational institution when the negotiated contract or subcontract price exceeds \$650,000. For CAS-covered contracts awarded to an FFRDC operated by an educational institution, however, the full or modified CAS contract clause specified at 9903.201–4(a) or (c), as applicable, shall be incorporated.

* * * * *

■ 6. Section 9903.201–3 is amended by revising the provision heading and by revising paragraph (a) in Part I of the provision to read as follows:

9903.201–3 Solicitation provisions.

* * * * *

Cost Accounting Standards Notices and Certification (June 2007)

* * * * *

I. Disclosure Statement—Cost Accounting Practices and Certification

(a) Any contract in excess of \$650,000 resulting from this solicitation, except for those contracts which are exempt as specified in 9903.201–1.

* * * * *

■ 7. Section 9903.201–4 is revised to read as follows:

9903.201–4 Contract clauses.

(a) *Cost Accounting Standards.* (1) The contracting officer shall insert the clause set forth below, Cost Accounting Standards, in negotiated contracts, unless the contract is exempted (see 9903.201–1), the contract is subject to modified coverage (see 9903.201–2), or the clause prescribed in paragraph (e) of this section is used.

(2) The clause below requires the contractor to comply with all CAS specified in part 9904, to disclose actual cost accounting practices (applicable to CAS-covered contracts only), and to follow disclosed and established cost accounting practices consistently.

Cost Accounting Standards (June 2007)

(a) Unless the contract is exempt under 9903.201–1 and 9903.201–2, the provisions

of 9903 are incorporated herein by reference and the Contractor in connection with this contract, shall—

(1) (CAS-covered Contracts Only) By submission of a Disclosure Statement, disclosed in writing the Contractor's cost accounting practices as required by 9903.202-1 through 9903.202-5 including methods of distinguishing direct costs from indirect costs and the basis used for allocating indirect costs. The practices disclosed for this contract shall be the same as the practices currently disclosed and applied on all other contracts and subcontracts being performed by the Contractor and which contain a Cost Accounting Standards (CAS) clause. If the Contractor has notified the Contracting Officer that the Disclosure Statement contains trade secrets, and commercial or financial information which is privileged and confidential, the Disclosure Statement shall be protected and shall not be released outside of the Government.

(2) Follow consistently the Contractor's cost accounting practices in accumulating and reporting contract performance cost data concerning this contract. If any change in cost accounting practices is made for the purposes of any contract or subcontract subject to CAS requirements, the change must be applied prospectively to this contract and the Disclosure Statement must be amended accordingly. If the contract price or cost allowance of this contract is affected by such changes, adjustment shall be made in accordance with subparagraph (a)(4) or (a)(5) of this clause, as appropriate.

(3) Comply with all CAS, including any modifications and interpretations indicated thereto contained in part 9904, in effect on the date of award of this contract or, if the Contractor has submitted cost or pricing data, on the date of final agreement on price as shown on the Contractor's signed certificate of current cost or pricing data. The Contractor shall also comply with any CAS (or modifications to CAS) which hereafter become applicable to a contract or subcontract of the Contractor. Such compliance shall be required prospectively from the date of applicability of such contract or subcontract.

(4)(i) Agree to an equitable adjustment as provided in the Changes clause of this contract if the contract cost is affected by a change which, pursuant to subparagraph (a)(3) of this clause, the Contractor is required to make to the Contractor's established cost accounting practices.

(ii) Negotiate with the Contracting Officer to determine the terms and conditions under which a change may be made to a cost accounting practice, other than a change made under other provisions of subparagraph (a)(4) of this clause; provided that no agreement may be made under this provision that will increase costs paid by the United States.

(iii) When the parties agree to a change to a cost accounting practice, other than a change under subdivision (a)(4)(i) of this clause, negotiate an equitable adjustment as provided in the Changes clause of this contract.

(5) Agree to an adjustment of the contract price or cost allowance, as appropriate, if the

Contractor or a subcontractor fails to comply with an applicable Cost Accounting Standard, or to follow any cost accounting practice consistently and such failure results in any increased costs paid by the United States. Such adjustment shall provide for recovery of the increased costs to the United States, together with interest thereon computed at the annual rate established under section 6621(a)(2) of the Internal Revenue Code of 1986 (26 U.S.C. 6621(a)(2)) for such period, from the time the payment by the United States was made to the time the adjustment is effected. In no case shall the Government recover costs greater than the increased cost to the Government, in the aggregate, on the relevant contracts subject to the price adjustment, unless the Contractor made a change in its cost accounting practices of which it was aware or should have been aware at the time of price negotiations and which it failed to disclose to the Government.

(b) If the parties fail to agree whether the Contractor or a subcontractor has complied with an applicable CAS in part 9904 or a CAS rule or regulation in part 9903 and as to any cost adjustment demanded by the United States, such failure to agree will constitute a dispute under the Contract Disputes Act (41 U.S.C. 601).

(c) The Contractor shall permit any authorized representatives of the Government to examine and make copies of any documents, papers, or records relating to compliance with the requirements of this clause.

(d) The Contractor shall include in all negotiated subcontracts which the Contractor enters into, the substance of this clause, except paragraph (b), and shall require such inclusion in all other subcontracts, of any tier, including the obligation to comply with all CAS in effect on the subcontractor's award date or if the subcontractor has submitted cost or pricing data, on the date of final agreement on price as shown on the subcontractor's signed Certificate of Current Cost or Pricing Data. If the subcontract is awarded to a business unit which pursuant to 9903.201-2 is subject to other types of CAS coverage, the substance of the applicable clause set forth in 9903.201-4 shall be inserted. This requirement shall apply only to negotiated subcontracts in excess of \$650,000, except that the requirement shall not apply to negotiated subcontracts otherwise exempt from the requirement to include a CAS clause as specified in 9903.201-1.

(End of Clause)

(b) [Reserved]

(c) *Disclosure and Consistency of Cost Accounting Practices.* (1) The Contracting Officer shall insert the clause set forth below, Disclosure and Consistency of Cost Accounting Practices, in negotiated contracts when the contract amount is over \$650,000 but less than \$50 million, and the offeror certifies it is eligible for and elects to use modified CAS coverage (see 9903.201-2, unless the clause prescribed in paragraph (d) of this subsection is used).

(2) The clause below requires the Contractor to comply with CAS 9904.401, 9904.402, 9904.405, and 9904.406, to disclose (if it meets certain requirements) actual cost accounting practices, and to follow consistently disclosed and established cost accounting practices.

Disclosure and Consistency of Cost Accounting Practices (June 2007)

(a) The Contractor, in connection with this contract, shall—

(1) Comply with the requirements of 9904.401, Consistency in Estimating, Accumulating, and Reporting Costs; 9904.402, Consistency in Allocating Costs Incurred for the Same Purpose; 9904.405, Accounting for Unallowable Costs; and 9904.406, Cost Accounting Standard—Cost Accounting Period, in effect on the date of award of this contract, as indicated in part 9904.

(2) (CAS-covered Contracts Only) If it is a business unit of a company required to submit a Disclosure Statement, disclose in writing its cost accounting practices as required by 9903.202-1 through 9903.202-5. If the Contractor has notified the Contracting Officer that the Disclosure Statement contains trade secrets and commercial or financial information which is privileged and confidential, the Disclosure Statement shall be protected and shall not be released outside of the Government.

(3)(i) Follow consistently the Contractor's cost accounting practices. A change to such practices may be proposed, however, by either the Government or the Contractor, and the Contractor agrees to negotiate with the Contracting Officer the terms and conditions under which a change may be made. After the terms and conditions under which the change is to be made have been agreed to, the change must be applied prospectively to this contract, and the Disclosure Statement, if affected, must be amended accordingly.

(ii) The Contractor shall, when the parties agree to a change to a cost accounting practice and the Contracting Officer has made the finding required in 9903.201-6(c) that the change is desirable and not detrimental to the interests of the Government, negotiate an equitable adjustment as provided in the Changes clause of this contract. In the absence of the required finding, no agreement may be made under this contract clause that will increase costs paid by the United States.

(4) Agree to an adjustment of the contract price or cost allowance, as appropriate, if the Contractor or a subcontractor fails to comply with the applicable CAS or to follow any cost accounting practice, and such failure results in any increased costs paid by the United States. Such adjustment shall provide for recovery of the increased costs to the United States, together with interest thereon computed at the annual rate established under section 6621(a)(2) of the Internal Revenue Code of 1986 (26 U.S.C. 6621(a)(2)) for such period, from the time the payment by the United States was made to the time the adjustment is effected.

(b) If the parties fail to agree whether the Contractor has complied with an applicable

CAS rule, or regulation as specified in parts 9903 and 9904 and as to any cost adjustment demanded by the United States, such failure to agree will constitute a dispute under the Contract Disputes Act (41 U.S.C. 601).

(c) The Contractor shall permit any authorized representatives of the Government to examine and make copies of any documents, papers, and records relating to compliance with the requirements of this clause.

(d) The Contractor shall include in all negotiated subcontracts, which the Contractor enters into, the substance of this clause, except paragraph (b), and shall require such inclusion in all other subcontracts of any tier, except that—

(1) If the subcontract is awarded to a business unit which pursuant to 9903.201–2 is subject to other types of CAS coverage, the substance of the applicable clause set forth in 9903.201–4 shall be inserted.

(2) This requirement shall apply only to negotiated subcontracts in excess of \$650,000.

(3) The requirement shall not apply to negotiated subcontracts otherwise exempt from the requirement to include a CAS clause as specified in 9903.201–1.

(End of clause)

(d) [Reserved]

(e) **Cost Accounting Standards—Educational Institutions.** (1) The contracting officer shall insert the clause set forth below, Cost Accounting Standards—Educational Institutions, in negotiated contracts awarded to educational institutions, unless the contract is exempted (see 9903.201–1), the contract is to be performed by an FFRDC (see 9903.201–2(c)(5)), or the provision at 9903.201–2(c)(6) applies.

(2) The clause below requires the educational institution to comply with all CAS specified in part 9905, to disclose actual cost accounting practices as required by 9903.202–1(f), and to follow disclosed and established cost accounting practices consistently.

Cost Accounting Standards—Educational Institutions (June 2007)

(a) Unless the contract is exempt under 9903.201–1 and 9903.201–2, the provisions of part 9903 are incorporated herein by reference and the Contractor in connection with this contract, shall—

(1) (CAS-covered Contracts Only) If a business unit of an educational institution required to submit a Disclosure Statement, disclose in writing the Contractor's cost accounting practices as required by 9903.202–1 through 9903.202–5 including methods of distinguishing direct costs from indirect costs and the basis used for accumulating and allocating indirect costs. The practices disclosed for this contract shall be the same as the practices currently disclosed and applied on all other contracts and subcontracts being performed by the Contractor and which contain a Cost Accounting Standards (CAS) clause. If the Contractor has notified the Contracting Officer that the Disclosure Statement

contains trade secrets, and commercial or financial information which is privileged and confidential, the Disclosure Statement shall be protected and shall not be released outside of the Government.

(2) Follow consistently the Contractor's cost accounting practices in accumulating and reporting contract performance cost data concerning this contract. If any change in cost accounting practices is made for the purposes of any contract or subcontract subject to CAS requirements, the change must be applied prospectively to this contract and the Disclosure Statement, if required, must be amended accordingly. If an accounting principle change mandated under Office of Management and Budget (OMB) Circular A–21, Cost Principles for Educational Institutions, requires that a change in the Contractor's cost accounting practices be made after the date of this contract award, the change must be applied prospectively to this contract and the Disclosure Statement, if required, must be amended accordingly. If the contract price or cost allowance of this contract is affected by such changes, adjustment shall be made in accordance with subparagraph (a)(4) or (a)(5) of this clause, as appropriate.

(3) Comply with all CAS, including any modifications and interpretations indicated thereto contained in 48 CFR part 9905, in effect on the date of award of this contract or, if the Contractor has submitted cost or pricing data, on the date of final agreement on price as shown on the Contractor's signed certificate of current cost or pricing data. The Contractor shall also comply with any CAS (or modifications to CAS) which hereafter become applicable to a contract or subcontract of the Contractor. Such compliance shall be required prospectively from the date of applicability to such contract or subcontract.

(4)(i) Agree to an equitable adjustment as provided in the Changes clause of this contract if the contract cost is affected by a change which, pursuant to subparagraph (a)(3) of this clause, the Contractor is required to make to the Contractor's established cost accounting practices.

(ii) Negotiate with the Contracting Officer to determine the terms and conditions under which a change may be made to a cost accounting practice, other than a change made under other provisions of subparagraph (a)(4) of this clause; provided that no agreement may be made under this provision that will increase costs paid by the United States.

(iii) When the parties agree to a change to a cost accounting practice, other than a change under subdivision (a)(4)(i) or (a)(4)(iv) of this clause, negotiate an equitable adjustment as provided in the Changes clause of this contract.

(iv) Agree to an equitable adjustment as provided in the Changes clause of this contract, if the contract cost is materially affected by an OMB Circular A–21 accounting principle amendment which, on becoming effective after the date of contract award, requires the Contractor to make a change to the Contractor's established cost accounting practices.

(5) Agree to an adjustment of the contract price or cost allowance, as appropriate, if the

Contractor or a subcontractor fails to comply with an applicable Cost Accounting Standard, or to follow any cost accounting practice consistently and such failure results in any increased costs paid by the United States. Such adjustment shall provide for recovery of the increased costs to the United States, together with interest thereon computed at the annual rate established under section 6621(a)(2) of the Internal Revenue Code of 1986 (26 U.S.C. 6621(a)(2)) for such period, from the time the payment by the United States was made to the time the adjustment is effected. In no case shall the Government recover costs greater than the increased cost to the Government, in the aggregate, on the relevant contracts subject to the price adjustment, unless the Contractor made a change in its cost accounting practices of which it was aware or should have been aware at the time of price negotiations and which it failed to disclose to the Government.

(b) If the parties fail to agree whether the Contractor or a subcontractor has complied with an applicable CAS or a CAS rule or regulation in 9903 and as to any cost adjustment demanded by the United States, such failure to agree will constitute a dispute under the Contract Disputes Act (41 U.S.C. 601).

(c) The Contractor shall permit any authorized representatives of the Government to examine and make copies of any documents, papers, or records relating to compliance with the requirements of this clause.

(d) The Contractor shall include in all negotiated subcontracts which the Contractor enters into, the substance of this clause, except paragraph (b), and shall require such inclusion in all other subcontracts, of any tier, including the obligation to comply with all applicable CAS in effect on the subcontractor's award date or if the subcontractor has submitted cost or pricing data, on the date of final agreement on price as shown on the subcontractor's signed Certificate of Current Cost or Pricing Data, except that—

(1) If the subcontract is awarded to a business unit which pursuant to 9903.201–2 is subject to other types of CAS coverage, the substance of the applicable clause set forth in 9903.201–4 shall be inserted; and

(2) This requirement shall apply only to negotiated subcontracts in excess of \$650,000.

(3) The requirement shall not apply to negotiated subcontracts otherwise exempt from the requirement to include a CAS clause as specified in 9903.201–1.

(End of clause)

■ 8. Section 9903.202–1 is amended by revising:

- A. Paragraph (c);
- B. Paragraph (f)(2)(i); and
- C. Paragraphs (f)(3)(i), (ii), and (iii)

The revisions read as follows:

9903.202–1 General requirements.

* * * * *

(c) When a Disclosure Statement is required, a separate Disclosure

Statement must be submitted for each segment whose costs included in the total price of any CAS-covered contract or subcontract exceed \$650,000, unless

* * *

(f) * * *

(2) * * *

(i) Any business unit of an educational institution that is selected to receive a CAS-covered contract or subcontract in excess of \$650,000 and is part of a college or university location listed in Exhibit A of Office of Management and Budget (OMB) Circular A-21 shall submit a Disclosure Statement before award. * * *

(3) * * *

(i) For business units that are selected to receive a CAS-covered contract or subcontract in excess of \$650,000 and are part of the first 20 college or university locations (i.e., numbers 1 through 20) listed in Exhibit A of OMB Circular A-21, Disclosure Statements shall be submitted within six months after the date of contract award.

(ii) For business units that are selected to receive a CAS-covered contract or subcontract in excess of \$650,000 and are part of a college or university location that is listed as one of the institutions numbered 21 through 50, in Exhibit A of OMB Circular A-21, Disclosure Statements shall be submitted during the six month period ending twelve months after the date of contract award.

(iii) For business units that are selected to receive a CAS-covered contract or subcontract in excess of \$650,000 and are part of a college or university location that is listed as one of the institutions numbered 51 through 99, in Exhibit A of OMB Circular A-21, Disclosure Statements shall be submitted during the six month period ending eighteen months after the date of contract award.

[FR Doc. E7-11328 Filed 6-13-07; 8:45 am]

BILLING CODE 3110-01-P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 648

RIN 0648-AT60

[Docket No. 061020273-7001-03; I.D. 010307A]

Fisheries of the Northeastern United States; Summer Flounder Fishery; Emergency Rule Extension

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and

Atmospheric Administration (NOAA), Commerce.

ACTION: Temporary rule; emergency action extended.

SUMMARY: NMFS is extending the revised summer flounder total allowable landings (TAL) implemented on January 19, 2007, until December 31, 2007, the end of the 2007 fishing year. This emergency rule extension specifies allowed harvest limits for both the commercial and recreational summer flounder fisheries. The TAL contained within this emergency rule extension continues the previous harvest limits for summer flounder that became effective on January 19, 2007, which superseded the harvest limits initially implemented on January 1, 2007. This action continues the prohibition on federally permitted commercial vessels landing summer flounder in Delaware in 2007 due to continued quota repayment of previous year's overages.

This emergency rule extension is necessary to maintain the increased 2007 summer flounder harvest levels previously found to be consistent with the Magnuson-Stevens Fishery Conservation and Management Reauthorization Act of 2006 (Reauthorized Magnuson-Stevens Act) through the end of the 2007 fishing year. Extending this emergency action will ensure continued compliance with regulations implementing the Summer Flounder, Scup, and Black Sea Bass Fishery Management Plan (FMP). In addition, this action will continue to ensure that fishing mortality rates (F) or exploitation rates, as specified in the FMP, are not exceeded.

DATES: Effective from July 18, 2007 through December 31, 2007.

ADDRESSES: Copies of the Supplemental Environmental Assessment are available from Patricia A. Kurkul, Regional Administrator, Northeast Region, National Marine Fisheries Service, One Blackburn Drive, Gloucester, MA 01930-2298. This document is also accessible via the Internet at <http://www.nero.noaa.gov>.

FOR FURTHER INFORMATION CONTACT: Michael P. Ruccio, Fishery Policy Analyst, (978) 281-9104.

SUPPLEMENTARY INFORMATION: Summer flounder is currently under a rebuilding plan. NMFS published a final rule containing the 2007 summer flounder TAL on December 14, 2006 (71 FR 75134). The 12.983-million-lb (5,889-mt) TAL in that rule became effective on January 1, 2007, which was a 45-percent decrease from the TAL specified for 2006.

Following the publication of the 2007 summer flounder TAL in the **Federal Register**, the Reauthorized Magnuson-Stevens Act was signed into law on January 12, 2007. Contained within the Reauthorized Magnuson-Stevens Act is a specific provision under section 120(a) that authorizes the Secretary of Commerce (Secretary) to extend the rebuilding time frame for summer flounder to no later than January 1, 2013, provided that several specific conditions are met. The Secretary must determine that:

1. Overfishing is not occurring in the summer flounder fishery and that a mechanism is in place to ensure overfishing does not occur in the fishery and stock biomass levels are increasing;

2. The biomass rebuilding target previously applicable to the summer flounder stock will be met or exceeded within the new time for rebuilding;

3. The extension period is based on the status and biology of the stock and the rate of rebuilding;

4. Monitoring will ensure rebuilding continues;

5. The extension meets the requirements of National Standard 1 found at section 301(a)(1) of the Magnuson-Stevens Act; and

6. The best scientific information available shows that the extension will allow continued rebuilding.

On behalf of the Secretary, NMFS previously determined that these six criteria had been met and that there is a reasonable basis to extend the summer flounder rebuilding time frame to no later than January 1, 2013. Based on these determinations, NMFS implemented an emergency rule, effective January 19, 2007 (72 FR 2458), to increase the TAL to 17.112 million lb (7,762 mt). The agency's decision to enact emergency rulemaking was consistent with the policy guidelines for the use of emergency rules published in the **Federal Register** on August 21, 1997 (62 FR 44421).

A detailed discussion of the Secretarial determinations made relative to section 120(a) of the revised Magnuson-Stevens Act appears in the initial emergency rule (72 FR 2458, January 19, 2007) and is not repeated here. The emergency rule TAL is based on the revised rebuilding time frame ending no later than January 1, 2013, which supersedes the previous TAL of 12.983 million lb (5,889 mt) that was based on a rebuilding period end date of January 1, 2010. The 17.112-million-lb (7,762-mt) TAL will continue to be allocated 10.27 million lb (4,658 mt) to the commercial sector and 6.84 million lb (3,104 mt) to the recreational sector under this extension. The commercial