

**DEPARTMENT OF DEFENSE**

**48 CFR Part 219**

[DFARS Case 2003–D003]

**Defense Federal Acquisition Regulation Supplement; Competitiveness Demonstration Codes Update**

**AGENCY:** Department of Defense (DoD).  
**ACTION:** Final rule.

**SUMMARY:** DoD has issued a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to update the list of industry categories designated by DoD for enhanced small business participation under the Small Business Competitiveness Demonstration Program.

**EFFECTIVE DATE:** August 21, 2003.

**FOR FURTHER INFORMATION CONTACT:** Mr. Euclides Barrera, Defense Acquisition Regulations Council, OUSD(AT&L)DPAP(DAR), IMD 3C132, 3062 Defense Pentagon, Washington, DC 20301–3062. Telephone (703) 602–0296; facsimile (703) 602–0350. Please cite DFARS Case 2003–D003.

**SUPPLEMENTARY INFORMATION:**

**A. Background**

Policy for the Small Business Competitiveness Demonstration Program is in FAR subpart 19.10. One

of the objectives of the Program is to expand small business participation in certain targeted industry categories. Each Federal agency participating in the Program designates its own targeted categories in consultation with the Small Business Administration. DoD’s targeted categories are in DFARS 219.1005(b).

This final rule updates the North American Industry Classification System (NAICS) codes shown for the targeted industry categories at 219.1005(b)(10), for consistency with the 2002 NAICS listing published by the U.S. Census Bureau. In addition, to simplify the descriptions of targeted categories, the entries for research and development have been combined with the entries for manufacturing at 219.1005(b)(5), (6), and (7). These changes are administrative only and have no impact on the Program.

This rule was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993.

**B. Regulatory Flexibility Act**

This rule will not have a significant cost or administrative impact on contractors or offerors, or a significant effect beyond the internal operating procedures of DoD. Therefore, publication for public comment is not required. However, DoD will consider comments from small entities

concerning the affected DFARS subpart in accordance with 5 U.S.C. 610. Such comments should cite DFARS Case 2003–D003.

**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 219**

Government procurement.

**Michele P. Peterson,**  
*Executive Editor, Defense Acquisition Regulations Council.*

■ Therefore, 48 CFR Part 219 is amended as follows:

■ 1. The authority citation for 48 CFR Part 219 continues to read as follows:

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

**PART 219—SMALL BUSINESS PROGRAMS**

■ 2. Section 219.1005 is amended in paragraph (b), in the table, by revising paragraphs (5), (6), (7), and (10) to read as follows:

**219.1005 Applicability.**

\* \* \* \* \*  
(b) \* \* \*

**NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS)**

| Description   | NAICS code |
|---|------------|
| (5) Aircraft Engine and Engine Parts Manufacturing (including Research and Development) .....                                     | 336412     |
| (6) Guided Missile and Space Vehicle Manufacturing (including Research and Development) .....                                     | 336414     |
| (7) Other Guided Missile and Space Vehicle Parts and Auxiliary Equipment Manufacturing (including Research and Development) ..... | 336419     |
| (10) (i) Cellular and Other Wireless Telecommunications .....   | 517212     |
| (ii) Satellite Telecommunications .....   | 517410     |
| (iii) Other Telecommunications .....  | 517910     |

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**DEPARTMENT OF DEFENSE**

**48 CFR Part 237**

[DFARS Case 2002–D042]

**Defense Federal Acquisition Regulation Supplement; Contractor Performance of Security-Guard Functions**

**AGENCY:** Department of Defense (DoD).

**ACTION:** Final rule.

**SUMMARY:** DoD has adopted as final, without change, an interim rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to implement Section 332 of the National Defense Authorization Act for Fiscal Year 2003. Section 332 provides temporary authority for contractor performance of security-guard functions at military installations or facilities to meet the increased need for such functions since September 11, 2001.

**EFFECTIVE DATE:** August 21, 2003.

**FOR FURTHER INFORMATION CONTACT:** Ms. Teresa Brooks, Defense Acquisition Regulations Council, OUSD(AT&L)DPAP(DAR), IMD 3C132, 3062 Defense Pentagon, Washington, DC 20301–3062. Telephone (703) 602–0326; facsimile (703) 602–0350. Please cite DFARS Case 2002–D042.

**SUPPLEMENTARY INFORMATION:**

**A. Background**

DoD published an interim rule at 68 FR 7443 on February 14, 2003, to implement Section 332 of the National

Defense Authorization Act for Fiscal Year 2003 (Public Law 107-314). Section 332 authorizes DoD to waive the prohibition at 10 U.S.C. 2465(a), to permit contractor performance of security-guard functions at military installations or facilities to meet the increased need for such functions since September 11, 2001.

Three respondents submitted comments on the interim rule. Two of the respondents expressed their support for the rule. A third respondent stated that a contracting officer's representative (COR) may be appointed to an installation's Provost Marshal or Security Office and questioned whether the rule should specify that contracting offices must ensure that CORs are duly trained. DoD believes that training of CORs is already adequately addressed in DFARS 201.602-2(2), which states that a COR must be "qualified by training and experience commensurate with the responsibilities to be delegated in accordance with department/agency guidelines." Therefore, DoD believes that no change to the rule is needed, and has adopted the interim rule as a final rule.

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 applies only to security-guard functions in excess of those being performed on military installations or facilities as of September 10, 2001. While the rule is expected to result in additional opportunities for small business concerns to perform security-guard functions, the overall impact is not expected to be substantial.

### 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 237

Government procurement.

#### Michele P. Peterson,

*Executive Editor, Defense Acquisition Regulations Council.*

### Interim Rule Adopted as Final Without Change

Accordingly, the interim rule amending 48 CFR part 237, which was

published at 68 FR 7443 on February 14, 2003, is adopted as a final rule without change.

[FR Doc. 03-21310 Filed 8-20-03; 8:45 am]

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## DEPARTMENT OF DEFENSE

### 48 CFR Part 252

[DFARS Case 2003-D007]

### Defense Federal Acquisition Regulation Supplement; Caribbean Basin Country—Dominican Republic

**AGENCY:** Department of Defense (DoD).

**ACTION:** Final rule.

**SUMMARY:** DoD has issued a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to add the Dominican Republic to the list of Caribbean Basin countries whose products DoD may acquire under the Trade Agreements Act, in accordance with a determination of the United States Trade Representative.

**EFFECTIVE DATE:** August 21, 2003.

**FOR FURTHER INFORMATION CONTACT:** Ms. Amy Williams, Defense Acquisition Regulations Council, OUSD(AT&L)DPAP(DAR), IMD 3C132, 3062 Defense Pentagon, Washington, DC 20301-3062. Telephone (703) 602-0328; facsimile (703) 602-0350. Please cite DFARS Case 2003-D007.

#### SUPPLEMENTARY INFORMATION:

##### A. Background

This final rule amends the clause at DFARS 252.225-7021, Trade Agreements, to add the Dominican Republic to the definition of "Caribbean Basin country." The rule implements the direction of the United States Trade Representative to treat the products of the Dominican Republic as eligible products in acquisitions subject to the Trade Agreements Act (68 FR 27883, May 21, 2003).

This rule was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993.

##### B. Regulatory Flexibility Act

This rule will not have a significant cost or administrative impact on contractors or offerors, or a significant effect beyond the internal operating procedures of DoD. Therefore, publication for public comment is not required. However, DoD will consider comments from small entities concerning the affected DFARS subpart in accordance with 5 U.S.C. 610. Such comments should cite DFARS Case 2003-D007.

### 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 252

Government procurement.

#### Michele P. Peterson,

*Executive Editor, Defense Acquisition Regulations Council.*

■ Therefore, 48 CFR Part 252 is amended as follows:

■ 1. The authority citation for 48 CFR Part 252 continues to read as follows:

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

### PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

#### 252.225-7021 [Amended]

■ 2. Section 252.225-7021 is amended as follows:

■ a. By revising the clause date to read "(AUG 2003)"; and

■ b. In paragraph (a)(1) by adding, in alphabetical order, "Dominican Republic" to the list of countries.

[FR Doc. 03-21313 Filed 8-20-03; 8:45 am]

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## DEPARTMENT OF DEFENSE

### 48 CFR Part 252

[DFARS Case 2002-D016]

### Defense Federal Acquisition Regulation Supplement; Liability for Loss Under Vessel Repair and Alteration Contracts

**AGENCY:** Department of Defense (DoD).

**ACTION:** Final rule.

**SUMMARY:** DoD has issued a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to increase a contractor's liability for loss or damage under vessel repair and alteration contracts, from \$5,000 to \$50,000 per incident. The increased dollar ceiling is based on adjustments for inflation, the need to provide a financial incentive for contractors to minimize loss and damage, and common insurance practices.

**EFFECTIVE DATE:** August 21, 2003.

**FOR FURTHER INFORMATION CONTACT:** Mr. Euclides Barrera, Defense Acquisition Regulations Council, OUSD(AT&L)DPAP(DAR), IMD 3C132,