

**DATES:** *Effective Date:* May 12, 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.

**SUPPLEMENTARY INFORMATION:**

This final rule amends DFARS text as follows:

- *Section 222.101-3.* Corrects a typographical error in the final rule published at 71 FR 18669 on April 12, 2006, under DFARS Case 2003-D019.
- *Sections 232.7003 and 252.232-7003.* Updates the Internet address for locating electronic data interchange implementation guides. A corresponding change is made to the clause at 252.212-7001.
- *Section 252.232-7007.* Updates cross-references to a paragraph that was redesignated in the final rule published at 71 FR 18671 on April 12, 2006, under DFARS Case 1990-037.

**List of Subjects in 48 CFR Parts 222, 232, and 252**

Government procurement.

**Michele P. Peterson,**

*Editor, Defense Acquisition Regulations System.*

■ Therefore, 48 CFR Parts 222, 232, and 252 are amended as follows:

■ 1. The authority citation for 48 CFR Parts 222, 232, and 252 continues to read as follows:

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

**PART 222—LABOR LAWS**

**222.101-3 Reporting labor disputes.**

■ 2. The heading of section 222.101-3 is revised to read as set forth above.

**PART 232—CONTRACT FINANCING**

**232.7003 [Amended]**

■ 3. Section 232.7003 is amended in paragraph (a)(3) by removing “<http://www.dfas.mil/ecedi>” and adding in its place “<http://www.dod.mil/dfas/>”.

**PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES**

**252.212-7001 [Amended]**

■ 4. Section 252.212-7001 is amended as follows:

- a. By revising the clause date to read “(MAY 2006)”; and
- b. In paragraph (b), in entry 252.232-7003, by removing “(JAN 2004)” and adding in its place “(MAY 2006)”.

**252.232-7003 [Amended]**

■ 5. Section 252.232-7003 is amended as follows:

- a. By revising the clause date to read “(MAY 2006)”; and
- b. In paragraph (b)(3)(ii) by removing “<http://www.dfas.mil/ecedi>” and adding in its place “<http://www.dod.mil/dfas/>”.

**252.232-7007 [Amended]**

■ 6. Section 252.232-7007 is amended by revising the clause date and Alternate I date to read “(MAY 2006)”; and by removing “paragraph (i)” and adding in its place “paragraph (j)”, in the following locations:

- a. Paragraph (a), last sentence;
- b. Paragraph (c), first, second, and third sentences; and
- c. Alternate I, paragraph (a), last sentence.

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**DEPARTMENT OF DEFENSE**

**Defense Acquisition Regulations System**

**48 CFR Parts 225 and 249**

**[DFARS Case 2003-D046]**

**Defense Federal Acquisition Regulation Supplement; Contract Termination**

**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 pertaining to termination of contracts. This rule is a result of a transformation initiative undertaken by DoD to dramatically change the purpose and content of the DFARS.

**EFFECTIVE DATE:** May 12, 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-D046.

**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—

- Relocate text on termination of Canadian Commercial Corporation contracts, from part 225, Foreign Acquisition, to a more appropriate location in part 249, Termination of Contracts;
- Delete unnecessary cross-references; and
- Delete text on preparation of contract termination status reports, completion of forms to document termination settlements, preparation of settlement negotiation memoranda, and congressional notification of significant contract terminations. Text on these subjects has been relocated to the new DFARS companion resource, Procedures, Guidance, and Information (PGI), available at <http://www.acq.osd.mil/dpap/dars/pgi>.

DoD published a proposed rule at 70 FR 39980 on July 12, 2005. DoD received no comments on the proposed rule. 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 policy regarding termination of contracts.

**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 Parts 225 and 249**

Government procurement.

**Michele P. Peterson,**

*Editor, Defense Acquisition Regulations System.*

■ Therefore, 48 CFR parts 225 and 249 are amended as follows:

■ 1. The authority citation for 48 CFR parts 225 and 249 continues to read as follows:

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

**PART 225—FOREIGN ACQUISITION**

■ 2. Section 225.870–6 is revised to read as follows:

**225.870–6 Termination procedures.**

When contract termination is necessary, follow the procedures at 249.7000.

**PART 249—TERMINATION OF CONTRACTS**

■ 3. Sections 249.105–1 and 249.105–2 are revised to read as follows:

**249.105–1 Termination status reports.**

Follow the procedures at PGI 249.105–1 for reporting status of termination actions.

**249.105–2 Release of excess funds.**

See PGI 249.105–2 for guidance on recommending the release of excess funds.

**249.106 through 249.108–4 [Removed]**

■ 4. Sections 249.106 through 249.108–4 are removed.

■ 5. Sections 249.109–7 and 249.110 are revised to read as follows:

**249.109–7 Settlement by determination.**

Follow the procedures at PGI 249.109–7 for settlement of a convenience termination by determination.

**249.110 Settlement negotiation memorandum.**

Follow the procedures at PGI 249.110 for preparation of a settlement negotiation memorandum.

■ 6. Section 249.7000 is amended by revising paragraph (a)(3) and adding paragraphs (e) through (g) to read as follows:

**249.7000 Terminated contracts with Canadian Commercial Corporation.**

(a) \* \* \*

(3) The Canadian Supply Manual, Chapter 11, Section 11.146, available at <http://www.pwpsc.gc.ca/acquisitions/text/sm/sm-e.html>.

\* \* \* \* \*

(e) The Canadian Commercial Corporation will continue administering contracts that the U.S. contracting officer terminates.

(f) The Canadian Commercial Corporation will settle all Canadian subcontracts in accordance with the policies, practices, and procedures of the Canadian Government.

(g) The U.S. agency administering the contract with the Canadian Commercial Corporation shall provide any services required by the Canadian Commercial Corporation, including disposal of inventory, for settlement of any subcontracts placed in the United States. Settlement of such U.S. subcontracts will be in accordance with this regulation.

■ 7. Section 249.7001 is revised to read as follows:

**249.7001 Congressional notification on significant contract terminations.**

Congressional notification is required for any termination involving a reduction in employment of 100 or more contractor employees. Proposed terminations must be cleared through department/agency liaison offices before release of the termination notice, or any information on the proposed termination, to the contractor. Follow the procedures at PGI 249.7001 for congressional notification and release of information.

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**DEPARTMENT OF DEFENSE****Defense Acquisition Regulations System****48 CFR Part 239**

[DFARS Case 2003–D056]

**Defense Federal Acquisition Regulation Supplement; Basic Agreements for Telecommunications Services**

**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 pertaining to the use of basic agreements in the acquisition of telecommunications services. 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:* May 12, 2006.

**FOR FURTHER INFORMATION CONTACT:** Ms. Gabrielle Ward, Defense Acquisition Regulations System, OUSD(AT&L)DPAP(DARS), IMD 3C132, 3062 Defense Pentagon, Washington, DC 20301–3062. Telephone (703) 602–2022; facsimile (703) 602–0350. Please cite DFARS Case 2003–D056.

**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 deletes procedures at DFARS 239.7407–1 and 239.7407–2 regarding the use of basic agreements and communication service authorizations for the acquisition of telecommunications services. Text on this subject has been relocated to the new DFARS companion resource, Procedures, Guidance, and Information (PGI), available at <http://www.acq.osd.mil/dpap/dars/pgi>.

DoD published a proposed rule at 69 FR 67883 on November 22, 2004. One source submitted comments on the proposed rule. The respondent recommended retention of the DFARS text on communication service authorizations, as the respondent believed that relocation of this text to PGI would eliminate DoD's regulatory authority to issue communication service authorizations. DoD disagrees with the respondent's position. Consistent with the definition of PGI at DFARS 202.101, the rule relocates internal DoD procedures regarding the use of communication service authorizations to PGI. However, the rule retains a policy statement in DFARS 239.7407 that provides the regulatory authority for issuance of communication service authorizations. 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