

database does not contain the applicable wage determination for a DBA contract action, the CO must request a wage determination by submitting SF-308 to DOL.

The WDOL and e98 processes replace the paper Standard Forms 98 and 98a. In addition, Standard Forms 99, 98, and 98a are deleted from FAR Part 53. This interim rule also incorporates new geographical jurisdictions for DOL's Wage and Hour Regional Offices and eliminates FAR references to the Government Printing Office (GPO) publication of general wage determinations.

**Item V—Free Trade Agreements—El Salvador, Honduras, and Nicaragua (FAR Case 2006-006) (Interim)**

This interim rule allows contracting officers to purchase the goods and services of El Salvador, Honduras, and Nicaragua without application of the Buy American Act, if the acquisition is subject to the Free Trade Agreements. The U.S. Trade Representative negotiated the Dominican Republic—Central America-United States Free Trade Agreement with Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic. However, the agreements will not all take effect at the same time. This agreement with El Salvador, Honduras, and Nicaragua joins the North American Free Trade Agreement (NAFTA) and the Australia, Chile, Morocco, and Singapore Free Trade Agreements which are already in the FAR. The threshold for applicability of the Dominican Republic—Central America—United States Free Trade Agreement is \$64,786 for supplies and services (the same as other Free Trade Agreements to date except Morocco and Canada) and \$7,407,000 for construction (the same as all other Free Trade Agreements to date except NAFTA).

**Item VI—Buy-Back of Assets (FAR Case 2004-014)**

This final rule amends the Federal Acquisition Regulation (FAR) contract cost principle for depreciation costs. The final rule adds language which addresses the allowability of depreciation costs of reacquired assets involved in a sale and leaseback arrangement.

**Item VII—Technical Amendments**

Editorial changes are made at FAR 8.714, 33.102, and 52.225-11 in order to update references.

Dated: June 20, 2006.

**Ralph De Stefano,**

*Director, Contract Policy Division.*

**Federal Acquisition Circular**

Federal Acquisition Circular (FAC) 2005-10 is issued under the authority of the Secretary of Defense, the Administrator of General Services, and the Administrator for the National Aeronautics and Space Administration.

Unless otherwise specified, all Federal Acquisition Regulation (FAR) and other directive material contained in FAC 2005-10 is effective, July 28, 2006 except for Items IV, V, and VII which are effective June 28, 2006.

Dated: June 19, 2006.

**Shay D. Assad,**

*Director, Defense Procurement and Acquisition Policy.*

Dated: June 20, 2006.

**Roger D. Waldron,**

*Acting Senior Procurement Executive, Office of the Chief Acquisition Officer, General Services Administration.*

Dated: June 19, 2006.

**Tom Luedtke,**

*Assistant Administrator for Procurement, National Aeronautics and Space Administration.*

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**DEPARTMENT OF DEFENSE**

**GENERAL SERVICES ADMINISTRATION**

**NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

**48 CFR Parts 2, 4, and 52**

**[FAC 2005-10; FAR Case 2005-007; Item I; Docket 2006-0020, Sequence 9]**

**RIN 9000-AK33**

**Federal Acquisition Regulation; FAR Case 2005-007, Central Contractor Registration—Taxpayer Identification Number (TIN) Validation**

**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 (Councils) have agreed on a final rule amending the Federal Acquisition Regulation (FAR) to include the process of validating a Central Contractor Registration (CCR) registrant's taxpayer

identification number (TIN) with the Internal Revenue Service (IRS) to improve the quality of data in the Federal procurement system. Additionally, the amendment removes outdated language requiring modifications of contracts prior to December 31, 2003, regarding CCR.

**DATES:** *Effective Date:* July 28, 2006.

**FOR FURTHER INFORMATION CONTACT:** For clarification of content, contact Mr. Michael O. Jackson, Procurement Analyst, at (202) 208-4949. Please cite FAC 2005-10, FAR case 2005-007. For information pertaining to status or publication schedules, contact the FAR Secretariat at (202) 501-4755.

**SUPPLEMENTARY INFORMATION:**

**A. Background**

Vendor registration in the CCR as a pre-requisite for receiving a contract has been required in the Department of Defense since 1998, and in civilian agencies since 2003. Since CCR's inception, validation of a registrant's TIN with the IRS has been contemplated in order to improve the quality of data throughout the Federal procurement system. This capability, although actively pursued, was never implemented as the Internal Revenue Code (I.R.C.) restricted disclosure of TINs without the taxpayer's consent, which due to technology at the time, would have been costly and inefficient to pursue. However, in its Fall 2004 "Report to Senate Committee on Governmental Affairs Permanent Subcommittee on Investigations," the Federal Contractor Tax Compliance Task Force (which included the Office of Management and Budget, the Department of Treasury, the Department of Defense, the General Services Administration, the Department of Justice, and the IRS) recommended that "... a consent-based TIN validation under I.R.C. § 6103 should be instituted." The capability for an event driven, near real-time, or real-time, web-based solution integrating the CCR with an IRS validation is now possible due to advances in technology. The Task Force recommended updating the FAR to specifically identify the validation of the TIN as a part of CCR registration. In August 2005, a computer matching agreement was established between the IRS, as manager of the TIN database; GSA, as manager of the Integrated Acquisition Environment (IAE) Federal eGov initiative; and DOD, as executive agent for CCR.

Additionally, FAR Subpart 4.11, Central Contractor Registration, contains language that was included when this subpart was implemented in the FAR in

2003. This outdated language required modifications of contracts by December 31, 2003, to include CCR registration requirements. As this date is past, the case removes the associated language.

This final rule amends the Federal Acquisition Regulation by—

1. Modifying Subpart 2.101 to indicate that the validation requirement for “registered in CCR” includes TIN matching.

2. Removing FAR section 4.1103(a)(3), (a)(3)(i)-(ii) and a part of 4.1104 to remove the language requiring action by December 31, 2003.

3. Adding detail to FAR 52.204–7, Central Contractor Registration, to specifically identify validation of the TIN as a part of the definition “Registered in the CCR Database,” and to indicate that consent is part of that process.

4. Removing Alternate I to FAR 52.204–7, Central Contractor Registration.

DoD, GSA, and NASA published a proposed rule in the **Federal Register** at 70 FR 60782, October 19, 2005. The Councils received two public comments in response to the proposed rule.

1. *Comment:* One commenter indicated that the language in the preamble under the Summary paragraph should read: “... CCR) registrant’s taxpayer identification number with the Internal Revenue Service to improve the quality of data in both the CCR and the Federal Procurement Data System—Next Generation (FPDS-NG)”

Vice the original language: “... CCR) registrant’s taxpayer identification number with the Internal Revenue Service to improve data accuracy in the Federal procurement system.”

*Disposition:* The Councils agree that the rule improves the quality of data. For clarification, FPDS-NG does not retain the Taxpayer Identification Number (TIN), and the validation process does not involve the FPDS-NG system.

2. *Comment:* One commenter suggested that the General Services Administration include a mechanism to be used in the event that an employer is unable to receive validation for its taxpayer identification number (TIN) during the Central Contractor Registration (CCR) process. He stated a conditional registration may be in order until the contractor in concert with the GSA and IRS can determine the error. If a contractor is unable to obtain the TIN validation, a process for resolving the matter should be laid out for them online. A conditional registration should be allowed for participation in a bid so long as the contractor can show

the TIN was valid at the time it applied for registration. Due to potential delays involving the interaction of two major agency computer systems, it seems reasonable that some safeguard should be in place for contractors, especially first time registrants that are likely to be smaller firms. The commenter asked that this issue be addressed by the Councils in its final rulemaking.

*Disposition:* The intent of the rule is to make sure that the TIN an entity places in CCR is the same one that is designated by the IRS. A new CCR registration takes approximately 48 hours to process. Vendors with questions or comments relating to TIN matching or the registration process may contact the CCR Assistance Center at <http://www.ccr.gov/help.asp> or 888–227–2423. Vendors with general questions relating to TINs, or questions relating to a specific TIN, should contact the IRS. The Council will suggest the resolution of registration delays due to TIN matching to be addressed online in the CCR FAQs. While contractors may not receive an award without a valid CCR registration (see FAR 4.1102(a)), they may participate in the bid process, which the Councils deem to be an adequate mechanism.

This is not a significant regulatory action and, therefore, was not subject to review under Section 6(b) of Executive Order 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

**B. Regulatory Flexibility Act**

The Department of Defense, the General Services Administration, and the National Aeronautics and Space Administration certify 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.*, as no new requirements are being placed on the vendor community. No comments on this issue were received from small business concerns or other interested parties.

**C. Paperwork Reduction Act**

The Paperwork Reduction Act does not apply because the changes to the FAR do not impose 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 Parts 2, 4, and 52**

Government procurement.

Dated: June 20, 2006.

**Ralph De Stefano,**  
*Director, Contract Policy Division.*

■ Therefore, DoD, GSA, and NASA amend 48 CFR parts 2, 4, and 52 as set forth below:

■ 1. The authority citation for 48 CFR parts 2, 4, and 52 continues to read as follows:

**Authority:** 40 U.S.C. 121(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

**PART 2—DEFINITIONS OF WORDS AND TERMS**

■ 2. Amend section 2.101 in paragraph (b)(2) by revising paragraph (2) of the definition “Registered in the CCR database” to read as follows:

**2.101 Definitions.**

\* \* \* \* \*

(b) \* \* \*

(2) \* \* \*

Registered in the CCR database means that—

(1) \* \* \*

(2) The Government has validated all mandatory data fields, to include validation of the Taxpayer Identification Number (TIN) with the Internal Revenue Service (IRS), and has marked the record “Active”. The contractor will be required to provide consent for TIN validation to the Government as a part of the CCR registration process.

\* \* \* \* \*

**PART 4—ADMINISTRATIVE MATTERS**

■ 3. Amend section 4.1103 by—

■ a. Revising paragraph (a)(1);

■ b. Removing paragraph (a)(3);

■ c. Redesignating paragraph (b) as paragraph (a)(3); and

■ d. Redesignating paragraphs (c), (d), and (e) as paragraphs (b), (c), and (d), respectively.

■ The revised text reads as follows:

**4.1103 Procedures.**

(a) \* \* \*

(1) Shall verify that the prospective contractor is registered in the CCR database (see paragraph (b) of this section) before awarding a contract or agreement. Contracting officers are encouraged to check the CCR early in the acquisition process, after the competitive range has been established, and then communicate to the unregistered offerors that they must register;

\* \* \* \* \*

**4.1104 [Amended]**

■ 4. Amend section 4.1104 by removing the last sentence.

**PART 52—SOLICITATION PROVISIONS AND CONTRACT CLAUSES**

- 5. Amend section 52.204–7 by—
- a. Revising the date of the clause;
- b. Revising paragraph (a)(2) of the definition “Registered in the CCR database”; and
- c. Removing Alternate I.
- The revised and added text reads as follows:

**52.204–7 Central Contractor Registration.**

\* \* \* \* \*

CENTRAL CONTRACTOR REGISTRATION  
(JUL 2006)(a) \* \* \*  
Registered in the CCR database means that—

- (1) \* \* \*
- (2) The Government has validated all mandatory data fields, to include validation of the Taxpayer Identification Number (TIN) with the Internal Revenue Service (IRS), and has marked the record “Active”. The Contractor will be required to provide consent for TIN validation to the Government as a part of the CCR registration process.

\* \* \* \* \*

[FR Doc. 06–5711 Filed 6–27–06; 8:45 am]

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**DEPARTMENT OF DEFENSE****GENERAL SERVICES ADMINISTRATION****NATIONAL AERONAUTICS AND SPACE ADMINISTRATION****48 CFR Parts 10 and 19**

[FAC 2005–10; FAR Case 2006–003; Item II; Docket 2006–0020, Sequence 12]

**Federal Acquisition Regulation; FAR Case 2006–003, Procedures Related to Procurement Center Representatives****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 (Councils) have agreed on a final rule amending the Federal Acquisition Regulation (FAR) to provide internal procedures to cover situations when the FAR requires interaction with a procurement center representative and one has not been assigned to the procuring activity or contract administration office.

**DATES:** *Effective Date:* July 28, 2006.

**FOR FURTHER INFORMATION CONTACT:** For clarification of content, contact Ms. Rhonda Cundiff, Procurement Analyst, at (202) 501–0044. Please cite FAC 2005–10, FAR case 2006–003. For information pertaining to status or publication schedules, contact the FAR Secretariat at (202) 501–4755.

**SUPPLEMENTARY INFORMATION:****A. Background**

This final rule amends the Federal Acquisition Regulation to provide internal procedures to cover situations when the FAR requires interaction with a Small Business Administration procurement center representative and one has not been assigned to the procuring activity or contract administration office.

This is not a significant regulatory action and, therefore, was not subject to review under Section 6(b) of Executive Order 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

**B. Regulatory Flexibility Act**

The Regulatory Flexibility Act does not apply to this rule. This 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, the Councils will consider comments from small entities concerning the affected FAR Parts 10 and 19 in accordance with 5 U.S.C. 610. Interested parties must submit such comments separately and should cite 5 U.S.C. 601, *et seq.* (FAC 2005–10, FAR case 2006–003), in correspondence.

**C. Paperwork Reduction Act**

The Paperwork Reduction Act does not apply because the changes to the FAR do not impose 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 Parts 10 and 19**

Government procurement.

Dated: June 20, 2006.

**Ralph De Stefano,***Director, Contract Policy Division.*

■ Therefore, DoD, GSA, and NASA amend 48 CFR parts 10 and 19 as set forth below:

■ 1. The authority citation for 48 CFR parts 10 and 19 continues to read as follows:

**Authority:** 40 U.S.C. 121(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

**PART 10—MARKET RESEARCH**

- 2. Amend section 10.001 by revising paragraph (c)(1) to read as follows:

**10.001 Policy.**

\* \* \* \* \*

(c) \* \* \*

(1) When performing market research, should consult with the local Small Business Administration procurement center representative (PCR). If a PCR is not assigned, see 19.402 (a); and

\* \* \* \* \*

**PART 19—SMALL BUSINESS PROGRAMS**

- 3. Amend section 19.201 by revising the introductory text of paragraph (d)(5) to read as follows:

**19.201 General Policy.**

\* \* \* \* \*

(d) \* \* \*

(5) Work with the SBA procurement center representative (or, if a procurement center representative is not assigned, see 19.402(a)) to—

\* \* \* \* \*

- 4. Amend section 19.202–1 by revising the introductory text of paragraph (e)(1) and paragraph (e)(4) to read as follows:

**19.202–1 Encouraging small business participation in acquisitions.**

\* \* \* \* \*

(e)(1) Provide a copy of the proposed acquisition package to the SBA procurement center representative (or, if a procurement center representative is not assigned, see 19.402(a)) at least 30 days prior to the issuance of the solicitation if—

\* \* \* \* \*

(4) If the contracting officer rejects the SBA representative’s recommendation made in accordance with 19.402(c)(2), the contracting officer shall document the basis for the rejection and notify the SBA representative in accordance with 19.505.

- 5. Amend section 19.202–2 by revising the last sentence in paragraph (a) to read as follows:

**19.202–2 Locating small business sources.**

\* \* \* \* \*

(a) \* \* \* This effort should include contacting the SBA procurement center representative (or, if a procurement center representative is not assigned, see 19.402(a)).

\* \* \* \* \*

- 6. Amend section 19.402 by redesignating paragraph (a) as (a)(1); adding a new paragraph (a)(2); revising paragraph (b); and revising the second