

PART 31—CONTRACT COST PRINCIPLES AND PROCEDURES

2. Section 31.205–18 is amended in paragraph (a) by removing definitions for “Contractor”, “Covered contract”, “Covered segment”, and “Major contractor”; by revising paragraph (c) and the heading of paragraph (d); and adding paragraph (e)(3) to read as follows:

31.205–18 Independent research and development and bid and proposal costs.

* * * * *

(c) *Allowability*. Except as provided in paragraphs (d) and (e) of this subsection, or as provided in agency regulations, costs for IR&D and B&P are allowable as indirect expenses on contracts to the extent that those costs are allocable and reasonable.

(d) *Deferred IR&D costs*. * * *

* * * * *

(e) * * *
(3) Costs incurred in preparing, submitting, and supporting offers on potential cooperative arrangements are allowable to the extent they are allocable, reasonable, and not otherwise unallowable.

PART 42—CONTRACT ADMINISTRATION**Subpart 42.10 [Reserved]**

3. Subpart 42.10 is removed and reserved.

[FR Doc. 97–31821 Filed 12–8–97; 8:45 am]

BILLING CODE 6820–EP–P

DEPARTMENT OF DEFENSE**GENERAL SERVICES ADMINISTRATION****NATIONAL AERONAUTICS AND SPACE ADMINISTRATION****48 CFR Part 31**

[FAC 97–03; FAR Case 97–007; Item IX]

RIN 9000–AH76

Federal Acquisition Regulation; Travel Reimbursement

AGENCIES: Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

ACTION: Interim rule with request for comments.

SUMMARY: The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council have agreed on an interim rule amending the

Federal Acquisition Regulation (FAR) to increase from \$25 to \$75 the maximum travel expense amount that contractor personnel may claim without providing a supporting receipt. This regulatory action was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993, and is not a major rule under 5 U.S.C. 804.

DATES: *Effective:* December 9, 1997.

Comments: Comments should be submitted to the FAR Secretariat at the address shown below on or before February 9, 1998 to be considered in the formulation of a final rule.

ADDRESSES: Interested parties should submit written comments to:

General Services Administration, FAR Secretariat (MVR), 1800 F Street, NW., Room 4035, Washington, DC 20405

E-Mail comments submitted over the Internet should be addressed to:

farcase.97–007@gsa.gov

Please cite FAC 97–03, FAR case 97–007, in all correspondence related to this case.

FOR FURTHER INFORMATION CONTACT: The FAR Secretariat, Room 4035, GS Building, Washington, DC 20405, (202) 501–4755, for information pertaining to status or publication schedules. For clarification of content, contact Ms. Linda Nelson, Procurement Analyst, at (202) 501–1900. Please cite FAC 97–03, FAR case 97–007.

SUPPLEMENTARY INFORMATION:**A. Background**

On October 28, 1996, GSA published Federal Travel Regulation (FTR) Amendment 50, in the **Federal Register** (61 FR 55577), to streamline the process of travel reimbursement claims. One of the FTR changes was to raise, from \$25.00 to \$75.00, the maximum travel expense amount which may be claimed without the requirement for a supporting receipt.

In concert with the FTR change, this rule amends the cost principle at FAR 31.205–46 to increase, from \$25.00 to \$75.00, the threshold at which contractor personnel must provide a receipt to support travel expenditures.

B. Regulatory Flexibility Act

The interim rule is not expected 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 most contracts awarded to small entities use simplified acquisition procedures or are awarded on a competitive, fixed-price basis, and do not require application of the cost

principle contained in this rule. An Initial Regulatory Flexibility Analysis has, therefore, not been performed. Comments are invited from small businesses and other interested parties. Comments from small entities concerning the affected FAR subpart also will be considered in accordance with 5 U.S.C. 610. Such comments must be submitted separately and should cite 5 U.S.C. 601, *et seq.* (FAC 97–03, FAR case 97–007), in correspondence.

C. Paperwork Reduction Act

The Paperwork Reduction Act (Pub. L. 96–511) is deemed to apply because the interim rule contains information collection requirements. The collection of this information is currently cleared under Office of Management and Budget number 9000–0088. The increase in the receipt threshold is expected to reduce the existing burden hours. Copies of the form and supporting documents reducing the burden hours may be obtained from the FAR Secretariat. Estimated number of respondents: 5,800; responses per respondent: 10; total burden hours: 14,500; frequency of report: on occasion.

D. Determination to Issue an Interim Rule

A determination has been made under the authority of the Secretary of Defense (DOD), the Administrator of General Services (GSA), and the Administrator of the National Aeronautics and Space Administration (NASA) that urgent and compelling reasons exist to promulgate this interim rule without prior opportunity for public comment. This action is necessary to make the cost principle consistent with the newly revised Federal Travel Regulations and to remove the unnecessarily burdensome recordkeeping requirement for travel expenses between \$25.00 and \$75.00, as quickly as possible. However, pursuant to Public Law 98–577 and FAR 1.501, public comments received in response to this interim rule will be considered in the formation of the final rule.

List of Subjects in 48 CFR Part 31

Government procurement.

Dated: December 1, 1997.

Edward C. Loeb,

Director, Federal Acquisition Policy Division.

Therefore, 48 CFR Part 31 is amended as set forth below:

PART 31—CONTRACT COST PRINCIPLES AND PROCEDURES

1. The authority citation for 48 CFR Part 31 continues to read as follows:

Authority: 40 U.S.C. 486(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

2. Section 31.205-46 is amended by revising paragraph (a)(3)(iv) to read as follows:

31.205-46 Travel costs.

- (a) * * *
(3) * * *

(iv) Documentation to support actual costs incurred shall be in accordance with the contractor's established practices, subject to paragraph (a)(7) of this subsection, and provided that a receipt is required for each expenditure of \$75.00 or more. The approved justification required by paragraph (a)(3)(ii) and, if applicable, paragraph (a)(3)(iii) of this subsection must be retained.

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[FR Doc. 97-31822 Filed 12-8-97; 8:45 am]

BILLING CODE 6820-EP-P

DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Part 33

[FAC 97-03; FAR Case 97-009; Item X]

RIN 9000-AH81

Federal Acquisition Regulation; Protests to GAO

AGENCIES: Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

ACTION: Final rule.

SUMMARY: The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council have agreed on a final rule amending the Federal Acquisition Regulation (FAR) to conform with revisions to the General Accounting Office (GAO) Bid Protest Regulations. This regulatory action was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993, and is not a major rule under 5 U.S.C. 804.

EFFECTIVE DATE: February 9, 1998.

FOR FURTHER INFORMATION CONTACT: The FAR Secretariat, Room 4035, GS Building, Washington, DC 20405, (202) 501-4755, for information pertaining to status or publication schedules. For clarification of content, contact Mr. Jack O'Neill, Procurement Analyst, at (202) 501-3856. Please cite FAC 97-03, FAR case 97-009.

SUPPLEMENTARY INFORMATION:

A. Background

The GAO published a final rule amending its Bid Protest Regulations in the **Federal Register** on July 26, 1996 (61 FR 39039). Several conforming amendments to FAR Part 33 are necessary to reflect the current GAO Bid Protest Regulations. The definition of "day" in FAR 33.101 is amended to exclude Saturdays, Sundays, and Federal holidays from being counted if such day is the last day of the period after the act, event, or default. FAR 33.104 is amended to require agencies to include a best estimate of the contract value in an agency report of a protest; and to require agencies to provide to all parties, at least 5 days prior to the filing of a report, a list of documents the agency intends to release or withhold, and reasons for proposed withholding. The time within which agencies are required to provide additional documents requested by a protester is reduced from 5 to 2 days. The time within which protesters or other interested parties are required to furnish comments on an agency report is reduced from 14 to 10 days, or from 7 to 5 days if an express option is used; or, if a hearing is held, from 7 to 5 days. Language is added to require a protester to file its claim for costs with the contracting agency within 60 days after receipt of GAO's recommendation that the agency pay the protester its costs.

B. Regulatory Flexibility Act

The final rule does not constitute a significant FAR revision within the meaning of FAR 1.501 and Public Law 98-577, and publication for public comments is not required. However, comments from small entities concerning the affected FAR subpart will be considered in accordance with 5 U.S.C. 610. Such comments must be submitted separately and should cite 5 U.S.C. 601, *et seq.* (FAC 97-03, FAR case 97-009), in correspondence.

C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the changes to the FAR do not impose recordkeeping or information collection requirements, or collections of information from offerors, contractors, or members of the public which 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 33

Government procurement.

Dated: December 1, 1997.

Edward C. Loeb,

Director, Federal Acquisition Policy Division.

Therefore, 48 CFR part 33 is amended as set forth below:

PART 33—PROTESTS, DISPUTES, AND APPEALS

1. The authority citation for 48 CFR part 33 continues to read as follows:

Authority: 40 U.S.C. 486(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

33.101 [Amended]

2. Section 33.101 is amended in paragraph (b)(1) under the definition of "Day" by removing the word "legal" and inserting "Federal" in its place; and by removing paragraph (c).

3. Section 33.104 is amended by—

- a. Redesignating (a)(3)(iii) as (a)(3)(iv), and adding a new (a)(3)(iii);
- b. Revising newly designated (a)(3)(iv)(B); removing (a)(3)(iv)(C); redesignating (a)(3)(iv)(D) as (a)(3)(iv)(C);
- c. Replacing "5" with "2" in paragraphs (a)(4)(ii)(A) and (a)(4)(ii)(B);
- d. Replacing "14" with "10" and "7" with "5" each time it appears in paragraph (a)(6);
- e. Adding "the agency" before the word "report" in the third sentence of paragraph (e);
- f. Revising paragraph (h) to read as follows:

33.104 Protests to GAO.

* * * * *

- (a) * * *
(3) * * *

(iii) At least 5 days prior to the filing of the report, in cases in which the protester has filed a request for specific documents, the agency shall provide to all parties and the GAO a list of those documents, or portions of documents, that the agency has released to the protester or intends to produce in its report, and those documents that the agency intends to withhold from the protester and the reasons for the proposed withholding. Any objection to the scope of the agency's proposed disclosure or nondisclosure of the documents must be filed with the GAO and the other parties within 2 days after receipt of this list.

- (iv) * * *
(A) * * *

(B) The contracting officer's signed statement of relevant facts, including a best estimate of the contract value, and a memorandum of law. The contracting officer's statement shall set forth findings, actions, and recommendations, and any additional evidence or information not provided in the protest