

DEPARTMENT OF DEFENSE**Defense Acquisition Regulations System****48 CFR Part 252**

RIN 0750-AF73

Defense Federal Acquisition Regulation Supplement; Item Identification and Valuation Clause Update (DFARS Case 2007-D007)

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 and clarify requirements for unique identification and valuation of items delivered under DoD contracts. The rule revises the applicable contract clause to reflect the current requirements.

DATES: *Effective Date:* August 12, 2008.

FOR FURTHER INFORMATION CONTACT: Mr. Michael Benavides, Defense Acquisition Regulations System, OUSD (AT&L) DPAP (DARS), IMD 3D139, 3062 Defense Pentagon, Washington, DC 20301-3062. Telephone 703-602-1302; facsimile 703-602-7887. Please cite DFARS Case 2007-D007.

SUPPLEMENTARY INFORMATION:**A. Background**

The contract clause at DFARS 252.211-7003, Item Identification and Valuation, requires unique identification for all delivered items for which the Government's unit acquisition cost is \$5,000 or more, and for other items designated by the Government. In addition, the clause requires identification of the Government's unit acquisition cost for all delivered items, and provides instructions to contractors regarding the identification and valuation processes.

This final rule updates and clarifies the requirements of the clause at DFARS 252.211-7003. The changes include: Update of references to standards and other documents; clarification of the definition of unique item identifier; specifically addressing the DoD recognized unique identification equivalent, where applicable; clarification of data submission requirements for end items and embedded items; clarification of requirements for inclusion of the clause in subcontracts; and update of referenced Internet addresses.

DoD published a proposed rule at 72 FR 42367 on August 2, 2007. Two

respondents submitted comments on the proposed rule. A discussion of the comments is provided below.

1. *Comment:* "Type designation" should be added to the list of information to be reported by the contractor, in paragraph (d) of the clause, and a definition of "type designation" should be added to the clause.

DoD Response: DoD does not believe it is necessary to address type designation in the contract clause. Contractors are required to report Item Unique Identification (IUID) data elements through use of the Wide Area WorkFlow (WAWF) Material Inspection and Receiving Report or by direct submission to the DoD IUID Registry using electronic XML, flat files, or user-defined formats. The WAWF Material Inspection and Receiving Report presently does not have the capability to report the Mark Content data elements, which include type designation. Therefore, relatively few items will have a type designation assigned. However, when required to do so, contractors can report type designation and other relevant Mark Content data elements using the "Guidelines for Registering Government Serialization, Type Designation and Ownership of Major End Items, Assemblies and Subassemblies and Capital Equipment in the IUID Registry" at <http://www.acq.osd.mil/dpap/pdi/uid/guides.html>.

2. *Comment:* The clause should include more clarification of the IUID data elements. For the most part, clarification is needed for vendors that use WAWF to create a Material Inspection and Receiving Report and enter IUID data on the WAWF UID data entry forms.

DoD Response: The clause refers vendors to the data submission procedures at http://www.acq.osd.mil/dpap/pdi/uid/data_submission_information.html, which has descriptions of the data elements and how to submit them. It is not necessary to repeat these procedures in the contract clause.

3. *Comment:* With regard to the requirement for "original part number (if there is serialization within the original part number)," vendors are confused as to whether they can enter the delivered item's part number when UID Type 1 is the construct used (UID Type 1 is concatenated Issuing Agency Code + Enterprise Identifier + Serial Number). The clause should address the following:

(1) Is the original part number only provided when there is serialization

within the original part number (*i.e.*, UID Type 2)?

(2) Can the vendor enter the original part number in the WAWF form (or direct entry to the Registry) when it does not use UID Type 2 (*e.g.*, using UID Type 1, ESN, VIN)? WAWF will allow data entry of the original part number when any UID type is used, including ESN, VIN, GRAI, GIAI, etc.

DoD Response: DoD does not believe clarification is necessary in the contract clause. The original part number must be submitted to the IUID Registry when serialization is unique within the part number (*i.e.*, it is a component of the Unique Item Identifier (UII)). It is permissible to submit the original part number when not required by the clause (*i.e.*, it is not a component of the UII). WAWF will allow the entry of the original part number with IUID types other than UID Type 2.

4. *Comment:* Clarification is needed with regard to the word "original." For example, a vendor will be delivering an item with a company part number of 123ABC-005. The item has evolved over the years; the true original part number was 123ABC-001. At the time the UII is assigned to the asset, the UID original part number is the company's current part number as recorded in its configuration management system. That is, for an item delivered today, the UID original part number would be 123ABC-005, not 123ABC-001. If this is correct, the definition of "original part number" should be clarified.

DoD Response: DoD does not believe the clarification is necessary. The rule defines "original part number" as a combination of numbers or letters assigned by the enterprise at item creation to a class of items with the same form, fit, function, and interface. The key to the meaning of "original part number" is "* * *" at item creation to a class of items with the same form, fit, function, and interface." Thus, the original part number used in a UII Construct #2 must be that part number assigned to the class of items with the same form, fit, function, and interface that the UII item has. For new items (*i.e.*, the items covered by this rule) the part number of the delivered item will be the original part number.

5. *Comment:* Can a lot or batch number be entered if UID Type 2 is not used? WAWF allows entry of both the original part number and lot/batch number when UID Type 2 is chosen. Should this be allowed? If not, the clause should state that only the original part number or lot/batch number may be used.

DoD Response: The clause requires that the part, lot, or batch number be

used. As stated in the DoD Guide to Uniquely Identifying Items, Appendix C, Business Rule #13, available at <http://www.acq.osd.mil/dpap/pdi/uid/guides.html>, data elements not required to construct the concatenated UII shall remain discrete but may be contained within the same mark or media as the UII-required elements, as long as all the data elements contained in the mark or media are properly identified with a data qualifier. The UII data elements should appear first in the sequence. This means that a lot number can be included in the data matrix as long as the data qualifier used to define it is not one that is used for a UII data element. In the case of a lot number, the data qualifiers that can be used in the UII construct are the data identifier "1T" or the text element identifiers "LOT", "LTN", or "BII". These data qualifiers cannot be used to describe an additional data element not part of the Construct #2 UII when the original part number is used in the UII. The data identifier for current lot number "30T" can be used to describe the lot number when either "1P" or "1T" is used in the UII Construct #2. There is no other data qualifier for current lot number other than "30T".

6. *Comment:* The clause should provide a clear definition of "current part number" and should clarify when a current part number must be reported and submitted.

DoD Response: MIL-STD-130N, Table IV, UII construct business rules and supplemental data, states that "In instances where the part number changes with new configurations (also known as part number roll), the current part number shall be included on the item for traceability purposes and may be included as a separate data element." For new items (*i.e.*, the items covered by this rule), the part number of the delivered item will be the current part number as well as the original part number.

7. *Comment:* The clause does not mention the increase in value to an asset because of a change in the current part number. In WAWF, this value is called the "current part cost." In the IUID Software User's Manual Version 3.4, it is called "acquisition value" (not to be confused with acquisition cost). The Manual states that acquisition value is the cost incurred by DoD when a part number changes, the value added to an item when it is updated. The IUID Flat File Specification, Version 2, June 19, 2007, defines "acquisition value" as the cost incurred by DoD when the part number changes. The IUID XML Data Submission Guide calls this value "current acquisition value" and defines

it as the cost incurred by DoD when a part number changes. The clause, the IUID software manual, and WAWF should be consistent, and the DFARS clause should include the value added because of a part number change.

DoD Response: The cost captured by the IUID Registry is the unit acquisition cost at the time of delivery of the item. Any additional cost added to the item after delivery is determined in the military equipment valuation process. DoD will revise the Software User's Manual to remove the phrase "the value added to an item when it is updated", since that is determined by the military equipment valuation rules.

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 does not significantly change requirements relating to the identification and valuation of items delivered under DoD contracts. The rule updates and clarifies existing 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 252

Government procurement.

Michele P. Peterson,
Editor, Defense Acquisition Regulations System.

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

PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

■ 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.

■ 2. Section 252.211-7003 is amended as follows:

- a. By revising the clause date;
- b. In paragraph (a), by revising the definitions of "DoD recognized unique identification equivalent", "Issuing agency", "Unique item identifier", and "Unique item identifier type";

- c. By revising paragraphs (c) through (g); and
- d. In Alternate I, by revising the Alternate I date and paragraph (d) to read as follows:

252.211-7003 Item Identification and Valuation.

* * * * *

ITEM IDENTIFICATION AND VALUATION (AUG 2008)

(a) * * *

DoD recognized unique identification equivalent means a unique identification method that is in commercial use and has been recognized by DoD. All DoD recognized unique identification equivalents are listed at http://www.acq.osd.mil/dpap/pdi/uid/uid_equivalents.html.

* * * * *

Issuing agency means an organization responsible for assigning a non-repeatable identifier to an enterprise (*i.e.*, Dun & Bradstreet's Data Universal Numbering System (DUNS) Number, GS1 Company Prefix, or Defense Logistics Information System (DLIS) Commercial and Government Entity (CAGE) Code).

* * * * *

Unique item identifier means a set of data elements marked on items that is globally unique and unambiguous. The term includes a concatenated unique item identifier or a DoD recognized unique identification equivalent.

Unique item identifier type means a designator to indicate which method of uniquely identifying a part has been used. The current list of accepted unique item identifier types is maintained at http://www.acq.osd.mil/dpap/pdi/uid/uii_types.html.

* * * * *

(c) *Unique item identifier.*

(1) The Contractor shall provide a unique item identifier for the following:

(i) All delivered items for which the Government's unit acquisition cost is \$5,000 or more.

(ii) The following items for which the Government's unit acquisition cost is less than \$5,000:

Contract line, subtitle, or exhibit line item No.	Item description

(iii) Subassemblies, components, and parts embedded within delivered items as specified in Attachment Number ____.

(2) The unique item identifier and the component data elements of the DoD unique item identification shall not change over the life of the item.

(3) *Data syntax and semantics of unique item identifiers.* The Contractor shall ensure that—

(i) The encoded data elements (except issuing agency code) of the unique item identifier are marked on the item using one of the following three types of data qualifiers, as determined by the Contractor:

(A) Application Identifiers (AIs) (Format Indicator 05 of ISO/IEC International Standard 15434), in accordance with ISO/IEC International Standard 15418, Information Technology—EAN/UCC Application Identifiers and Fact Data Identifiers and Maintenance and ANSI MH 10.8.2 Data Identifier and Application Identifier Standard.

(B) Data Identifiers (DIs) (Format Indicator 06 of ISO/IEC International Standard 15434), in accordance with ISO/IEC International Standard 15418, Information Technology—EAN/UCC Application Identifiers and Fact Data Identifiers and Maintenance and ANSI MH 10.8.2 Data Identifier and Application Identifier Standard.

(C) Text Element Identifiers (TEIs) (Format Indicator 12 of ISO/IEC International Standard 15434), in accordance with the Air Transport Association Common Support Data Dictionary; and

(ii) The encoded data elements of the unique item identifier conform to the transfer structure, syntax, and coding of messages and data formats specified for Format Indicators 05, 06, and 12 in ISO/IEC International Standard 15434, Information Technology—Transfer Syntax for High Capacity Automatic Data Capture Media.

(4) *Unique item identifier.*

(i) The Contractor shall—

(A) Determine whether to—

(1) Serialize within the enterprise identifier;

(2) Serialize within the part, lot, or batch number; or

(3) Use a DoD recognized unique identification equivalent; and

(B) Place the data elements of the unique item identifier (enterprise identifier; serial number; DoD recognized unique identification equivalent; and for serialization within the part, lot, or batch number only: original part, lot, or batch number) on items requiring marking by paragraph (c)(1) of this clause, based on the criteria provided in the version of MIL-STD-130, Identification Marking of U.S. Military Property, cited in the contract Schedule.

(ii) The issuing agency code—

(A) Shall not be placed on the item; and

(B) Shall be derived from the data qualifier for the enterprise identifier.

(d) For each item that requires unique item identification under paragraph (c)(1)(i) or (ii) of this clause, in addition to the information provided as part of the Material Inspection and Receiving Report specified elsewhere in this contract, the Contractor shall report at the time of delivery, either as part of, or associated with, the Material Inspection and Receiving Report, the following information:

(1) Unique item identifier.

(2) Unique item identifier type.

(3) Issuing agency code (if concatenated unique item identifier is used).

(4) Enterprise identifier (if concatenated unique item identifier is used).

(5) Original part number (if there is serialization within the original part number).

(6) Lot or batch number (if there is serialization within the lot or batch number).

(7) Current part number (optional and only if not the same as the original part number).

(8) Current part number effective date (optional and only if current part number is used).

(9) Serial number (if concatenated unique item identifier is used).

(10) Government's unit acquisition cost.

(11) Unit of measure.

(e) For embedded subassemblies, components, and parts that require DoD unique item identification under paragraph (c)(1)(iii) of this clause, the Contractor shall report as part of, or associated with, the Material Inspection and Receiving Report specified elsewhere in this contract, the following information:

(1) Unique item identifier of the parent item under paragraph (c)(1) of this clause that contains the embedded subassembly, component, or part.

(2) Unique item identifier of the embedded subassembly, component, or part.

(3) Unique item identifier type.**

(4) Issuing agency code (if concatenated unique item identifier is used).**

(5) Enterprise identifier (if concatenated unique item identifier is used).**

(6) Original part number (if there is serialization within the original part number).**

(7) Lot or batch number (if there is serialization within the lot or batch number).**

(8) Current part number (optional and only if not the same as the original part number).**

(9) Current part number effective date (optional and only if current part number is used).**

(10) Serial number (if concatenated unique item identifier is used).**

(11) Description.

** Once per item.

(f) The Contractor shall submit the information required by paragraphs (d) and (e) of this clause in accordance with the data submission procedures at http://www.acq.osd.mil/dpap/pdi/uid/data_submission_information.html.

(g) Subcontracts. If the Contractor acquires by subcontract, any item(s) for which unique item identification is required in accordance with paragraph (c)(1) of this clause, the Contractor shall include this clause, including this paragraph (g), in the applicable subcontract(s).

(End of clause)

Alternate I (AUG 2008)

* * * * *

(d) The Contractor shall submit the information required by paragraph (c) of this clause in accordance with the data submission procedures at http://www.acq.osd.mil/dpap/pdi/uid/data_submission_information.html.

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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 679

[Docket No. 071106671-8010-02]

RIN 0648-XJ66

Fisheries of the Exclusive Economic Zone Off Alaska; Shallow-Water Species Fishery by Vessels Using Trawl Gear in the Gulf of Alaska

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Temporary rule; closure.

SUMMARY: NMFS is prohibiting directed fishing for species that comprise the shallow-water species fishery by vessels using trawl gear in the Gulf of Alaska (GOA). This action is necessary because the third seasonal apportionment of the 2008 Pacific halibut bycatch allowance specified for the shallow-water species fishery in the GOA has been reached.

DATES: Effective 1200 hrs, Alaska local time (A.l.t.), August 7, 2008, through 1200 hrs, A.l.t., September 1, 2008.

FOR FURTHER INFORMATION CONTACT: Jennifer Hogan, 907-586-7228.

SUPPLEMENTARY INFORMATION: NMFS manages the groundfish fishery in the GOA exclusive economic zone according to the Fishery Management Plan for Groundfish of the Gulf of Alaska (FMP) prepared by the North Pacific Fishery Management Council under authority of the Magnuson-Stevens Fishery Conservation and Management Act. Regulations governing fishing by U.S. vessels in accordance with the FMP appear at subpart H of 50 CFR part 600 and 50 CFR part 679.

The third seasonal apportionment of the 2008 Pacific halibut bycatch allowance specified for the shallow-water species fishery in the GOA is 200 metric tons as established by the 2008 and 2009 harvest specifications for groundfish of the GOA (73 FR 10562, February 27, 2008), for the period 1200 hrs, A.l.t., July 1, 2008, through 1200 hrs, A.l.t., September 1, 2008.

In accordance with § 679.21(d)(7)(i), the Administrator, Alaska Region, NMFS, has determined that the third seasonal apportionment of the 2008 Pacific halibut bycatch allowance specified for the trawl shallow-water species fishery in the GOA has been reached. Consequently, NMFS is prohibiting directed fishing for the shallow-water species fishery by vessels using trawl gear in the GOA. The