

Authorization Act for Fiscal Year 2016 (Pub. L. 114–92), such contracts shall not be subject to requirements under chapter 148 of title 10, United States Code (including 10 U.S.C. 2533a), to the extent such contracts are for purchases of products by other Federal agencies or State or local governments.

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## DEPARTMENT OF DEFENSE

### Defense Acquisition Regulations System

#### 48 CFR Part 252

[Docket DARS–2016–0022]

RIN 0750–A198

### Defense Federal Acquisition Regulation Supplement: New Designated Country—Ukraine (DFARS Case 2016–D026)

**AGENCY:** Defense Acquisition Regulations System, Department of Defense (DoD).

**ACTION:** Final rule.

**SUMMARY:** DoD is issuing a final rule to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to add Ukraine as a new designated country under the World Trade Organization Government Procurement Agreement.

**DATES:** Effective June 30, 2016.

**FOR FURTHER INFORMATION CONTACT:** Mr. Christopher Stiller, telephone 571–372–6176.

#### SUPPLEMENTARY INFORMATION:

##### I. Background

On November 11, 2015, the World Trade Organization (WTO) Committee on Government Procurement approved the accession of Ukraine to the WTO Government Procurement Agreement (GPA). Ukraine submitted its instrument of accession to the Secretary General of the WTO on April 18, 2016. The GPA entered into force for Ukraine on May 18, 2016. The United States, which is also a party to the GPA, has agreed to waive discriminatory purchasing requirements for eligible products and suppliers of Ukraine beginning on May 18, 2016. Therefore, this rule adds Ukraine to the list of WTO GPA countries wherever it appears in the DFARS, as part of the definition of “designated country”.

##### II. Applicability to Contracts at or Below the Simplified Acquisition Threshold and for Commercial Items, Including Commercially Available Off-the-Shelf Items

This rule only updates the list of designated countries in the DFARS by adding the newly designated country of Ukraine. The definition of “designated country” is updated in each of the following clauses; however, this revision does not impact the clause prescriptions for use, or applicability at or below the simplified acquisition threshold, or applicability to commercial items. The clauses are: DFARS 252.225–7017, Photovoltaic Devices; DFARS 252.225–7021, Trade Agreements; and DFARS 252.225–7045, Balance of Payments Program—Construction Material Under Trade Agreements.

##### III. Publication of This Final Rule for Public Comment is not Required by Statute

The statute that applies to the publication of the Federal Acquisition Regulation (FAR) is 41 U.S.C. 1707 entitled “Publication of Proposed Regulations.” Paragraph (a)(1) of the statute requires that a procurement policy, regulation, procedure or form (including an amendment or modification thereof) must be published for public comment if it relates to the expenditure of appropriated funds, and has either a significant effect beyond the internal operating procedures of the agency issuing the policy, regulation, procedure or form, or has a significant cost or administrative impact on contractors or offerors. This final rule is not required to be published for public comment, because it is just updating the lists of designated countries in order to reflect that Ukraine is now a member of the WTO GPA. These requirements affect only the internal operating procedures of the Government.

##### IV. Executive Orders 12866 and 13563

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This is not a significant regulatory action and, therefore, was not subject to review under section 6(b) of

E.O. 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

##### V. Regulatory Flexibility Act

The Regulatory Flexibility Act does not apply to this rule because this final rule does not constitute a significant DFARS revision within the meaning of FAR 1.501–1, and 41 U.S.C. 1707 does not require publication for public comment.

##### VI. Paperwork Reduction Act

This rule affects the information collection requirements in the provisions at DFARS 252.225–7020, Trade Agreements Certificate, and 252.225–7018, Photovoltaic Devices—Certificate, currently approved under OMB Control Number 0704–0229, entitled “Defense Federal Acquisition Regulation Supplement Part 225, Foreign Acquisition, and related clauses,” in accordance with the Paperwork Reduction Act (44 U.S.C. chapter 35). The impact, however, is negligible, because the rule only affects the response of an offeror that is offering a product of Ukraine in an acquisition that exceeds \$191,000. In 252.225–7018, the offeror of a product from Ukraine must now check a box at (d)(6)(i) of the provision. However, the offeror no longer needs to list a product from Ukraine under “other end products” at 252.225–7020(c)(2), because Ukraine is now a designated country.

##### List of Subjects in 48 CFR Part 252

Government procurement.

Jennifer L. Hawes,

*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. 1303 and 48 CFR chapter 1.

##### 252.225–7017 [Amended]

■ 2. Amend section 252.225–7017 by—  
 ■ a. Removing the clause date of “(JAN 2016)” and adding “(JUN 2016)” in its place; and  
 ■ b. In paragraph (a), in the definition of “designated country” in paragraph (i), adding, in alphabetical order, the country of “Ukraine”.

##### 252.225–7021 [Amended]

■ 3. Amend section 252.225–7021 by—

- a. Removing the basic clause date of “(OCT 2015)” and adding “(JUN 2016)” in its place;
- b. In paragraph (a), in the definition of “designated country” in paragraph (i), adding, in alphabetical order, the country of “Ukraine”; and
- c. In the Alternate II clause—
- i. Removing the clause date of “(OCT 2015)” and adding “(JUN 2016)” in its place; and
- ii. In paragraph (a), in the definition of “designated country” in paragraph (i), adding, in alphabetical order, the country of “Ukraine”.

#### 252.225–7045 [Amended]

- 4. Amend section 252.225–7045 by—
- a. Removing the basic clause date of “(OCT 2015)” and adding “(JUN 2016)” in its place;
- b. In paragraph (a), in the definition of “designated country” in paragraph (i), adding, in alphabetical order, the country of “Ukraine”;
- c. In the Alternate I clause—
- i. Removing the clause date of “(OCT 2015)” and adding “(JUN 2016)” in its place; and
- ii. In paragraph (a), in the definition of “designated country” in paragraph (i), adding, in alphabetical order, the country of “Ukraine”;
- d. In the Alternate II clause—
- i. Removing the clause date of “(OCT 2015)” and adding “(JUN 2016)” in its place; and
- ii. In paragraph (a), in the definition of “designated country” in paragraph (i), adding, in alphabetical order, the country of “Ukraine”;
- e. In the Alternate III clause—
- i. Removing the clause date of “(OCT 2015)” and adding “(JUN 2016)” in its place; and
- ii. In paragraph (a), in the definition of “designated country” in paragraph (i), adding, in alphabetical order, the country of “Ukraine”.

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## DEPARTMENT OF TRANSPORTATION

### Pipeline and Hazardous Materials Safety Administration

#### 49 CFR Part 190

[Docket No. PHMSA–2016–0010]

RIN–2137–AF16

#### Pipeline Safety: Inflation Adjustment of Maximum Civil Penalties

**AGENCY:** Pipeline and Hazardous Materials Safety Administration (PHMSA), DOT.

**ACTION:** Interim final rule.

**SUMMARY:** PHMSA is revising references in its regulations to the maximum civil penalties for violations of the Federal Pipeline Safety Laws, or any PHMSA regulation or order issued thereunder. Under the “Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015,” which further amended the “Federal Civil Penalties Inflation Adjustment Act of 1990,” federal agencies are required to adjust their civil monetary penalties effective August 1, 2016, and then annually thereafter, to account for changes in inflation.

PHMSA finds good cause to amend the regulation related to civil penalties without notice and opportunity for public comment. For the reasons described below, advance public notice is unnecessary.

**DATES:** The effective date of this interim final rule is August 1, 2016.

**FOR FURTHER INFORMATION CONTACT:**

Aaron Glaser, Attorney-Advisor, Pipeline Safety Division, Office of Chief Counsel, Pipeline and Hazardous Materials Safety Administration, by telephone at 202–366–6318 or by email at [aaron.glaser@dot.gov](mailto:aaron.glaser@dot.gov); Melanie Stevens, Attorney-Advisor, Pipeline Safety Division, Office of Chief Counsel, Pipeline and Hazardous Materials Safety Administration, by telephone at 202–366–5466 or by email at [melanie.stevens@dot.gov](mailto:melanie.stevens@dot.gov).

**SUPPLEMENTARY INFORMATION:**

#### I. Procedures

##### Background

Section 701 of the “Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015” (Pub. L. 114–72) (the 2015 Act) amended the “Federal Civil Penalties Inflation Adjustment Act of 1990” (Pub. L. 101–410) (Inflation Adjustment Act) to require that federal agencies adjust their civil penalties with an initial “catch-up” adjustment through an interim final rulemaking by July 1, 2016, as well as make subsequent annual adjustments for inflation. This interim rule adjusts the maximum civil penalties assessed under 49 U.S.C. 60101, *et seq.*, or regulations or orders issued thereunder. These adjusted penalties will apply to violations occurring on or after the effective date of August 1, 2016.

On February 24, 2016, the Office of Management and Budget (OMB) issued a “Memorandum for the Heads of Executive Departments and Agencies, Implementation of the Federal Civil Penalties Inflation Adjustment Act

Improvements Act of 2015,” M–16–06 (OMB Memorandum M–16–06), providing guidance to federal agencies on how to update their civil penalties pursuant to the 2015 Act. OMB Memorandum M–16–06 directs agencies to use multipliers to adjust their civil monetary penalties, or the minimum and maximum penalties, based on the year the penalty was established or last adjusted by statute or regulation other than under the Inflation Adjustment Act (Base Year). For the catch-up adjustment, the agency must use the multiplier, based on the Consumer Price Index for October 2015, provided in the table of OMB Memorandum M–16–06 and multiply it by the current maximum penalty amount. After making an adjustment, all penalty levels must be rounded to the nearest dollar, but no penalty level may be increased by more than 150 percent of corresponding penalty levels in effect on November 2, 2015.

PHMSA is revising the maximum civil penalty amounts in its regulations, consistent with the process outlined in OMB Memorandum M–16–06. The “Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011” (the 2011 Act) (Public Law No: 112–90) adjusted the maximum civil penalties for violations under 49 U.S.C. 60101, *et seq.* In 2013, PHMSA amended 49 Code of Federal Regulations (CFR) § 190.223(a) to conform to the 2011 Act, effective January 2, 2012. (78 FR 58897). Based on the 2012 effective date, a multiplier 1.02819 was used to calculate the updated penalties for violations under 49 U.S.C. 60101, *et seq.*, and any regulation or order issued thereunder. The civil penalty amounts for violations of 49 U.S.C. 60103 and 60111 were last set by Congress in 1994 with the Revision of Title 49, United States Code Annotated, Transportation (Pub. L. 103–272), and last adjusted by PHMSA in 1996 via regulation amending 49 CFR 190.223(c) (61 FR 18515). The 1996 multiplier of 1.50245 was used to calculate the updated penalties for violations of 49 U.S.C. 60103 and 60111. Lastly, the penalty amount for violations of 49 U.S.C. 60129 was last set by Congress in 2002 with the passage of the “Pipeline Safety Improvement Act of 2002,” (Pub. L. 107–355), and last adjusted by PHMSA in 2005 via regulation amending 49 CFR 190.223(d) (70 FR 11137). The 2005 multiplier of 1.19397 was used to calculate the updated penalties for violations of 49 U.S.C. 60129. These revised penalties are shown as follows: