1135 emergency period begins or by July 1 of each year.

(iii) *Exemption from the Shared Rotational Arrangement Requirement.* During the effective period of the emergency Medicare GME affiliation agreement, hospitals in the emergency Medicare GME affiliated group are not required to participate in a shared rotational arrangement as defined at § 413.75(b).

(iv) *Host Hospital Exception from the Rolling Average for the Period from August 29, 2005 to June 30, 2006.* To determine the FTE resident count for a host hospital that is training residents in excess of its cap, a two step process will be applied. First, subject to the limit at paragraph (f)(6)(i)(D) of this section, a host hospital is to exclude the displaced FTE residents that are counted by a host hospital in excess of the hospital's cap pursuant to an emergency Medicare GME affiliation agreement from August 29, 2005, to June 30, 2006, from the current year's FTE resident count before applying the three-year rolling averaging rules under § 413.75 (d) to calculate the average FTE resident count. Second, the displaced FTE residents that are counted by the host hospital in excess of the host hospital's cap pursuant to an emergency Medicare GME affiliation agreement from August 29, 2005, to June 30, 2006, are added to the hospital's 3-year rolling average FTE resident count to determine the host hospital's FTE resident count for payment purposes.

* * * * *

(Catalog of Federal Domestic Assistance Program No. 93.778, Medical Assistance Program)

(Catalog of Federal Domestic Assistance Program No. 93.773, Medicare—Hospital Insurance; and Program No. 93.774, Medicare—Supplementary Medical Insurance Program)

Dated: March 31, 2006.

Mark B. McClellan,

Administrator, Centers for Medicare & Medicaid Services.

Approved: April 4, 2006.

Michael O. Leavitt,

Secretary.

[FR Doc. 06–3492 Filed 4–7–06; 3 pm]

BILLING CODE 4120–01–P

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Parts 63 and 64

[IB Docket No. 04–226; FCC 05–91]

Mandatory Electronic Filing for International Telecommunications Services and Other International Filings

AGENCY: Federal Communications Commission.

ACTION: Final rule, announcement of effective date.

SUMMARY: This document announces the effective date of the rules published in the **Federal Register** on July 6, 2005. The rules eliminate paper filings and require applicants to file electronically all applications and other filings related to international telecommunications services that can be filed through the International Bureau Filing System (IBFS).

DATES: The amendments to 47 CFR 63.19(d), 63.21(a), 63.21(h), 63.21(i), 63.25(b), 63.25(c), 63.25(e), 63.53(a)(1), 63.53(a)(2), 63.701 introductory text and (j); 64.1001(a), 64.1001(f), 64.1002(c) and 64.1002(e) published at 70 FR 38795, July 6, 2005 are effective April 12, 2006.

FOR FURTHER INFORMATION CONTACT: Peggy Reitzel or JoAnn Ekblad, Policy Division, International Bureau, (202) 418–1460.

SUPPLEMENTARY INFORMATION: On May 11, 2005 the Commission released a Report and Order, a summary of which was published in the **Federal Register**. *See* 70 FR 38795 (July 6, 2005). We stated that the rules were effective on August 5, 2005 except for 47 CFR 63.19(d), 63.21(a), 63.21(h), 63.21(i), 63.25(b), 63.25(c), 63.25(e), 63.53(a)(1), 63.53(a)(2), 63.701 introductory text and (j); 64.1001(a), 64.1001(f), 64.1002(c) and 64.1002(e) which required approval by the Office of Management and Budget (OMB). The information collection requirements were approved by OMB. (See OMB Nos. 3060–0357, 3060–0454, 3060–0686, 3060–0944, 3060–1028, 3060–1029.) This publication satisfies our statement that the Commission would publish a document announcing the effective date of the rules.

Federal Communications Commission.

Marlene H. Dortch,

Secretary.

[FR Doc. 06–3506 Filed 4–11–06; 8:45 am]

BILLING CODE 6712–01–P

DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

48 CFR Part 212

[DFARS Case 2003–D106]

Defense Federal Acquisition Regulation Supplement; Transition of Weapons-Related Prototype Projects to Follow-On Contracts

AGENCY: Defense Acquisition Regulations System, Department of Defense (DoD).

ACTION: Final rule.

SUMMARY: DoD has adopted as final, with changes, an interim rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to implement Section 847 of the National Defense Authorization Act for Fiscal Year 2004. Section 847 authorizes DoD to carry out a pilot program that permits the use of streamlined contracting procedures for the production of items or processes begun as prototype projects under other transaction agreements.

DATES: *Effective Date:* April 12, 2006.

FOR FURTHER INFORMATION CONTACT: Ms. Robin Schulze, Defense Acquisition Regulations System, OUSD (AT&L) DPAP (DARS), IMD 3C132, 3062 Defense Pentagon, Washington, DC 20301–3062. Telephone (703) 602–0326; facsimile (703) 602–0350. Please cite DFARS Case 2003–D106.

SUPPLEMENTARY INFORMATION:

A. Background

DoD published an interim rule at 69 FR 63329 on November 1, 2004, to implement Section 847 of the National Defense Authorization Act for Fiscal Year 2004 (Pub. L. 108–136). Section 847 authorizes DoD to carry out a pilot program for follow-on contracting for the production of items or processes begun as prototype projects under other transaction agreements. Contracts and subcontracts awarded under the program may be treated as those for the acquisition of commercial items; and items or processes acquired under the program may be treated as developed in part with Federal funds and in part at private expense for purposes of negotiating rights in technical data.

One association submitted comments on the interim rule. A discussion of the comments is provided below.

1. *Comment: Definition of nontraditional defense contractor.* The respondent noted that the definition in the rule is consistent with the statutory definition at 10 U.S.C. 2173, but stated

that the term ''performed on'' in paragraph (2) of the definition could be interpreted to include commercial subcontractors that ''performed on'' traditional defense contractors' prime contracts; this would inappropriately exclude those contractors from the pilot program. The respondent recommended revising paragraph (2)(ii) of the definition to clarify that only contracts with Federal agencies subject to the FAR for both prototype projects and basic, applied, or advanced research projects will be considered in the determination of a nontraditional defense contractor, because the current language could be interpreted to include contracts not subject to the FAR.

DoD Response: The definition in the DFARS rule is consistent with the definition provided in the statute, and the terminology referenced by the respondent (i.e., ''performed on'') is identical to terminology used by DoD in related longstanding policy and guidance (e.g., DoD's audit policy for prototype projects that use other transaction authority (32 CFR part 3) and DoD's Other Transactions Guide for Prototype Projects). DoD is unaware of any issues with its interpretation and believes that revising the definition could cause unnecessary confusion. If a contractor has entered into another transaction agreement and has not, for a period of at least 1 year prior to the date of the other transaction agreement, been a direct party to a contract (prime or subcontract) that was subject to full cost accounting standards coverage or one that exceeded $500,000 to carry out prototype projects or to perform basic, applied, or advanced research projects for a Federal agency that is subject to the FAR, the contractor qualifies as a nontraditional defense contractor.

2. *Comment: Qualifying subcontracts.* The respondent stated that the interim rule incorrectly interprets the statute to mean that both the prime contract and the subcontract must qualify in order for the subcontract to be treated as a subcontract for a commercial item.

DoD Response: The statute does not require that the prime contract also qualify; it only requires that the prime contract be a contract for the prototype items or processes, which means a prime contract that includes the prototype item or process, rather than one that is only for the prototype items or processes. DoD has amended the rule to be consistent with the statute.

3. *Comment: Guidance on using fixed-price contracts.* The respondent stated that the use of firm-fixed-price contracts or fixed-price contracts with economic price adjustment, as required by the statute, can be very difficult for the first production contract and recommended providing high level guidance for (i) adequately defining performance, including addressing difficult-to-quantify risks expressly; (ii) using interim fixed-price milestones and considering allowing later milestones to be priced during performance as more knowledge is gained; and (iii) ensuring that payments, including incentives, are linked to achieving clearly defined cost and technical performance objectives.

DoD Response: Issues related to contract type are not unique to the application of this statutory authority and are outside the scope of this case.

4. *Comment: Treating intellectual property flexibly.* The respondent stated that the final rule should expressly state that the statute reconfirms the existing authority at DFARS 227.7103–5(d) and 227.7103–1(a), since contracting officers already have the authority to negotiate the minimum rights needed to satisfy the agency's needs. The respondent also stated that the final rule should expressly state that contractors are not required to change their accounting practices if the Government uses this authority to agree to deem the funding mixed, since the fact that the contractor allocates no private funding to a ''deemed'' mixed funding project should not be grounds to question costs or the ''deemed'' mixed funding status.

DoD Response. DoD does not believe it is necessary to expressly reconfirm this policy. However, DoD has amended the rule to add cross-references to the appropriate sections. Adding these cross-references introduced some potential confusion regarding the distinction between delivery requirements and license rights. To clarify this distinction, the text on delivery requirements (at 212.7003(d) of the interim rule) has been relocated to 212.7003(a), including cross-references; and the text on license rights in 212.7003 has been included in a new paragraph (b). To further clarify that 212.7003 covers both delivery requirements and license rights, additional changes were made to the heading and introductory text of 212.7003, and to the cross-references in 212.7002–1(b) and 212.7002–2(b).

It is unnecessary to expressly state that contractors are not required to change their accounting practices when the Government uses this statutory authority, and the statute does not mandate that these technologies will be ''deemed'' as mixed funding in all cases. However, the comment highlights potential confusion created by the interim rule using the statute's permissive statement that data/software acquired under contracts awarded using this authority ''may be treated'' as mixed funding (former 212.7003 introductory text), combined with imperative language that directs negotiation of special license rights ''* * * in view of the parties'' relative contributions to the development of the items or processes'' (former 212.7003(d)). To clarify the intent of the rule, the introductory text at 212.7003 has been revised to state that there shall be a rebuttable presumption of mixed funding, and 212.7003(b)(4) has been revised to specify when special license rights should be negotiated, with cross-references to the existing DFARS policy regarding such negotiations. This approach preserves many of the efficiencies of the ''normal'' procedures for acquiring commercial technologies (e.g., a rebuttable presumption regarding the most likely funding profiles and their associated license rights), while preserving the parties' ability to establish more appropriate license rights when the presumption is not accurate or equitable (e.g., by negotiating special license rights, or by using the validation of restrictive marking procedures).

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 has prepared a final regulatory flexibility analysis consistent with 5 U.S.C. 604. A copy of the analysis may be obtained from the point of contact specified herein. The analysis is summarized as follows:

This rule amends the DFARS to implement Section 847 of the National Defense Authorization Act for Fiscal Year 2004. Section 847 authorizes DoD to carry out a pilot program for follow-on contracting for the production of items or processes begun as prototype projects under other transaction agreements. Contracts and subcontracts awarded under the program may be treated as those for the acquisition of commercial items; and items or processes acquired under the program may be treated as developed in part with Federal funds and in part at private expense for purposes of negotiating rights in technical data.

DoD received no public comments with regard to the impact of the rule on small entities. As a result of comments received on other aspects of the interim rule, the final rule contains changes that clarify the types of subcontracts that may be treated as ''commercial'' under the pilot program, and contains changes that clarify the distinction between delivery requirements and license rights for technical data and computer

software for items or processes acquired under the program.

The commercial procedures authorized by the rule are intended to ease the transition of nontraditional defense contractors from other transactions agreements to standard DoD contracts and, therefore, are expected to improve opportunities for such entities to receive DoD contract awards. In fiscal year 2005, DoD awarded 78 other transaction agreements totaling $150 million in value. Of these, 22 were awarded to small business concerns, totaling approximately $40 million in value.

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 212

Government procurement.

Michele P. Peterson,

Editor, Defense Acquisition Regulations System.

■ Accordingly, the interim rule amending 48 CFR part 212, which was published at 69 FR 63329 on November 1, 2004, is adopted as a final rule with the following changes:

PART 212—ACQUISITION OF COMMERCIAL ITEMS

■ 1. The authority citation for 48 CFR part 212 continues to read as follows:

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

■ 2. Section 212.7002–1 is amended by revising paragraph (b) to read as follows:

212.7002–1 Contracts under the program.

* * * * *

(b) See 212.7003 for special procedures pertaining to technical data and computer software.

■ 3. Sections 212.7002–2 and 212.7003 are revised to read as follows:

212.7002–2 Subcontracts under the program.

(a) A subcontract for an item or process that does not meet the definition of ''commercial item'' may be treated as a subcontract for a commercial item, if the subcontract—

(1) Is for the production of an item or process begun as a prototype project under an other transaction agreement;

(2) Does not exceed $50,000,000;

(3) Is awarded on or before September 30, 2008;

(4) Is awarded to a nontraditional defense contractor; and

(5) Is either—

(i) A firm-fixed-price subcontract; or

(ii) A fixed-price subcontract with economic price adjustment.

(b) See 212.7003 for special procedures pertaining to technical data and computer software.

212.7003 Technical data and computer software.

For purposes of establishing delivery requirements and license rights for technical data under 227.7102 and for computer software under 227.7202, there shall be a rebuttable presumption that items or processes acquired under a contract or subcontract awarded in accordance with 212.7002 were developed in part with Federal funds and in part at private expense (i.e., mixed funding).

(a) *Delivery requirements.* Acquire only the technical data and computer software that are necessary to satisfy agency needs. Follow the requirements at 227.7103–1 and 227.7103–2 for technical data, and 227.7203–1 and 227.7203–2 for computer software.

(b) *License rights.* Acquire only the license rights in technical data and computer software that are necessary to satisfy agency needs.

(1) For technical data, use the clauses at 252.227–7013, Rights in Technical Data—Noncommercial Items, and 252.227–7037, Validation of Restrictive Markings on Technical Data.

(2) For computer software, use the clauses at 252.227–7014, Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation, and 252.227–7019, Validation of Asserted Restrictions—Computer Software.

(3) Require the contractor to include the clauses prescribed by paragraphs (b)(1) and (2) of this section in subcontracts awarded in accordance with 212.7002–2.

(4) When the standard license rights for items or processes developed with mixed funding do not provide the minimum rights necessary to satisfy agency needs, negotiate for special license rights in accordance with 227.7103–5(d) and 227.7203–5(d).

[FR Doc. 06–3455 Filed 4–11–06; 8:45 am]

BILLING CODE 5001–08–P

DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

48 CFR Part 222

[DFARS Case 2003–D019]

Defense Federal Acquisition Regulation Supplement; Labor Laws

AGENCY: Defense Acquisition Regulations System, Department of Defense (DoD).

ACTION: Final rule.

SUMMARY: DoD has issued a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to update text regarding the application of labor laws to Government contracts. This rule is a result of a transformation initiative undertaken by DoD to dramatically change the purpose and content of the DFARS.

DATES: *Effective Date:* April 12, 2006.

FOR FURTHER INFORMATION CONTACT: Mr. Euclides Barrera, Defense Acquisition Regulations System, OUSD (AT&L) DPAP (DARS), IMD 3C132, 3062 Defense Pentagon, Washington, DC 20301–3062. Telephone (703) 602–0326; facsimile (703) 602–0350. Please cite DFARS Case 2003-D019.

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 final rule is a result of the DFARS Transformation initiative. The DFARS changes—

- Update text addressing labor requirements and labor relations matters that affect DoD contracts; and
- Delete text addressing procedures for referral of labor relations matters to the appropriate authorities; for reporting labor disputes and the impact of those disputes on DoD requirements; for