

proposed in the *Report*. Each of the proposals is described below.

32. The *Report* seeks comment on whether the existing rules governing so-called "pre-filing and post-filing announcements" that licensees must air in connection with their license renewal applications should be changed. Specifically, the Commission seeks comment on whether the same information that is currently required for on-air announcements about soon-to-be-filed and pending renewal applications should be posted on a licensee's website during the relevant months (*i.e.*, the posting begins on the sixth month before the license is due to expire and remains in place until after the deadline for filing petitions to deny). The *Report* also seeks comment on whether to broaden the required language for these announcements contained in 47 CFR 73.3680(d)(4)(i), which currently provides the Commission's mailing address as a source for information concerning the broadcast license renewal process, to include the agency's website address and, where technically feasible, to provide a link directly to the agency's Web site.

33. The *Report* invites comment on the Commission's tentative conclusion that licensees should convene and periodically consult with permanent community advisory boards made up of officials and other leaders from the community of each broadcast station for the purpose of determining significant community needs and issues, and whether the Commission should adopt similar rules or guidelines to foster licensees' communication with members of their stations' communities. It also seeks comment on whether television licensees should be required to maintain a physical presence at each television broadcasting facility during all hours of station operation. The *Report* further seeks comment on the Commission's tentative conclusion that it should adopt specific procedural guidelines for the processing of license renewal applications for stations based upon their localism programming performance during the preceding license term. The *Report* also seeks comment on whether a licensee should be required to situate its station main studio within the station's community of license to encourage production of locally originated programming, and whether accessibility of the main studio increases interaction between the licensee and its station's community of service.

34. The *Report* also seeks comment on whether it could be useful for licensees of stations affiliated with networks, in

fulfilling their localism obligations, to be able to review network programming at some point sufficiently in advance of airtime and whether existing affiliation agreements address such matters. It also seeks comment on the prevalence of voice-tracking, and whether the Commission can and should take steps to limit the practice, require disclosure, or otherwise address it. The *Report* also seeks comment on whether the Commission should require licensees to provide the agency with data regarding their airing of the music and other performances of local artists and how they compile their stations' playlists. It also seeks comment on the appropriate form of such disclosures and in what manner, if any, the local nature of a station's music programming should be considered in any renewal application processing guidelines. Finally, the *Report* seeks comment on the Commission's tentative conclusion that it should allow additional qualified LPTV stations to be granted Class A status, as well as on how to define eligibility and the Commission's statutory authority to take such action.

#### *E. Steps Taken To Minimize Significant Impact on Small Entities, and Significant Alternatives Considered*

35. The RFA requires an agency to describe any significant alternatives that might minimize any significant economic impact on small entities. Such alternatives may include the following four alternatives (among others): (1) The establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance or reporting requirements under the rule for small entities; (3) the use of performance, rather than design, standards; and (4) an exemption from coverage of the rule, or any part thereof, for small entities.

36. As noted, we are directed under law to describe any such alternatives we consider, including alternatives not explicitly listed above. The *Report* describes and seeks comment on several possible ways to enhance broadcast localism and diversity, including increasing and improving the amount and nature of broadcast programming that is targeted to the local needs and interests of a licensee's community of service, and providing more accessible information to the public about broadcasters' efforts to air such programming. The *Report* seeks comment on how the proposals described herein will achieve that goal, and commenters are invited to propose

steps that the Commission may take to minimize any significant economic impact on small entities.

#### *F. Federal Rules That May Duplicate, Overlap, or Conflict With the Proposed Rules*

37. None.

#### **Ordering Clauses**

38. Accordingly, *it is ordered*, pursuant to the authority found in sections 4(i), 303, 612, and 616 of the Communications Act of 1934, as amended, 47 U.S.C. 154(i), 303, 532 and 536, the *Report* on Broadcast Localism and Notice of Proposed Rulemaking *is adopted*.

39. *It is further ordered* that pursuant to sections 1, 4(i) and (j), 301, 302, 303, 307, 308, 309, 319, and 324 of the Communications Act of 1934, 47 U.S.C. 151, 154(i) and (j), 301, 302, 303, 307, 308, 309, 319, and 324 that *notice is hereby given* of the proposals and tentative conclusions described in the Report on Broadcast Localism and Notice of Proposed Rulemaking.

40. *It is further ordered* that the Reference Information Center, Consumer Information Bureau, shall send a copy of the Report on Broadcast Localism and Notice of Proposed Rulemaking, including the Flexibility Analysis, to the Chief Counsel for Advocacy of the Small Business Administration.

#### **List of Subjects**

##### *47 CFR Part 73*

Radio broadcast services.

##### *47 CFR Part 74*

Experimental radio, Auxiliary, Special broadcast and other program distributional services.

Federal Communications Commission.

**Marlene H. Dortch,**

*Secretary.*

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## **OFFICE OF MANAGEMENT AND BUDGET**

### **Office of Federal Procurement Policy**

#### **48 CFR Parts 9901 and 9903**

#### **Cost Accounting Standards Board (CAS) Exemption for Contracts Executed and Performed Outside the United States, Its Territories, and Possessions**

**AGENCY:** Cost Accounting Standards Board, Office of Federal Procurement Policy, OMB.

**ACTION:** Notice of Discontinuation of Case.

**SUMMARY:** The Office of Federal Procurement Policy (OFPP), Cost Accounting Standards (CAS) Board, is providing public notification of the decision to discontinue its review of the exemption for contracts that are executed and performed outside the United States, its territories, and possessions.

**FOR FURTHER INFORMATION CONTACT:** Laura Auletta, Manager, Cost Accounting Standards Board, 725 17th Street, NW., Room 9013, Washington, DC 20503 (telephone: 202-395-3256).

**SUPPLEMENTARY INFORMATION:**

**A. Regulatory Process**

The Cost Accounting Standards Board's rules, regulations and Standards are codified at 48 CFR Chapter 99. The Office of Federal Procurement Policy Act, 41 U.S.C. 422(g)(1), requires the Board, prior to the establishment of any new or revised Cost Accounting Standard, to complete a prescribed rulemaking process. The process generally consists of the following four steps:

1. Consult with interested persons concerning the advantages, disadvantages, and improvements anticipated in the pricing and administration of government contracts as a result of the adoption of a proposed Standard.
2. Promulgate an Advance Notice of Proposed Rulemaking (ANPRM).
3. Promulgate a Notice of Proposed Rulemaking (NPRM).
4. Promulgate a Final Rule.

This notice announces the discontinuation of a case after completing step one of the four-step process.

**B. Background and Summary**

On September 15, 2005, the CAS Board issued a Staff Discussion Paper inviting comments regarding whether the exemption at 48 CFR 9903.201-1(b)(14) should be revised or eliminated (70 FR 53977). The SDP discussed the history of the exemption. In summary, this discussion stated that the original CAS Board was established by Section 2168 of the Defense Production Act of 1950 (DPA). Section 2163 of the DPA, entitled "Territorial Application of Act," provided that Sections 2061 through 2170 of the Act "shall be applicable to the United States, its territories and possessions, and the District of Columbia" (United States). Therefore, because the provisions of the DPA were applicable only within the United States, the CAS Board rules,

regulations and standards were also applicable only within the United States. In 1980, the original CAS Board ceased to exist under the DPA and administration of the standards was undertaken by the Department of Defense until the CAS Board was re-established in 1988 under the Office of Federal Procurement Policy (OFPP) Act. In 1991, the new CAS Board retained the exemption when it recodified its rules and regulations at 48 CFR 9902.201-1(b)(14) on April 17, 1992 (57 FR 14148). The SDP published on September 15, 2005 invited public comments on whether the Board should revisit the exemption.

**C. Public Comments**

The Board received three sets of public comments in response to the staff discussion paper (available at [http://www.whitehouse.gov/omb/procurement/casb/index\\_public\\_comments.html](http://www.whitehouse.gov/omb/procurement/casb/index_public_comments.html)). None of the comments supported the Board revising or eliminating the exemption. In fact, all three of the comments offered arguments for why the CAS Board should retain the exemption.

One commented that while the OFPP Act, unlike the DPA, does not specifically limit CAS to contracts and subcontracts executed and performed within the United States, when Congress intends for laws to have extra-territorial effect, it would expressly state that intention. Additionally, the commenter notes that given the dynamic nature of international relations and bilateral agreements, the CAS Board would find it difficult to insure consistency of its regulations with international law and trade agreements. This commenter also questioned the material impact of the exemption, stating that, based on anecdotal evidence, contractors do not invoke the exception frequently. The value of the exemption, noted the commenter, includes putting foreign and U.S. companies on an equal footing by applying the same local accounting requirements; facilitating government procurements in the context of war readiness, other military action or disaster relief.

Another commenter discussed the impracticality of applying CAS to contracts and subcontracts performed entirely outside the United States, noting, in part, that a contractor would be expected to follow the accounting conventions (rules and regulations) of the country where the contract is being performed. Requiring contractors and those in their supply chain to follow CAS instead would likely make

participation in the U.S. Government procurement process prohibitive.

Another commenter expressed concern that eliminating the exemption would result in applying CAS to foreign contractors that would otherwise be small businesses, since the CAS small business exemption applies only to firms that have a place of business located in the United States.

While the CAS Board does not necessarily share each of the views expressed in these comments, the Board agrees with the conclusion not to delete or revise the exemption, especially with the absence of any commenter support for any such revision or elimination.

**D. Conclusion**

Based on the public input and Board discussions of this issue, the Board finds that the exemption should be retained without change.

**Paul A. Denett,**

*Administrator, Office of Federal Procurement Policy.*

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**OFFICE OF MANAGEMENT AND BUDGET**

**Office of Federal Procurement Policy**

**48 CFR Part 9904**

**Cost Accounting Standards Board; Allocation of Home Office Expenses to Segments**

**AGENCY:** Cost Accounting Standards Board, Office of Federal Procurement Policy, OMB.

**ACTION:** Staff Discussion Paper (SDP).

**SUMMARY:** The Cost Accounting Standards Board (the Board), Office of Federal Procurement Policy, invites public comments on a staff discussion paper (SDP) addressing potential revisions to Cost Accounting Standard (CAS) 403, "Allocation of Home Office Expenses to Segments." This SDP addresses whether the current thresholds that require use of the three factor formula for allocating residual home office expenses require revision.

**DATES:** Comments must be in writing and must be received by April 14, 2008.

**ADDRESSES:** Due to delays in receipt and processing of mail, respondents are strongly encouraged to submit comments electronically to ensure timely receipt. Electronic comments may be submitted to [casb2@omb.eop.gov](mailto:casb2@omb.eop.gov). Please include your name, title, organization, and reference case "CAS-2008-01S."