

**PART 498—[AMENDED]**

3. In part 498, the following changes are made:

a. The authority citation for part 498 is revised to read as follows:

**Authority:** Secs. 1102 and 1871 of the Social Security Act (42 U.S.C. 1302 and 1395(hh)) unless otherwise indicated.

**§ 498.3 [Amended]**

b. In § 498.3(b)(6), “§§ 405.1730 through 405.1737, or in § 410.22 of this chapter, respectively,” is revised to read “subpart D of part 486 of this chapter and § 410.22 of this chapter, respectively.”

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

Dated: September 2, 1994.

**Bruce C. Vladeck,**

*Administrator, Health Care Financing Administration.*

Dated: October 12, 1994.

**Donna E. Shalala,**

*Secretary.*

[FR Doc. 95-485 Filed 1-6-95; 8:45 am]

BILLING CODE 4120-01-P

**LEGAL SERVICES CORPORATION****45 CFR Part 1607****Governing Bodies; Correction**

**AGENCY:** Legal Services Corporation.

**ACTION:** Final rule.

**SUMMARY:** This rule corrects the final regulation that was published on Monday, December 19, 1994 (59 FR 65249). The regulation revised part 1607 of the Legal Services Corporation's ("LSC" or "Corporation") regulations relating to governing bodies of recipients of LSC funds.

**EFFECTIVE DATE:** January 18, 1995.

**FOR FURTHER INFORMATION CONTACT:** Victor M. Fortuno, General Counsel, at (202) 336-8810.

**SUPPLEMENTARY INFORMATION:** As published, § 1607.5(b) of the final regulation refers to a waiver granted under § 1607.6(c)(1). This reference is incorrect.

Accordingly, the publication on December 19, 1994, of the final regulation which was the subject of FR Doc. 94-31043 is corrected as follows:

**§ 1607.5 [Corrected]**

On page 65256, in the first column, in § 1607.5, paragraph (b) is corrected to read as follows:

“Pursuant to a waiver granted under § 1607.6(b)(1), a recipient may adopt

policies that would permit partners or associates of attorney members to participate in any compensated private attorney involvement activities supported by the recipient.”

Dated: January 3, 1995.

**Victor M. Fortuno,**

*General Counsel.*

[FR Doc. 95-378 Filed 1-6-95; 8:45 am]

BILLING CODE 7050-01-P

**DEPARTMENT OF DEFENSE****48 CFR Part 231****Defense Federal Acquisition Regulation Supplement; Allowable Individual Compensation**

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

**ACTION:** Interim rule with request for comments.

**SUMMARY:** The Director of Defense Procurement has issued an interim rule that places a ceiling on allowable individual compensation under DoD contracts.

**DATES:** *Effective date:* December 14, 1994.

*Comment date:* Comments on the interim rule should be submitted in writing at the address shown below on or before March 10, 1995, to be considered in the formulation of a final rule.

**ADDRESSES:** Interested parties should submit written comments to: Defense Acquisition Regulations Council, ATTN: Mr. Eric R. Mens, PDUSD(A&T)DP/DAR, IMD 3D139, 3062 Defense Pentagon, Washington, DC 20301-3062. Telefax number (703) 602-0350. Please cite DFARS Case 94-D318 in all correspondence.

**FOR FURTHER INFORMATION CONTACT:** Mr. Eric R. Mens, (703) 602-0131.

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

Section 8117 of the Department of Defense Appropriations Act, 1995 (Public Law 103-335), limits allowable costs for individual compensation to \$250,000 per year. This restriction applies to DoD contracts awarded after April 15, 1995, when payments are from funds appropriated in fiscal year 1995.

The interim DFARS rule revises DFARS Subpart 231.2, Contracts with Commercial Organizations; Subpart 231.3, Contracts with Educational Institutions; Subpart 231.6, Contracts with State, Local, and Federally Recognized Indian Tribal Governments; and Subpart 231.7, Contracts with Nonprofit Organizations to implement

the statutory ceiling on allowable individual compensation costs. In supplementing the cost principle at FAR 31.205-6, this DFARS rule relies upon the same definition of compensation found in the FAR cost principle, i.e., “all remuneration paid currently or accrued, in whatever form and whether paid immediately or deferred, for services rendered by employees to the contractor.”

**B. Determination To Issue an Interim Rule**

A determination has been made under the authority of the Secretary of Defense to issue this rule as an interim rule. Compelling reasons exist to promulgate this rule without prior opportunity for public comment because section 8117 of the Defense Appropriations Act for Fiscal Year 1995 (Public Law 103-335) applies to DoD contracts awarded after April 15, 1995, using funds appropriated in FY 1995. An interim rule will ensure that DoD contracting activities become aware of the statutory ceiling on allowable individual compensation costs when forward pricing contracts which will be awarded after April 15, 1995, using FY 1995 funds. However, comments received in response to the publication of this rule will be considered in formulating the final rule.

**C. Regulatory Flexibility Act**

The interim rule is not expected to 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 most small entities are not subject to the contract cost principles in FAR Part 31 or DFARS Part 231. The contract cost principles normally apply where contract award exceeds \$500,000 and the price is based on certified cost or pricing data. Most contracts awarded to small entities are awarded on a competitive, fixed-price basis. This interim DFARS rule applies only to DoD contractors which incur individual compensation costs in excess of \$250,000 per year in performing new contracts awarded after April 15, 1995, using funds appropriated in FY 1995. An Initial Regulatory Flexibility Analysis has, therefore, not been performed. Comments are invited from small business entities and other interested parties. Comments from small entities concerning the affected DFARS Subparts will also be considered in accordance with section 610 of the Act. Such comments must be submitted separately and cite DFARS Case 94-D318 in correspondence.