

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 2005-07 is effective February 2, 2006 except for Items II, IV, V, VI, VII, IX, X and XI which are effective January 3, 2006

Dated: December 21, 2005.

**Domenic C. Cipicchio,**

*Acting Director, Defense Procurement and Acquisition Policy.*

Dated: December 16, 2005.

**Roger D. Waldron,**

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

Dated: December 14, 2005.

**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 1, 42, 46, 47, 52, and 53

[FAC 2005-07; FAR Case 2002-005; Item I]

RIN 9000-AJ84

#### Federal Acquisition Regulation; Transportation: Standard Industry Practices

**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 implement changes to the Interstate Commerce Act, which abolished tariff-filing requirements for motor carriers of freight and the Interstate Commerce Commission (ICC). Also, the rule implements changes to the Federal Management Regulation that require use of commercial bills of lading for domestic shipments.

**DATES:** *Effective Date:* February 2, 2006.

**FOR FURTHER INFORMATION CONTACT:** For clarification of content, contact Ms. Jeritta Parnell, Procurement Analyst, at (202) 501-4082. Please cite FAC 2005-07, FAR case 2002-005. For information pertaining to status or publication schedules, contact the FAR Secretariat at (202) 501-4755.

#### SUPPLEMENTARY INFORMATION:

##### A. Background

DoD, GSA, and NASA published a proposed rule in the **Federal Register** at 69 FR 4004, January 27, 2004, with request for comments. Thirteen comments from five respondents were received. A discussion of the comments is provided below. Consideration of these comments resulted in minor changes to the rule. In addition, editorial changes were made in the rule.

This final rule amends the FAR to implement changes to the Interstate Commerce Act. The Act has been substantially amended in recent years, most notably by the Trucking Industry Regulatory Reform Act of 1994 (Title II of Public Law 103-311), which abolished tariff-filing requirements for motor carriers of freight, and by the Interstate Commerce Commission (ICC) Termination Act of 1995 (Pub. L. 104-88), which abolished the ICC. Also, the rule implements changes to the Federal Management Regulation that require use of commercial bills of lading for domestic shipments. This rule amends the FAR to—

- Move FAR Subpart 42.14, Traffic and Transportation Management, to FAR Part 47, Transportation;
- Delete the clauses at FAR 52.242-10 and FAR 52.242-11 and revise and relocate FAR clause 52.242-12 to FAR 52.247-68;
- Add definitions of “bill of lading,” “commercial bill of lading,” and “Government bill of lading” and clarify the usage of each term throughout FAR Part 47;
- Add definitions of “Government rate tenders,” “household goods,” “noncontiguous domestic trade,” and “released or declared value”;
- Require the use of commercial bills of lading for domestic shipments;
- Revise the references to “49 U.S.C. 10721” to read “49 U.S.C. 10721 and 13712” throughout FAR Part 47 to make it clear that Government rate tenders can be used in certain situations for the transportation of household goods by rail carrier (authorized by 49 U.S.C. 10721), as well as by motor carrier, water carrier, and freight forwarder (authorized by 49 U.S.C. 13712 and the definition of “carrier” at 49 U.S.C. 13102);

- Update the fact that the Federal Motor Carrier Safety Administration prescribes commercial zones at 49 CFR Part 372, Subpart B; and

- Make other conforming and editorial changes to FAR Part 47 and related clauses.

##### B. Summary and Discussion of Public Comments

*Comment 1:* In reading the existing and proposed text of the clause at FAR 52.247-67 it is not clear that after the commercial bill of lading (CBL) is audited and the CBL is forwarded to the paying office for payment, who the paying office makes the check out to. Is it the shipper or is it the contractor for the supply contract that contains the clause at FAR 52.247-1, F.O.B. Origin?

*Councils' response:* The Councils recommend no action in response to this comment. The intent of the FAR 52.247-67 revision was to change the title and include mandatory use of prepayment audits for transportation billings in respect to cost-reimbursable contracts. FAR 52.247-67 is not meant to address issues of payment. The intent of this clause is for contractors to submit CBLs to the contracting officer for a prepayment audit in excess of \$100 (threshold raised from \$50 to \$100) for cost-reimbursement. In this scenario, the “contractor” has already paid the “carrier.” The contractor submits the paid CBL to the contracting activity (fill-in completed by the contracting officer.) The agency makes a determination the transportation charges are valid, proper, and conform to related services with tariffs, quotations, agreements or tenders prior to contractor reimbursement. Previously, contractors were responsible for forwarding copies of freight bills/invoices, CBL’s passenger coupons, and supporting documents along with a statement to General Services Administration (GSA). The new process places the responsibility with the contracting activity to conduct CBL prepayment audit and forward original copies of paid freight bills/invoices, bills of lading, passenger coupons, and supporting documents as soon as possible following the end of the month in one package, for postpayment audit to GSA.

In response to the question “who is the check made out to?” It will always be the contractor, since the carrier is already paid; however, the mechanics of the check process is outside the scope of this clause. Also note the commentor’s reference to FAR clause 52.247-1, F.O.B. Origin. The clause title should read “Commercial Bill of Lading Notations.”

*Comment 2:* FAR clause 52.247-67 (GSA Commercial Transportation Bills of Lading) requires that all cost-type contractors compile and submit to the General Services Administration each month copies of all vouchers for travel (air and train coupons), freight charges, and even air express and local courier bills from primes and first-tier subcontracts. Commenter suggests deleting the clause or increasing the thresholds to avoid burdensome requirements on small business.

*Councils' response:* Nonconcur. The proposed change should alleviate some of the burden referred to by the commenter. The contractor no longer submits supporting documents to GSA but to the activity designated in the FAR clause at 52.247-67(a)(3). The passage of the Travel and Transportation Reform Act of 1998, Public Law 105-264, incorporated changes to the payment process of all transportation and related services invoices. By amending Title 31, United States Code, it establishes the requirements for prepayment audits of Federal agency transportation expenses. The FAR threshold is now raised for bills of lading with freight shipment charges exceeding \$100 from \$50. The Administrator of General Services has responsibility for exemptions as authorized by Public Law 105-264 and GSA will continue to monitor the established threshold, as appropriate. Paragraphs (b), (c) and (d) of the clause at 52.247-67, now called Submission of Transportation Documents for Audit, have been relocated to FAR 47.103-1, paragraphs (c), (d) and (e), with minor adjustments. The reason for this relocation is that the focus of responsibility for submission of these documents to GSA has changed from the contractor to the appropriate government agency.

*Comment 3:* FAR 47.101, Policies, paragraph (h), the Military Traffic Management Command had a name change. New name is Surface Deployment and Distribution Command (SDDC).

*Councils' response:* Concur. A change to the rule was made to show Military Surface Deployment and Distribution Command.

*Comment 4:* FAR 47.001, Definitions. Could you consider the term, Transportation Service Provider (TSP)? Since this is a term that GSA uses when referring to a "carrier".

*Councils' response:* Non-concur with using the term TSP for carrier. In the Federal Management Regulations, the term TSP was defined as "any party, person, agent or carrier that provides freight or passenger transportation, and related services to an agency." For a

freight shipment this would include packers, truckers, and storer. For passenger transportation this would include airlines, travel agents and travel management centers. The Councils took exception to this proposed change because they felt the terms were not synonymous. The term "carrier" when referring to a provider of air, land, or sea transportation has a specific legal connotation attached to it when used together, *i.e.*, "air carrier" or "common carrier." Although using the term "transportation service provider," may appear to simplify the term, it actually distorts and increases confusion to the real purpose associated with the term "carrier."

*Comment 5:* Commenter opposes the proposed amendments that (i) they give the impression that federal agencies must use bills of lading and rate tenders in procuring household goods transportation and related services instead of FAR-based procedures; and (ii) they fail to state a preference for utilizing FAR-based procurements in the acquisition of household goods transportation and related services. Commenter suggests the following change in the first paragraph of this Background statement, line 14, change "that require" to "regarding the" after amendments.

*Councils' Response:* Non-Concur. The Councils are not prepared to state an opinion that one method of obtaining transportation services is preferable over another. Discretion on which method is most advantageous is left to the judgment of the contracting officer.

*Comment 6:* Commenter suggests the following in the fifth bullet of this Background statement:

"insert the following after shipments 'where transportation services are acquired through the use of bills of ladings, tariffs and rate tenders as opposed to FAR-based contracting methods.'"

*Councils' Response:* Non-Concur. The Councils are not prepared to state an opinion that one method of obtaining transportation services is preferable over another. Discretion on which method is most advantageous is left to the judgment of the contracting officer.

*Comment 7:* Commenter suggests the following in the sixth bullet of the Background statement in the preamble, line 3, insert "while" before "government rate tenders" and insert after "49 U.S.C 12102", "the use of FAR-based contracting methods and procedures is preferred."

*Councils' Response:* Non-concur. The Councils are not prepared to state an opinion that one method of obtaining transportation services is preferable over another. Discretion on which method is

most advantageous is left to the judgment of the contracting officer.

*Comment 8:* Commenter suggests the following change to 47.000 Scope of Subpart (a)(2), (1) Line 10: insert the following after "49 U.S.C. 13712". "However, acquisition of transportation for household goods and related services should be accomplished through the FAR because of the benefits FAR-based procurements provide agencies over the use of "bills of lading."

*Councils' Response:* Non-concur. The Councils are not prepared to state an opinion that one method of obtaining transportation services is preferable over another. Discretion on which method is most advantageous is left to the judgment of the contracting officer.

*Comment 9:* Commenter suggests the following change to 47.000 Scope of Subpart (a)(2) Line 14: delete "this contract method is widely used and, therefore,"

*Councils' Response:* Non-concur. The Councils are not prepared to state an opinion that one method of obtaining transportation services is preferable over another. Discretion on which method is most advantageous is left to the judgment of the contracting officer.

*Comment 10:* 47.101 Policies paragraph (a) Line 1. Insert the following after domestic shipments, "where transportation services are acquired through the use of bills of ladings, tariffs and rate tenders as opposed to FAR-based contracting methods,"

*Councils' Response:* Non-Concur. No clarity added and is an incorrect/incomplete statement. Please note the CBL is the ordering document and can be used as such against any method, FAR or FAR-Exempt.

*Comment 11:* 47.101 Policies (b) Line 1. Insert the following before the "Where transportation services are acquired through the use of bills of ladings, tariffs and rate tenders as opposed to FAR-based contracting methods".

*Councils' Response:* Non-Concur. The Councils are not prepared to state an opinion that one method of obtaining transportation services is preferable over another. Discretion on which method is most advantageous is left to the judgment of the contracting officer.

*Comment 12:* The proposed rule says at 47.101 (a): "For domestic shipments, the contracting officer shall authorize shipments on commercial bills of lading (CBLs). Government bills of lading (GBLs) may be used for international or noncontiguous domestic trade shipments or when otherwise authorized." This requirement

continues throughout the coverage. DOD was mandated to use a data processing system called Power Track for transportations movements. Power Track is an automated system that provides all the necessary checks and balances occurring during a domestic transportation movement. Power Track does not provide or require the use of Commercial or Government Bills of Lading except for containerized and overseas shipments which in concurrence with Power Track utilize the Electronic Transportation Acquisition System (ETA). ETA produces a commercial Bill of Lading (BOL).

Commenter objects to the requirement to use BOLs for bulk domestic shipments. The documents have historically served three principal purposes: They are the carrier payment instrument, they document the shipment in terms of weight hauled by each carrier, and they satisfy the Hazardous Rules of the Department of Transportation (DOT) by carrying the Hazard Class and nomenclature. Commenter achieves all three purposes by using Power Track in concert with the Fuels Automated System (FAS). Additionally, commenter continues to use the required DD250 or DD1348 as is required.

At 47.103-1, the proposed coverage discusses the requirement to audit transportations services. Pre audit seems to be one of the objectives of the rule. Under Power Track, the issuing office and receiving office confirm matching deliveries prior to the request for any type of payment for all deliveries over \$1600.00. This pre audit could be extended to lower value deliveries if necessary.

As discussed above, there are instances when Commercial Bills of Lading are used by the commenter. Containerized and overseas shipments utilize the Electronic Transportation Acquisition (ETA) systems which generates a CBL and forwards it to the contractor. This system will not be expanded to include the greatest portion of CONUS transportation requirements. Eventually, a COTS system will replace ETA and at that time, it is expected that it will become commenter's policy to issue CBLs for all shipments.

*Councils' Response:* The Councils recommend no action for this comment. The respondent objects to the requirement to use the Bill of Lading (BOL) for bulk domestic shipments, suggesting that Power Track is their preferred vehicle and that DoD has mandated the use of Power Track. There is no inconsistency between the proposed FAR language and the DoD

mandate to employ Power Track. Specifically, Power Track is a financial system and does not negate the ability to use a BOL as the ordering document.

*Comment 13:* Clause 52.247-68 refers to explosives and poisons, classes A and B. In accordance with 49 CFR part 173 Transportation of Hazardous Materials: Paragraph 173.2, Subpart A, they are changed to Zones A, B, C or D based on their toxicity.

*Councils' Response:* Partially Concur. The Councils obtained further clarification from the Defense Energy Support Center (DESC) regarding the proposed change to the FAR clause at 52.247-68 that refers to explosives and poisons, classes A and B. In accordance with the CFR references noted above, classes A and B are replaced with classes 1, 2, and 6. Classes A and B are replaced with class 1, division 1.1, 1.2 and 1.3; class 2, division 2.3 and class 6, division 6.1. Previous classes A, B, and C refer to explosives and ammunition. Class A is 1.1 or 1.2; Class B is 1.2 or 1.3, Class C is 1.4. Poisons are Class 6 but also overlap with Class 2 gasses that can be explosive or poisonous. The gasses and poisons are limited to poisonous-by-inhalation (PIH) type.

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.

### C. 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.*, because the rule only clarifies and updates the FAR coverage to reflect the latest changes of the referenced Federal Management Regulation and statutes that require use of commercial bills of lading for domestic shipments. Therefore, this rule will allow small businesses to use commercial practices in shipments thus eliminating the need for Government bills of lading on most transactions. Increasing the threshold for the submission of Transportation documents on cost reimbursement contracts to the agencies for audit from \$50 to \$100 decreases burden and offsets the increased burden of submission to agencies rather than a monthly submission to GSA.

### D. 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 1, 42, 46, 47, 52, and 53

Government procurement.

Dated: December 22, 2005.

Gerald Zaffos,

Director, Contract Policy Division.

■ Therefore, DoD, GSA, and NASA amend 48 CFR parts 1, 42, 46, 47, 52, and 53 as set forth below:

■ 1. The authority citation for 48 CFR parts 1, 42, 46, 47, 52, and 53 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 1—FEDERAL ACQUISITION REGULATIONS SYSTEM

#### 1.106 [Amended]

■ 2. Amend section 1.106 in the table following the introductory paragraph by—

■ a. Removing FAR segment “42.14” and its corresponding OMB Control Number “9000-0056”;

■ b. Adding, in numerical order, FAR segment “47.208” and its corresponding OMB Control Number “9000-0056”;

■ c. Removing FAR segment “52.242-12” and its corresponding OMB Control Number “9000-0056”; and

■ d. Adding, in numerical order, FAR segment “52.247-68” and its corresponding OMB Control Number “9000-0056”.

### PART 42—CONTRACT ADMINISTRATION AND AUDIT SERVICES

#### Subpart 42.14—[Removed]

■ 3. Remove and reserve Subpart 42.14.

### PART 46—QUALITY ASSURANCE

#### 46.314 [Amended]

■ 4. Amend section 46.314 by removing “49 U.S.C. 10721(b)(1)” and adding “49 U.S.C. 10721 or 13712” in its place.

### PART 47—TRANSPORTATION

■ 5. Amend section 47.000 by revising paragraph (a)(2) to read as follows:

#### 47.000 Scope of subpart.

(a) \* \* \*

(2) Acquiring transportation or transportation-related services by contract methods other than bills of

lading, transportation requests, transportation warrants, and similar transportation forms. Transportation and transportation services can be obtained by acquisition subject to the FAR or by acquisition under 49 U.S.C. 10721 or 49 U.S.C. 13712. Even though the FAR does not regulate the acquisition of transportation or transportation-related services when the bill of lading is the contract, this contract method is widely used and, therefore, relevant guidance on the use of the bill of lading is provided in this part (see 47.104).

\* \* \* \* \*

■ 6. Amend section 47.001 by adding, in alphabetical order, the definitions “Bill of lading”, “Government rate tender”, “Household goods”, “Noncontiguous domestic trade”, and “Released or declared value” to read as follows:

**47.001 Definitions.**

\* \* \* \* \*

*Bill of lading* means a transportation document, used as a receipt of goods, as documentary evidence of title, for clearing customs, and generally used as a contract of carriage.

(1) *Commercial bill of lading (CBL)*, unlike the Government bill of lading, is not an accountable transportation document.

(2) *Government bill of lading (GBL)* is an accountable transportation document, authorized and prepared by a Government official.

\* \* \* \* \*

*Government rate tender* under 49 U.S.C. 10721 and 13712 means an offer by a common carrier to the United States at a rate below the regulated rate offered to the general public.

*Household goods* in accordance with 49 U.S.C. 13102 means personal effects and property used or to be used in a dwelling, when a part of the equipment or supply of such dwelling, and similar property if the transportation of such effects or property is arranged and paid for by—

(1) The householder, except such term does not include property moving from a factory or store, other than property that the householder has purchased with the intent to use in his or her dwelling and is transported at the request of, and the transportation charges are paid to the carrier by, the householder; or

(2) Another party.

*Noncontiguous domestic trade* means transportation (except with regard to bulk cargo, forest products, recycled metal scrap, waste paper, and paper waste) subject to regulation by the Surface Transportation Board involving

traffic originating in or destined to Alaska, Hawaii, or a territory or possession of the United States (see 49 U.S.C. 13102(15) and 13702).

*Released or declared value* means the assigned value of the cargo for reimbursement purposes, not necessarily the actual value of the cargo. Released value may be more or less than the actual value of the cargo. The released value is the maximum amount that could be recovered by the agency in the event of loss or damage for the shipments of freight and household goods.

■ 7. Revise section 47.002 to read as follows:

**47.002 Applicability.**

All Government personnel concerned with the following activities shall follow the regulations in Part 47 as applicable:

- (a) Acquisition of supplies.
- (b) Acquisition of transportation and transportation-related services.
- (c) Transportation assistance and traffic management.
- (d) Administration of transportation contracts, transportation-related services, and other contracts that involve transportation.
- (e) The making and administration of contracts under which payments are made from Government funds for—

- (1) The transportation of supplies;
- (2) Transportation-related services; or
- (3) Transportation of contractor personnel and their personal belongings.

■ 8. Amend section 47.101 by—

■ a. Redesignating paragraphs (a), (b), (c), (d), and (e) as (c), (d), (e), (f), and (g), respectively; and adding new paragraphs (a), (b), and (h); and

■ b. Amending newly designated paragraph (d)(2) introductory text by removing “subparagraph (b)(1) above” and adding “paragraph (d)(1) of this section” in its place.

■ The added text reads as follows:

**47.101 Policies.**

(a) For domestic shipments, the contracting officer shall authorize shipments on commercial bills of lading (CBL’s). Government bills of lading (GBL’s) may be used for international or noncontiguous domestic trade shipments or when otherwise authorized.

(b) The contract administration office (CAO) shall ensure that instructions to contractors result in the most efficient and economical use of transportation services and equipment. Transportation personnel will assist and provide transportation management expertise to the CAO. Specific responsibilities and details on transportation management

are located in the Federal Management Regulation at 41 CFR parts 102–117 and 102–118. (For the Department of Defense, DoD 4500.9–R, Defense Transportation Regulation.)

\* \* \* \* \*

(h) When a contract specifies delivery of supplies f.o.b. origin with transportation costs to be paid by the Government, the contractor shall make shipments on bills of lading, or on other shipping documents prescribed by Military Surface Deployment and Distribution Command (SDDC) in the case of seavan containers, either at the direction of or furnished by the CAO or the appropriate agency transportation office.

**47.102 [Amended]**

■ 9. Amend section 47.102 in paragraph (b) by removing “31 CFR parts 261 and 262” and adding “31 CFR parts 361 and 362” in its place.

■ 10. Revise section 47.103 and add sections 47.103–1 and 47.103–2 to read as follows:

**47.103 Transportation Payment and Audit Regulation.**

**47.103–1 General.**

(a)(1) Regulations and procedures governing the bill of lading, documentation, payment, and audit of transportation services acquired by the United States Government are prescribed in 41 CFR part 102–118, Transportation Payment and Audit.

(2) For DoD shipments, corresponding guidance is in DoD 4500.9–R, Defense Transportation Regulation, Part II.

(b) Under 31 U.S.C. 3726, all agencies are required to establish a prepayment audit program. For details on the establishment of a prepayment audit, see 41 CFR part 102–118.

(c) The agency designated in paragraph (a)(3) of the clause at 52.247–67 shall forward original copies of paid freight bills/invoices, bills of lading, passenger coupons, and supporting documents as soon as possible following the end of the month, in one package for postpayment audit to the General Services Administration, ATTN: FBA, 1800 F Street, NW., Washington, DC 20405. The specified agency shall include the paid freight bills/invoices, bills of lading, passenger coupons, and supporting documents for first-tier subcontractors under a cost-reimbursement contract. If the inclusion of the paid freight bills/invoices, bills of lading, passenger coupons, and supporting documents for any subcontractor in the shipment is not practicable, the documents may be forwarded to GSA in a separate package.

(d) Any original transportation bills or other documents requested by GSA shall be forwarded promptly. The specified agency shall ensure that the name of the contracting agency is stamped or written on the face of the bill before sending it to GSA.

(e) A statement prepared in duplicate by the specified agency shall accompany each shipment of transportation documents. GSA will acknowledge receipt of the shipment by signing and returning the copy of the statement. The statement shall show—

- (1) The name and address of the specified agency;
- (2) The contract number, including any alpha-numeric prefix identifying the contracting office;
- (3) The name and address of the contracting office;
- (4) The total number of bills submitted with the statement; and
- (5) A listing of the respective amounts paid or, in lieu of such listing, an adding machine tape of the amounts paid showing the Contractor's voucher or check numbers.

#### 47.103-2 Contract clause.

Complete and insert the clause at 52.247-67, Submission of Transportation Documents for Audit, in solicitations and contracts when a cost-reimbursement contract is contemplated and the contract or a first-tier cost-reimbursement subcontract thereunder will authorize reimbursement of transportation as a direct charge to the contract or subcontract.

■ 11. Revise sections 47.104 through 47.104-5 to read as follows:

#### 47.104 Government rate tenders under sections 10721 and 13712 of the Interstate Commerce Act (49 U.S.C. 10721 and 13712).

(a) This section explains statutory authority for common carriers subject to the jurisdiction of the Surface Transportation Board (motor carrier, water carrier, freight forwarder, rail carrier) to offer to transport persons or property for the account of the United States without charge or at "a rate reduced from the applicable commercial rate." Reduced rates are offered in a Government rate tender. Additional information for civilian agencies is available in the Federal Management Regulation (41 CFR parts 102-117 and 102-118) and for DoD in the Defense Transportation Regulation (DoD 4500.9-R).

(b) Reduced rates offered in a Government rate tender are authorized for transportation provided by a rail carrier, for the movement of household goods, and for movement by or with a water carrier in noncontiguous domestic trade.

(1) For Government rate tenders submitted by a rail carrier, a rate reduced from the applicable commercial rate is a rate reduced from a rate regulated by the Surface Transportation Board.

(2) For Government rate tenders submitted for the movement of household goods, "a rate reduced from the applicable commercial rate" is a rate reduced from a rate contained in a published tariff subject to regulation by the Surface Transportation Board.

(3) For Government rate tenders submitted for movement by or with a water carrier in noncontiguous domestic trade, "a rate reduced from the applicable commercial rate" is a rate reduced from a rate contained in a published tariff required to be filed with the Surface Transportation Board.

#### 47.104-1 Government rate tender procedures.

(a) 49 U.S.C. 10721 and 13712 rates are published in Government rate tenders and apply to shipments moving for the account of the Government on—

(1) Commercial bills of lading endorsed to show that total transportation charges are assignable to, and will be reimbursed by, the Government (see the clause at 52.247-1, Commercial Bill of Lading Notations); and

(2) Government bills of lading.

(b) Agencies may negotiate with carriers for additional or revised 49 U.S.C. 10721 and 13712 rates in appropriate situations. Only personnel authorized in agency procedures may carry out these negotiations. The following are examples of situations in which negotiations for additional or revised 49 U.S.C. 10721 and 13712 rates may be appropriate:

(1) Volume movements are expected.

(2) Shipments will be made on a recurring basis between designated places, and substantial savings in transportation costs appear possible even though a volume movement is not involved.

(3) Transit arrangements are feasible and advantageous to the Government.

#### 47.104-2 Fixed-price contracts.

(a) *F.o.b. destination.* 49 U.S.C. 10721 and 13712 rates do not apply to shipments under fixed-price *f.o.b.* destination contracts (delivered price).

(b) *F.o.b. origin.* If it is advantageous to the Government, the contracting officer may occasionally require the contractor to prepay the freight charges to a specific destination. In such cases, the contractor shall use a commercial bill of lading and be reimbursed for the direct and actual transportation cost as

a separate item in the invoice. The clause at 52.247-1, Commercial Bill of Lading Notations, will ensure that the Government in this type of arrangement obtains the benefit of 49 U.S.C. 10721 and 13712 rates.

#### 47.104-3 Cost-reimbursement contracts.

(a) 49 U.S.C. 10721 and 13712 rates may be applied to shipments other than those made by the Government if the total benefit accrues to the Government, *i.e.*, the Government shall pay the charges or directly and completely reimburse the party that initially bears the freight charges. Therefore, 49 U.S.C. 10721 and 13712 rates may be used for shipments moving on commercial bills of lading in cost reimbursement contracts under which the transportation costs are direct and allowable costs under the cost principles of Part 31.

(b) 49 U.S.C. 10721 and 13712 rates may be applied to the movement of household goods and personal effects of contractor employees who are relocated for the convenience and at the direction of the Government and whose total transportation costs are reimbursed by the Government.

(c) The clause at 52.247-1, Commercial Bill of Lading Notations, will ensure that the Government receives the benefit of lower 49 U.S.C. 10721 and 13712 rates in cost-reimbursement contracts as described in paragraphs (a) and (b) of this section.

(d) Contracting officers shall—

(1) Include in contracts a statement requiring the contractor to use carriers that offer acceptable service at reduced rates if available; and

(2) Ensure that contractors receive the name and location of the transportation officer designated to furnish support and guidance when using Government rate tenders.

(e) The transportation office shall—

(1) Advise and assist contracting officers and contractors; and

(2) Make available to contractors the names of carriers that provide service under 49 U.S.C. 10721 and 13712 rates, cite applicable rate tenders, and advise contractors of the statement that must be shown on the carrier's commercial bill of lading (see the clause at 52.247-1, Commercial Bill of Lading Notations).

#### 47.104-4 Contract clause.

(a) In order to ensure the application of 49 U.S.C. 10721 and 13712 rates, where authorized (see 47.104(b)), insert the clause at 52.247-1, Commercial Bill of Lading Notations, in solicitations and contracts when the contracts will be—

(1) Cost-reimbursement contracts, including those that may involve the

movement of household goods (see 47.104-3(b)); or

(2) Fixed-price f.o.b. origin contracts (other than contracts at or below the simplified acquisition threshold) (see 47.104-2(b) and 47.104-3).

(b) The contracting officer may insert the clause at 52.247-1, Commercial Bill of Lading Notations, in solicitations and contracts made at or below the simplified acquisition threshold when it is contemplated that the delivery terms will be f.o.b. origin.

#### 47.104-5 Citation of Government rate tenders.

When 49 U.S.C. 10721 and 13712 rates apply, transportation offices or contractors, as appropriate, shall identify the applicable Government rate tender by endorsement on bills of lading.

■ 12. Amend section 47.105 by revising the last sentence of paragraph (b) to read as follows:

#### 47.105 Transportation assistance.

\* \* \* \* \*

(b) \* \* \* Military transportation offices shall request needed additional aid from the Military Surface Deployment and Distribution Command (SDDC).

■ 13. Amend section 47.200 by revising paragraphs (b)(3), (d), and (e) to read as follows:

#### 47.200 Scope of subpart.

\* \* \* \* \*

(b) \* \* \*

(3) Household goods for which rates are negotiated under 49 U.S.C. 10721 and 13712. (These statutes do not apply in intrastate moves); or

\* \* \* \* \*

(d) The procedures in this subpart are applicable to the transportation of household goods of persons being relocated at Government expense except when acquired—

(1) Under the commuted rate schedules as required in the Federal Travel Regulation (41 CFR Chapter 302);

(2) By DoD under the DoD 4500.9-R, Defense Transportation Regulation; or

(3) Under 49 U.S.C. 10721 and 13712 rates. (These statutes do not apply in intrastate moves.)

(e) Additional guidance for DoD acquisition of freight and passenger transportation is in the Defense Transportation Regulation.

#### 47.201 [Amended]

■ 14. Amend section 47.201 by removing the definition “Household goods”.

#### 47.203 [Removed]

■ 15. Remove and reserve section 47.203.

#### 47.207-7 [Amended]

■ 16. Amend section 47.207-7 by removing from paragraph (b) “11707” (twice) and adding “11706” in its place.

■ 17. Amend section 47.207-9 by revising the last sentence of paragraph (a) to read as follows:

#### 47.207-9 Annotation and distribution of shipping and billing documents.

(a) \* \* \* See 41 CFR part 102-118, Transportation Payment and Audit.

\* \* \* \* \*

■ 18. Add sections 47.207-10 and 47.207-11 to read as follows:

#### 47.207-10 Discrepancies incident to shipments.

Discrepancies incident to shipment include overage, shortage, loss, damage, and other discrepancies between the quantity and/or condition of supplies received from commercial carrier and the quantity and/or condition of these supplies as shown on the covering bill of lading or other transportation document. Regulations and procedures for reporting and adjusting discrepancies in Government shipments are in 41 CFR parts 102-117 and 118. (For the Department of Defense (DoD), see DoD 4500.9-R, Defense Transportation Regulation, Part II, Chapter 210).

#### 47.207-11 Volume movements within the contiguous United States.

(a) For purposes of contract administration, a volume movement is—

(1) In DoD, the aggregate of freight shipments amounting to or exceeding 25 carloads, 25 truckloads, or 500,000 pounds, to move during the contract period from one origin point for delivery to one destination point or area; and

(2) In civilian agencies, 50 short tons (100,000 pounds) in the aggregate to move during the contract period from one origin point for delivery to one destination point or area.

(b) Transportation personnel assigned to or supporting the CAO, or appropriate agency personnel, shall report planned and actual volume movements in accordance with agency regulations. DoD activities report to the Military Surface Deployment and Distribution Command (SDDC) under DoD 4500.9-R, Defense Transportation Regulation. Civilian agencies report to the local office of GSA's Office of Transportation (see [www.gsa.gov/transportation](http://www.gsa.gov/transportation) (click on Transportation

Management Zone Offices in left-hand column, then click on Transportation Management Zones under Contacts on right-hand column).

■ 19. Add sections 47.208 through 47.208-2 to read as follows:

#### 47.208 Report of shipment (REPSHIP).

##### 47.208-1 Advance notice.

Military (and as required, civilian agency) storage and distribution points, depots, and other receiving activities require advance notice of shipments en route from contractors' plants. Generally, this notification is required only for classified material; sensitive, controlled, and certain other protected material; explosives, and some other hazardous materials; selected shipments requiring movement control; or minimum carload or truckload shipments. It facilitates arrangements for transportation control, labor, space, and use of materials handling equipment at destination. Also, timely receipt of notices by the consignee transportation office precludes the incurring of demurrage and vehicle detention charges.

##### 47.208-2 Contract clause.

The contracting officer shall insert the clause at 52.247-68, Report of Shipment (REPSHIP), in solicitations and contracts when advance notice of shipment is required for safety or security reasons, or where carload or truckload shipments will be made to DoD installations or, as required, to civilian agency facilities.

■ 20. Amend section 47.301-3 by—

■ a. Revising paragraph (a);

■ b. Removing from paragraph (b) “MILSTAMP” and adding “DoD 4500.9-R, Defense Transportation Regulation Part II” in its place; and

■ c. Revising paragraph (c)(1) to read as follows:

#### 47.301-3 Using the Defense Transportation System (DTS).

(a) All military and civilian agencies shipping, or arranging for the acquisition and shipment by Government contractors, through the use of military-controlled transport or through military transshipment facilities shall follow Department of Defense (DoD) Regulation DoD 4500.9-R, Defense Transportation Regulation Part II. This establishes uniform procedures and documents for the generation, documentation, communication, and use of transportation information, thus providing the capability for control of shipments moving in the DTS. DoD 4500.9-R, Defense Transportation

Regulation Part II has been implemented on a world-wide basis.

\* \* \* \* \*

(c) \* \* \*

(1) Effect DoD 4500.9-R, Defense Transportation Regulation Part II documentation and movement control, including air or water terminal shipment clearances; and

\* \* \* \* \*

■ 21. Amend section 47.303-1 by revising paragraphs (a)(4) and (b)(5)(v) to read as follows:

**47.303-1 F.o.b. origin.**

(a) \* \* \*

(4) If stated in the solicitation, to any Government-designated point located within the same city or commercial zone as the f.o.b. origin point specified in the contract (the Federal Motor Carrier Safety Administration prescribes commercial zones at Subpart B of 49 CFR part 372).

(b) \* \* \*

(5) \* \* \*

(v) Special instructions or annotations requested by the ordering agency for commercial bills of lading; e.g., "This shipment is the property of, and the freight charges paid to the carrier(s) will be reimbursed by, the Government"; and

\* \* \* \* \*

■ 22. Amend section 47.303-3 by revising paragraph (a)(1)(iv) to read as follows:

**47.303-3 F.o.b. origin, freight allowed.**

(a) \* \* \*

(1) \* \* \*

(iv) If stated in the solicitation, to any Government-designated point located within the same city or commercial zone as the f.o.b. origin point specified in the contract (the Federal Motor Carrier Safety Administration prescribes commercial zones at Subpart B of 49 CFR part 372); and

\* \* \* \* \*

■ 23. Amend section 47.303-4 by revising paragraph (a)(1)(iv) to read as follows:

**47.303-4 F.o.b. origin, freight prepaid.**

(a) \* \* \*

(1) \* \* \*

(iv) If stated in the solicitation, to any Government-designated point located within the same city or commercial zone as the f.o.b. origin point specified in the contract (the Federal Motor Carrier Safety Administration prescribes commercial zones at Subpart B of 49 CFR part 372); and

\* \* \* \* \*

■ 24. Amend section 47.303-5 by revising paragraph (a)(1)(iv); and in paragraph (c) by removing "The

contracting officer shall insert" and adding "Insert" in its place. The revised text reads as follows:

**47.303-5 F.o.b. origin, with differentials.**

(a) \* \* \*

(1) \* \* \*

(iv) If stated in the solicitation, to any Government-designated point located within the same city or commercial zone as the f.o.b. origin point specified in the contract (the Federal Motor Carrier Safety Administration prescribes commercial zones at Subpart B of 49 CFR part 372); and

\* \* \* \* \*

**47.303-13 [Amended]**

■ 25. Amend section 47.303-13 in paragraph (a) by removing "*C.&f. destination*" and adding "*C.&f. (cost & freight) destination*" in its place; and by removing from paragraph (c) "is c.&f. destination" and adding "is c.&f. (Cost & freight) destination" in its place.

**47.303-14 [Amended]**

■ 26. Amend section 47.303-14 in paragraph (a) by removing "*C.i.f. destination*" and adding "*C.i.f. (Cost, insurance, freight) destination*" in its place; and removing from paragraph (c) "C.i.f. Destination" and adding "C.i.f. (Cost, insurance, freight) Destination" in its place.

**47.303-15 [Amended]**

■ 27. Amend section 47.303-15 in paragraph (b)(3) by removing the word "Government".

**47.303-3 [Amended]**

■ 28. Amend section 47.305-3 in the first sentence of the introductory paragraph by removing "and to 42.1404-2, where the use of bills of lading, parcel post, and indicia mail is prescribed".

**47.305-6 [Amended]**

■ 29. Amend section 47.305-6 by—

■ a. Removing from the introductory text of paragraph (a)(3) "*c.&f. destination*" and adding "*c.&f. (cost & freight) destination*" in its place;

■ b. Removing from the introductory text of paragraph (a)(4) "*c.i.f. destination*" and adding "*c.i.f. (cost, insurance, freight) destination*" in its place;

■ c. Removing from paragraph (f)(1)(i) "MILSTAMP" and adding "DoD 4500.9-R, Defense Transportation Regulation, Part II," in its place;

■ d. In paragraph (f)(1)(ii), revising the parenthetical to read "(see DoD 4500.9-R, Defense Transportation Regulation, Part II)"; and

■ e. Removing from paragraph (g) "(see MILSTAMP at 47.301-3)".

**47.305-9 [Amended]**

■ 30. Amend section 47.305-9 by removing from the first sentence of paragraph (a) "tariffs" and adding "the National Motor Freight Classification (NMFC) (for carriers) and the Uniform Freight Classification (UFC) (for rail)" in its place.

**47.305-13 [Amended]**

■ 31. Amend section 47.305-13 in paragraph (b)(3) by removing the last sentence.

**47.504 [Amended]**

■ 32. Amend section 47.504 in paragraph (a) by removing "of the Panama Canal Commission or".

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

**52.212-5 [Amended]**

■ 33. Amend section 52.212-5 by revising the date of clause to read "(FEB 2006)" and removing from paragraphs (b)(35)(i) and (e)(1)(vii) of the clause "(APR 2003)" and "46 U.S.C. Appx 1241" and adding "(FEB 2006)" and "46 U.S.C. Appx 1241(b)", respectively, in its place.

**52.213-4 [Amended]**

■ 34. Amend section 52.213-4 by—

■ a. By revising the date of clause to read "(FEB 2006)";

■ b. Removing from paragraph (a)(2)(vi) of the clause "(DEC 2004)" and adding "(FEB 2006)" in its place;

■ c. Removing from paragraph (b)(1)(xi) of the clause "(APR 2003)" and adding "(FEB 2006)" in its place; and

■ d. Removing from paragraph (b)(2)(iii) of the clause "(JUNE 1988)" and adding "(FEB 2006)" in its place.

**52.242-10 [Removed]**

**52.242-11 [Removed]**

**52.242-12 [Removed]**

■ 35. Remove and reserve sections 52.242-10, 52.242-11, and 52.242-12.

**52.244-6 [Amended]**

■ 36. Amend section 52.244-6 by—

■ a. By revising the date of clause to read "(FEB 2006)"; and

■ b. Removing from paragraph (c)(1)(vi) of the clause "(APR 2003)" and adding "(FEB 2006)" in its place.

**52.246-14 [Amended]**

■ 37. Amend section 52.246-14 by removing from the prescription "49 U.S.C. 1072(b)(1)" and adding "49 U.S.C. 10721 or 13712" in its place.



**52.247-1 [Amended]**

■ 38. Amend section 52.247-1 by revising the date of the clause to read "(FEB 2006)"; and by removing the word "If" from the introductory paragraph of the clause and adding "When" in its place.

**52.247-3 [Amended]**

■ 39. Amend section 52.247-3 by—  
 ■ a. Revising the date of the clause to read "(FEB 2006)";  
 ■ b. Removing from the end of paragraph (a) of the clause "Interstate Commerce Commission" and adding "Federal Motor Carrier Safety Administration" in its place; and  
 ■ c. Removing from the second sentence of paragraph (b)(2) of the clause "(see 49 CFR 1048)" and adding "(see Subpart B of 49 CFR part 372)" in its place.  
 ■ 40. Amend section 52.247-29 by revising the date of the clause and paragraphs (a)(4) and (b)(5)(v) to read as follows:

**52.247-29 F.o.b. Origin.**

\* \* \* \* \*  
 F.O.B. ORIGIN (FEB 2006)  
 (a) \* \* \*  
 (4) If stated in the solicitation, to any Government designated point located within the same city or commercial zone as the f.o.b. origin point specified in the contract (the Federal Motor Carrier Safety Administration prescribes commercial zones at Subpart B of 49 CFR part 372).  
 (b) \* \* \*  
 (5) \* \* \*  
 (v) Special instructions or annotations requested by the ordering agency for commercial bills of lading; e.g., "This shipment is the property of, and the freight charges paid to the carrier(s) will be reimbursed by, the Government"; and  
 \* \* \* \* \*

(End of clause)

■ 41. Amend section 52.247-30 by revising the date of the clause and paragraph (b)(5)(v) to read as follows:

**52.247-30 F.o.b. Origin, Contractor's Facility.**

\* \* \* \* \*  
 F.O.B. ORIGIN, CONTRACTOR'S FACILITY (FEB 2006)  
 \* \* \* \* \*  
 (b) \* \* \*  
 (5) \* \* \*  
 (v) Special instructions or annotations requested by the ordering agency for bills of lading; e.g., "This shipment is the property of, and the freight charges paid to the carrier(s) will be reimbursed by, the Government"; and  
 \* \* \* \* \*

(End of clause)

■ 42. Amend section 52.247-31 by revising the date of the clause and

paragraphs (a)(1)(iv) and (b)(5)(v) to read as follows:

**52.247-31 F.o.b. Origin, Freight Allowed.**

\* \* \* \* \*  
 F.O.B. ORIGIN, FREIGHT ALLOWED (FEB 2006)  
 (a) \* \* \*  
 (1) \* \* \*  
 (iv) If stated in the solicitation, to any Government-designated point located within the same city or commercial zone as the f.o.b. origin point specified in the contract the Federal Motor Carrier Safety Administration prescribes commercial zones at Subpart B of 49 CFR part 372; and  
 \* \* \* \* \*

(b) \* \* \*  
 (5) \* \* \*  
 (v) Special instructions or annotations requested by the ordering agency for commercial bills of lading; e.g., "This shipment is the property of, and the freight charges paid to the carrier(s) will be reimbursed by, the Government"; and  
 \* \* \* \* \*

(End of clause)

■ 43. Amend section 52.247-32 by revising the date of the clause and paragraph (a)(1)(iv); removing the word "commercial" from the first sentence of the introductory text of paragraph (b)(5); and revising paragraph (b)(5)(v) to read as follows:

**52.247-32 F.o.b. Origin, Freight Prepaid.**

\* \* \* \* \*  
 F.O.B. ORIGIN, FREIGHT PREPAID (FEB 2006)  
 (a) \* \* \*  
 (1) \* \* \*  
 (iv) If stated in the solicitation, to any Government-designated point located within the same city or commercial zone as the f.o.b. origin point specified in the contract (the Federal Motor Carrier Safety Administration prescribes commercial zones at Subpart B of 49 CFR part 372); and  
 \* \* \* \* \*

(b) \* \* \*  
 (5) \* \* \*  
 (v) Special instructions or annotations requested by the ordering agency for bills of lading; e.g., "This shipment is the property of, and the freight charges paid to the carrier(s) will be reimbursed by, the Government"; and  
 \* \* \* \* \*

(End of clause)

■ 44. Amend section 52.247-33 by revising the date of the clause and paragraphs (a)(1)(iv), (b)(5)(v), and the second sentence of (c)(2) to read as follows:

**52.247-33 F.o.b. Origin, with Differentials.**

\* \* \* \* \*

F.O.B. ORIGIN, WITH DIFFERENTIALS (FEB 2006)  
 (a) \* \* \*  
 (1) \* \* \*

(iv) If stated in the solicitation, to any Government-designated point located within the same city or commercial zone as the f.o.b. origin point specified in the contract (the Federal Motor Carrier Safety Administration prescribes commercial zones at Subpart B of 49 CFR part 372); and  
 \* \* \* \* \*

(b) \* \* \*  
 (5) \* \* \*  
 (v) Special instructions or annotations requested by the ordering agency for bills of lading; e.g., "This shipment is the property of, and the freight charges paid to the carrier will be reimbursed by, the Government"; and  
 \* \* \* \* \*

(c)(1) \* \* \*  
 (2) \* \* \* If, at the time of shipment, the Government specifies a mode of transportation, type of vehicle, or place of delivery for which the offeror has set forth a differential, the Contractor shall include the total of such differential costs (the applicable differential multiplied by the actual weight) as a separate reimbursable item on the Contractor's invoice for the supplies.  
 \* \* \* \* \*

(End of clause)

**52.247-38 [Amended]**

■ 45. Amend section 52.247-38 by revising the date of the clause to read "(FEB 2006)"; and in paragraph (b)(2) of the clause by adding "or other transportation receipt" after the word "lading".

**52.247-43 [Amended]**

■ 46. Amend section 52.247-43 by revising the date of the clause to read "(FEB 2006)"; and removing from paragraph (b)(3) of the clause the word "Government".

**52.247-51 [Amended]**

■ 47. Amend section 52.247-51 by revising the date of Alternate I to read "(FEB 2006)"; and by removing from paragraph (a) "Military Traffic Management Command" and adding "Military Surface Deployment and Distribution Command (SDDC)" in its place.

■ 48. Amend section 52.247-52 by—  
 ■ a. Revising the date of the clause;  
 ■ b. Revising paragraphs (a)(3)(iv) and (a)(3)(v); and removing paragraph (a)(3)(vi);  
 ■ c. Removing "MILSTAMP" from paragraph (f)(1) of the clause and adding "transportation responsibilities under DoD 4500.9-R, Defense Transportation Regulation," in its place; and



■ d. Removing the word "commercial" from paragraphs (h)(1) and (h)(2) of the clause.

■ The revised and added text reads as follows:

**52.247-52 Clearance and Documentation Requirements—Shipments to DoD Air or Water Terminal Transshipment Points.**

\* \* \* \* \*  
CLEARANCE AND DOCUMENTATION REQUIREMENTS—SHIPMENTS TO DOD AIR OR WATER TERMINAL TRANSSHIPMENT POINTS (FEB 2006)

- (a) \* \* \*
- (3) \* \* \*
- (iv) Explosives, ammunition, poisons or other dangerous articles classified as class 1, division 1.1, 1.2, 1.3, 1.4; class 2, division 2.3; and class 6, division 6.1; or
- (v) Radioactive material, as defined in 49 CFR 173.403, class 7.

\* \* \* \* \*  
**52.247-64 [Amended]**

- 49. Amend section 52.247-64 by—
- a. Revising the date of the clause to read "(FEB 2006)";
- b. Removing from paragraph (e)(1) of the clause "of the Panama Canal Commission or";
- c. Revising the date of Alternate II to read "(FEB 2006)"; and
- d. Removing from paragraph (e)(1) of Alternate II "of the Panama Canal Commission or".
- 50. Revise section 52.247-67 to read as follows:

**52.247-67 Submission of Transportation Documents for Audit.**

As prescribed in 47.103-2, insert the following clause:

SUBMISSION OF TRANSPORTATION DOCUMENTS FOR AUDIT (FEB 2006)

(a) The Contractor shall submit to the address identified below, for prepayment audit, transportation documents on which the United States will assume freight charges that were paid—

- (1) By the Contractor under a cost-reimbursement contract; and
- (2) By a first-tier subcontractor under a cost-reimbursement subcontract thereunder.

(b) Cost-reimbursement Contractors shall only submit for audit those bills of lading with freight shipment charges exceeding \$100. Bills under \$100 shall be retained on-site by the Contractor and made available for on-site audits. This exception only applies to freight shipment bills and is not intended to apply to bills and invoices for any other transportation services.

(c) Contractors shall submit the above referenced transportation documents to—

\_\_\_\_\_  
\_\_\_\_\_  
*[To be filled in by Contracting Officer]*  
(End of clause)

■ 51. Section 52.247-68 is added to read as follows:

**52.247-68 Report of Shipment (REPSHIP).**

As prescribed in 47.208-2, insert the following clause:

REPORT OF SHIPMENT (REPSHIP) (FEB 2006)

- (a) *Definition. Domestic destination*, as used in this clause, means—
  - (1) A destination within the contiguous United States; or
  - (2) If shipment originates in Alaska or Hawaii, a destination in Alaska or Hawaii, respectively.
- (b) Unless otherwise directed by the Contracting Officer, the Contractor shall—

(1) Send a prepaid notice of shipment to the consignee transportation officer—

- (i) For all shipments of—
  - (A) Classified material, protected sensitive, and protected controlled material;
  - (B) Explosives and poisons, class 1, division 1.1, 1.2 and 1.3; class 2, division 2.3 and class 6, division 6.1;
  - (C) Radioactive materials requiring the use of a III bar label; or
- (ii) When a truckload/carload shipment of supplies weighing 20,000 pounds or more, or a shipment of less weight that occupies the full visible capacity of a railway car or motor vehicle, is given to any carrier (common, contract, or private) for transportation to a domestic destination (other than a port for export);

(2) Transmits the notice by rapid means to be received by the consignee transportation officer at least 24 hours before the arrival of the shipment; and

(3) Send, to the receiving transportation officer, the bill of lading or letter or other document containing the following information and prominently identified as a "Report of Shipment" or "REPSHIP FOR T.O."

REPSHIP FOR T.O. 81 JUN 01  
TRANSPORTATION OFFICER  
DEFENSE DEPOT, MEMPHIS, TN.

SHIPPED YOUR DEPOT 1981 JUN 1 540  
CTNS MENS COTTON TROUSERS, 30,240  
LB, 1782 CUBE, VIA XX-YY\*

IN CAR NO. XX 123456\*-BL\*\*\*-  
C98000031\*\*\*CONTRACT  
DLA ETA\*\*\*\*-JUNE 5 JONES &  
CO., JERSEY CITY, N.J.

\*Name of rail carrier, trucker, or other carrier.

\*\*Vehicle identification.

\*\*\*Bill of lading.

\*\*\*\*If not shipped by BL, identify lading document and state whether paid by contractor.

\*\*\*\*\*Estimated time of arrival.

(End of clause)

**PART 53—FORMS**

■ 52. Revise section 53.247 to read as follows:

**53.247 Transportation (U.S. Commercial Bill of Lading).**

The commercial bill of lading is the preferred document for the transportation of property, as specified in 47.101.

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BILLING CODE 6820-EP-S

**DEPARTMENT OF DEFENSE**

**GENERAL SERVICES ADMINISTRATION**

**NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

**48 CFR Parts 2, 4, 7, and 52**

[FAC 2005-07; FAR Case 2005-015; Item II]

RIN 9000-AK35

**Federal Acquisition Regulation; Common Identification Standard for Contractors**

**AGENCIES:** Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

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

**SUMMARY:** The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) have agreed on an interim rule amending the Federal Acquisition Regulation (FAR) to address the contractor personal identification requirements in Homeland Security Presidential Directive (HSPD-12), "Policy for a Common Identification Standard for Federal Employees and Contractors," and Federal Information Processing Standards Publication (FIPS PUB) Number 201, "Personal Identity Verification (PIV) of Federal Employees and Contractors."

**DATES:** *Effective Date:* January 3, 2006.

*Comment Date:* Interested parties should submit written comments to the FAR Secretariat on or before March 6, 2006 to be considered in the formulation of a final rule.

*Applicability Date:* This rule applies to solicitations and contracts issued or awarded on or after October 27, 2005. Contracts awarded before that date requiring contractors to have access to a Federally controlled facility or a Federal