

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>.

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(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

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 for the acquisition of telecommunications services.

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 239

Government procurement.

Michele P. Peterson,

Editor, Defense Acquisition Regulations System.

■ Therefore, 48 CFR part 239 is amended as follows:

PART 239—ACQUISITION OF INFORMATION TECHNOLOGY

■ 1. The authority citation for 48 CFR Part 239 continues to read as follows:

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

■ 2. Section 239.7407 is added to read as follows:

239.7407 Type of contract.

When acquiring telecommunications services, the contracting officer may use a basic agreement (see FAR 16.702) in conjunction with communication service authorizations. When using this method, follow the procedures at PGI 239.7407.

239.7407–1 and 239.7407–2 [Removed]

■ 3. Sections 239.7407–1 and 239.7407–2 are removed.

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DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

48 CFR Part 246

[DFARS Case 2003–D027]

Defense Federal Acquisition Regulation Supplement; Quality Assurance

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 Government contract quality assurance requirements. 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. 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–D027.

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—

- Update and clarify requirements for Government contract quality assurance and use of warranties;
- Delete unnecessary definitions and unnecessary text on technical requirements matters, responsibilities of contract administration offices, and

material inspection and receiving reports; and

- Delete text on preparation of quality assurance instructions, use of quality inspection approval stamps, and information on types of quality evaluation data. 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 29710 on May 24, 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 contract quality assurance requirements.

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 246

Government procurement.

Michele P. Peterson,

Editor, Defense Acquisition Regulations System.

■ Therefore, 48 CFR Part 246 is amended follows:

PART 246—QUALITY ASSURANCE

■ 1. The authority citation for 48 CFR Part 246 continues to read as follows:

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

246.101 [Removed]

■ 2. Section 246.101 is removed.

■ 3. Section 246.102 is amended by revising paragraph (1) to read as follows:

246.102 Policy.

* * * * *

(1) Develop and manage a systematic, cost-effective Government contract quality assurance program to ensure that contract performance conforms to