

- Deletes unnecessary cross-references at DFARS 204.402(1) and 204.902(b).

- Deletes text on security requirements and IRS reporting requirements at DFARS 204.402(2) and 204.904, respectively, as these requirements are adequately addressed in the FAR or elsewhere in the DFARS.

DoD published a proposed rule at 70 FR 19037 on April 12, 2005. DoD received comments from one respondent. The respondent agreed with the proposed change to DFARS 204.101, Contracting officer's signature, and the deletion of DFARS 204.904, Reporting payment information to the IRS. However, the respondent disagreed with deletion of the text at DFARS 204.402 addressing the contractor's obligations regarding the protection of a DoD employee's work product. The respondent stated that deletion of this text could lead contractor personnel to believe that a contractor's procedures trump the security requirements of a DoD employee. DoD does not believe that deletion of the text at DFARS 204.402 will present such a problem, because the clause at DFARS 252.204-7003, Control of Government Personnel Work Product, contains similar text, and that clause is included in all solicitations and contracts in accordance with DFARS 204.404-70(b). Therefore, DoD has adopted the proposed rule as a final rule without change.

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 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 the rule updates and streamlines DFARS text, but makes no significant change to DoD contracting policy.

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 204

Government procurement.

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

■ Therefore, 48 CFR part 204 is amended as follows:

■ 1. The authority citation for 48 CFR part 204 continues to read as follows:

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

PART 204—ADMINISTRATIVE MATTERS

■ 2. Section 204.101 is revised to read as follows:

204.101 Contracting officer's signature.

Follow the procedures at PGI 204.101 for signature of contract documents.

■ 3. Section 204.402 is revised to read as follows:

204.402 General.

DoD employees or members of the Armed Forces who are assigned to or visiting a contractor facility and are engaged in oversight of an acquisition program will retain control of their work products, both classified and unclassified.

204.902 [Amended]

■ 4. Section 204.902 is amended in paragraph (b) by removing the parenthetical "(see 204.670)".

204.904 [Removed]

■ 5. Section 204.904 is removed.

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DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

48 CFR Part 204

[DFARS Case 2003-D082]

Defense Federal Acquisition Regulation Supplement; Uniform Contract Line Item Numbering

AGENCY: Defense Acquisition Regulation 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 addressing uniform line item numbering in DoD 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:* February 23, 2006.

FOR FURTHER INFORMATION CONTACT: Ms. Deborah Tronic, Defense Acquisition Regulations System, OUSD (AT&L) DPAP (DARS), IMD 3C132, 3062 Defense Pentagon, Washington, DC 20301-3062. Telephone (703) 602-0289; facsimile (703) 602-0350. Please cite DFARS Case 2003-D082.

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 rule:

- Eliminates certain exceptions to requirements for uniform contract line item numbering at DFARS 204.7102, to promote standardization in contract writing; and

- Deletes procedures for use and numbering of contract exhibits and attachments at DFARS 204.7105. This text has been relocated to the new DFARS companion resource, Procedures, Guidance, and Information, available at <http://www.acq.osd.mil/dpap/dars/pgi>.

DoD published a proposed rule at 70 FR 19036 on April 12, 2005. Two respondents submitted comments on the proposed rule. A discussion of the comments follows:

1. *Comment:* DoD should not eliminate the option of using exhibits and attachments, as these are useful tools for the contracting officer.

DoD Response: The rule does not eliminate the use of exhibits and attachments. They are still permitted and are addressed in Subpart 204.71 of the DFARS companion resource, Procedures, Guidance, and Information.

2. *Comment:* DoD should add guidance on the structuring of contract line items and subline items under performance-based contracts.

DoD Response: The recommendation is considered to be outside the scope of this DFARS case. Therefore, DoD has made no change to the rule as a result of this comment.

DoD has adopted the proposed rule as a final rule without change.

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 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 the rule pertains only to DoD administrative procedures for numbering of contract line items, exhibits, and attachments.

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 204

Government procurement.

Michele P. Peterson,

Editor, Defense Acquisition Regulations System.

■ Therefore, 48 CFR Part 204 is amended as follows:

■ 1. The authority citation for 48 CFR Part 204 continues to read as follows:

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

PART 204—ADMINISTRATIVE MATTERS

■ 2. Section 204.7102 is revised to read as follows:

204.7102 Policy.

(a) The numbering procedures of this subpart shall apply to all—

- (1) Solicitations;
- (2) Solicitation line and subline item numbers;
- (3) Contracts as defined in FAR Subpart 2.1;
- (4) Contract line and subline item numbers;
- (5) Exhibits;
- (6) Exhibit line and subline items; and
- (7) Any other document expected to become part of the contract.

(b) The numbering procedures are mandatory for all contracts where separate contract line item numbers are assigned, unless—

- (1) The contract is an indefinite-delivery type for petroleum products

against which posts, camps, and stations issue delivery orders for products to be consumed by them; or

(2) The contract is a communications service authorization issued by the Defense Information Systems Agency's Defense Information Technology Contracting Organization.

■ 3. Section 204.7105 is revised to read as follows:

204.7105 Contract exhibits and attachments.

Follow the procedures at PGI 204.7105 for use and numbering of contract exhibits and attachments.

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DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

48 CFR Part 212

Defense Federal Acquisition Regulation Supplement; Technical Amendment

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

ACTION: Final rule.

SUMMARY: DoD is making a technical amendment to the Defense Federal Acquisition Regulation Supplement (DFARS) to update a cross-reference within the DFARS text.

DATES: *Effective Date:* February 23, 2006.

FOR FURTHER INFORMATION CONTACT: Ms. Michele Peterson, Defense Acquisition Regulations System, OUSD (AT&L) DPAP (DARS), IMD 3C132, 3062 Defense Pentagon, Washington, DC 20301-3062. Telephone (703) 602-0311; facsimile (703) 602-0350.

List of Subjects in 48 CFR Part 212

Government procurement.

Michele P. Peterson,

Editor, Defense Acquisition Regulations System.

■ Therefore, 48 CFR part 212 is amended as follows:

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.

212.301 [Amended]

■ 2. Section 212.301 is amended in paragraph (f)(ii), in the second sentence, by removing “(see 225.770-3)” and adding in its place “(see 225.670-3)”.

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DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

48 CFR Parts 225 and 252

RIN 0750-AF29

Defense Federal Acquisition Regulation Supplement; Trade Agreements Thresholds and Morocco Free Trade Agreement (DFARS Case 2005-D017)

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

ACTION: Interim rule with request for comments.

SUMMARY: DoD has issued an interim rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to incorporate increased thresholds for application of the World Trade Organization Government Procurement Agreement and the Free Trade Agreements, as determined by the United States Trade Representative. The rule also implements a new Free Trade Agreement with Morocco and amends the list of end products that are subject to trade agreements.

DATES: *Effective Date:* February 23, 2006.

Comment date: Comments on the interim rule should be submitted in writing to the address shown below on or before April 24, 2006, to be considered in the formation of the final rule.

ADDRESSES: You may submit comments, identified by DFARS Case 2005-D017, 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-D017 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.