

(j) For products under paragraph (3)(i) of the “commercial product” definition at FAR 2.101, a description of the modification and documentation to support that the modification is customarily available in the marketplace; or

(ii) For products under paragraph (3)(ii) of the “commercial product” definition at FAR 2.101, a detailed description of the modification and detailed technical data to demonstrate that the modification is minor (e.g., information on production processes and material differences); and

(3) The national stock number (NSN) for the comparable commercial product, if one is assigned, and the NSN for the subsystem, component, or spare part; or

(4) If the Offeror does not sell a comparable commercial product to the general public or nongovernmental entities for purposes other than government purposes, the Offeror shall—

(i) Notify the Contracting Officer in writing that it does not sell such a comparable product; and

(ii) Provide the Contracting Officer with a comparison of the physical characteristics and functionality of the most comparable commercial product in the commercial market.

(C) For items priced based on a catalog—

(1) A copy of or identification of the Offeror’s current catalog showing the price for that item; and

(2) If the catalog pricing provided with this proposal is not consistent with all relevant sales data, a detailed description of differences or inconsistencies between or among the relevant sales data, the proposed price, and the catalog price (including any related discounts, refunds, rebates, offsets, or other adjustments);

(D) For items priced based on market pricing, a description of the nature of the commercial market, the methodology used to establish a market price, and all relevant sales data. The description shall be adequate to permit the DoD to verify the accuracy of the description;

(E) For items included on an active Federal Supply Service Multiple Award Schedule contract, proof that an exception has been granted for the schedule item; or

(F) For items provided by nontraditional defense contractors, a statement that the entity is not currently performing and has not performed, for at least the 1-year period preceding the solicitation of sources by the DoD for the procurement or transaction, any contract or subcontract for the DoD that is subject to full coverage under the cost

accounting standards prescribed pursuant to 41 U.S.C. 1502 and the regulations implementing such section.

(2) The Offeror grants the Contracting Officer or an authorized representative the right to examine, at any time before award, books, records, documents, or other directly pertinent records to verify any request for an exception under this provision, and to determine the reasonableness of price.

* * * * *

(d) *Requirements for data other than certified cost or pricing data.* (1) Data other than certified cost or pricing data submitted in accordance with this provision shall include all data necessary to permit a determination that the proposed price is fair and reasonable, to include the requirements in Defense Federal Acquisition Regulation Supplement (DFARS) 215.402(a)(i), 215.404–1(b), and 237.7002(e).

(2) In cases in which uncertified cost data is required, the information shall be provided in the form in which it is regularly maintained by the Offeror or prospective subcontractor in its business operations.

(3) If the Offeror redacts data that identifies the customer (see DFARS 234.7002(e)(2)), then the Offeror shall include, for each sale, the following signed statement with the data submitted:

“By submission of this data, the Offeror [*Offeror insert company name*] certifies that the customer was [*Offeror insert one or more of the following as applicable: a government customer (e.g., Federal, state, local, or foreign government); a commercial customer purchasing the same or similar product for governmental purposes; or a commercial customer purchasing the same or similar product for a commercial, mixed, or unknown purpose.*”

(4) The Offeror shall provide information described as follows: [*Insert description of the data and the format that are required, including access to records necessary to permit an adequate evaluation of the proposed price in accordance with FAR 15.403–3 or DFARS 234.7002(e).*]

(5) Within 10 days of a written request from the Contracting Officer for additional information to support proposal analysis, the Offeror shall provide either the requested information, or a written explanation for the inability to fully comply.

(6) *Subcontract price evaluation.* (i) Offerors shall obtain from subcontractors the information necessary to support a determination of

price reasonableness, as described in FAR part 15 and DFARS part 215.

(ii) No cost information may be required from a prospective subcontractor in any case in which there are sufficient non-Government sales of the same item to establish reasonableness of price.

(iii) If the Offeror relies on relevant sales data for similar items to determine the price is reasonable, the Offeror shall obtain only that technical information necessary—

(A) To support the conclusion that items are technically similar; and

(B) To explain any technical differences that account for variances between the proposed prices and the sales data presented.

* * * * *

[FR Doc. 2024–11515 Filed 5–29–24; 8:45 am]

BILLING CODE 6001–FR–P

DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

48 CFR Parts 212, 225, and 252

[Docket DARS–2023–0042]

RIN 0750–AL40

Defense Federal Acquisition Regulation Supplement: Limitation on the Acquisition of Certain Goods Other Than United States Goods (DFARS Case 2021–D022)

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

ACTION: Final rule.

SUMMARY: DoD is issuing a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to implement two sections of the National Defense Authorization Act for Fiscal Year 2021, one section of the National Defense Authorization Act for Fiscal Year 2022, one section of the National Defense Authorization Act for Fiscal Year 2023, and one section of the Consolidated Appropriations Act, 2023. These statutes remove limitations and restrictions on certain components that are no longer required and add new limitations on other components, subject to exceptions.

DATES: Effective May 30, 2024.

FOR FURTHER INFORMATION CONTACT: Kimberly Bass, telephone 703–717–3446.

SUPPLEMENTARY INFORMATION:

I. Background

DoD published a proposed rule in the **Federal Register** at 88 FR 80472 on November 17, 2023, to implement sections 845 and 1603 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2021 (Pub. L. 116–283); section 816 of the NDAA for FY 2022 (Pub. L. 117–81); section 853 of the NDAA for FY 2023 (Pub. L. 117–263), and section 8016 of the Consolidated Appropriations Act of 2023 (Pub. L. 117–328). These sections amend 10 U.S.C. 2534, now 10 U.S.C. 4864, to require acquisition of certain items and components from the national technology and industrial base. The national technology and industrial base is defined at 10 U.S.C. 4801 as the United States, Australia, Canada, New Zealand, or the United Kingdom.

One respondent submitted public comments in response to the proposed rule. There are no changes made to the final rule.

II. Discussion and Analysis

DoD reviewed the public comments in the development of the final rule. A discussion of the comments is provided, as follows:

Comment: A respondent recommended the words “weighing more than 400 pounds” be removed. The respondent provided that exempting satellites weighing less than 400 pounds cedes a large part of the U.S. market for star trackers to foreign suppliers that have been funded largely by the European Space Agency, and that the foreign suppliers currently dominate the high quality small star tracker market. The respondent stated that the exemption of satellites weighing less than 400 pounds also discourages members of the national technology and industrial base from investing and participating in possibly the most attractive segment of the U.S. star tracker market and the market as a whole. Lastly, the respondent recommended that DoD develop and include a DFARS clause that requires procurement of star trackers from domestic sources for satellites, including those weighing less than 400 pounds, and that this requirement should be included in U.S. Government agency procurements for information and services provided by commercial satellite systems.

Response: Section 1603 amends 10 U.S.C. 2534(a), now 10 U.S.C. 4864, and adds star trackers to the list of items that must be procured from manufacturers in the national technology and industrial base. The statute applies to a “star tracker used in a satellite weighing more

than 400 pounds whose principal purpose is to support the national security, defense, or intelligence needs of the United States Government”. The rule implements this statutory requirement accordingly.

Moreover, the DFARS clause at 252.225–7064, Restriction on Acquisition of Satellite Star Trackers, is prescribed at DFARS 225.7004–7(d) for use in solicitations and contracts requiring the acquisition of satellite star trackers, including solicitations and contracts that exceed the simplified acquisition threshold (SAT) and that use FAR part 12 procedures for the acquisition of commercial products, including COTS items, and for the acquisition of commercial services. Lastly, as provided in section III of this preamble, DoD intends to apply the clause to contracts for the acquisition of commercial products including COTS items and for the acquisition of commercial services.

III. Applicability to Contracts at or Below the Simplified Acquisition Threshold (SAT), for Commercial Products (Including Commercially Available Off-the-Shelf (COTS) Items), and for Commercial Services

The clause at DFARS 252.225–7063, Restriction on Acquisition of Components of T–AO 205 Class Vessels, is prescribed at DFARS 225.7004–7(c) for use in solicitations and contracts requiring the acquisition of components of T–AO 205 and T–ARC class vessels, including solicitations and contracts that exceed the SAT and that use FAR part 12 procedures for the acquisition of commercial products, including COTS items, and for the acquisition of commercial services. The clause at DFARS 252.225–7064, Restriction on Acquisition of Satellite Star Trackers, is prescribed at DFARS 225.7004–7(d) for use in solicitations and contracts requiring the acquisition of satellite star trackers, including solicitations and contracts that exceed the SAT and that use FAR part 12 procedures for the acquisition of commercial products, including COTS items, and for the acquisition of commercial services.

Consistent with the analysis that DoD provided in the proposed rule with regard to the application of the requirements of sections 845 and 1603 of the NDAA for FY 2021 (Pub. L. 116–283) and section 852 of the NDAA for FY 2023 (Pub. L. 117–263), which amend 10 U.S.C. 4864, DoD has made the determination to apply the statute, as implemented in the clauses at DFARS 252.225–7063 and 252.225–7064 to contracts and subcontracts for the acquisition of commercial products

including COTS items, and to the acquisition of commercial services, as defined at Federal Acquisition Regulation 2.101.

The requirements of 10 U.S.C. 4864 do not apply to a contract or subcontract for an amount at or below the SAT. Therefore, the clauses will not apply to acquisitions at or below the SAT.

IV. Expected Impact of the Rule

The final rule adds procurement limitations on the acquisition of star trackers for certain national security satellites and certain components for T–AO 205 and T–ARC class vessels, requiring they are manufactured in the national technology and industrial base: the United States, Australia, Canada, New Zealand or the United Kingdom in accordance with 10 U.S.C. 4864.

The rule is not expected to have a significant impact on the Government, offerors, or contractors. The satellite star trackers and components for the T–AO 205 and T–ARC class of vessels are the types of items that are readily available in the marketplace, so limitation to national technology and industrial base sources is not viewed as having a significant impact on the availability of sources. Further, the rule provides waiver procedures to the limitation.

The domestic source restriction does not apply to—

- (1) Contracts or subcontracts that do not exceed the simplified acquisition threshold;
- (2) The acquisition of spare or repair parts needed to support components for naval vessels manufactured outside the United States; and
- (3) Large medium-speed diesel engines for icebreakers or special mission ships.

V. 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, as amended.

VI. Congressional Review Act

As required by the Congressional Review Act (5 U.S.C. 801–808) before an

interim or final rule takes effect, DoD will submit a copy of the interim or final rule with the form, Submission of Federal Rules under the Congressional Review Act, to the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the United States. A major rule under the Congressional Review Act cannot take effect until 60 days after it is published in the **Federal Register**. The Office of Information and Regulatory Affairs has determined that this rule is not a major rule as defined by 5 U.S.C. 804.

VII. Regulatory Flexibility Act

A final regulatory flexibility analysis has been prepared consistent with the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.* and is summarized as follows:

DoD is amending the Defense Federal Acquisition Regulation Supplement (DFARS) to implement statutes that remove limitations and restrictions no longer required, and that require the procurement of star trackers for certain national security satellites, as well as certain components for T-AO 205 and T-ARC class vessels, from the national technology and industrial base: the United States, Australia, Canada, New Zealand, or the United Kingdom.

The objective of the rule is to implement sections 845 and 1603 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2021 (Pub. L. 116–283); section 816 of the NDAA for FY 2022 (Pub. L. 117–81); and section 853 of the NDAA for FY 2023 (Pub. L. 117–263). Section 845 of the NDAA for FY 2021 amends 10 U.S.C. 4864(a) to update the list of components for naval vessels at paragraphs (a)(2)(A) through (E). Subsequently, section 816 of the NDAA for FY 2022 added to the list of components for naval vessels welded shipboard anchor and mooring chain, without size restrictions, at 10 U.S.C. 4864(a)(2)(F). Section 845 also added components for T-AO 205 class vessels at 10 U.S.C. 4864(a)(4). Section 853 of the NDAA for FY 2023 added T-ARC class vessels at 10 U.S.C. 4864(a)(4) along with the component list for T-AO 205 class vessels. Section 1603 of the NDAA for FY 2021 added limitations on procurement of satellite star trackers at 10 U.S.C. 4864(a)(5).

No significant issues were raised by public comments regarding the initial regulatory flexibility analysis.

DoD reviewed data from the Federal Procurement Data System for FY 2021, 2022, and 2023, excluding contracts that do not exceed the simplified acquisition threshold, for the following product service codes: 7G22, 2835, 2010, 3815, 1040, 5925, 2040, beginning with 70 (for example, information technology

hardware and software), and 7435. DoD made an average of 712 awards per year, of which 401 were made to small entities, an average of 56 percent awarded to small entities over the three fiscal years.

It is expected that this rule will benefit small businesses. The rule will continue to provide small businesses the opportunity to participate in the manufacture of star trackers for certain national security satellites and certain components for T-AO 205 and T-ARC class vessels in support of the national technology and industrial base.

This rule does not include any new reporting, recordkeeping, or other compliance requirements for small businesses.

The rule exempts acquisitions equal to or less than the simplified acquisition threshold. There are no other known significant alternative approaches to the rule that would meet the requirements of the statute.

VIII. Paperwork Reduction Act

This final rule does not contain any information collection requirements that require the approval of the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. chapter 35).

List of Subjects in 48 CFR Parts 212, 225, and 252

Government procurement.

Jennifer D. Johnson,
Editor/Publisher, Defense Acquisition Regulations System.

Therefore, 48 CFR parts 212, 225, and 252 are amended as follows:

■ 1. The authority citation for 48 CFR parts 212, 225, and 252 continues to read as follows:

Authority: 41 U.S.C. 1303 and 48 CFR chapter 1.

PART 212—ACQUISITION OF COMMERCIAL PRODUCTS AND COMMERCIAL SERVICES

■ 2. Amend section 212.301 by—
■ a. Removing paragraphs (f)(x)(X) and (Y);

■ b. Redesignating paragraphs (f)(x)(M) through (W) as (f)(x)(N) through (X);

■ c. Adding a new paragraph (f)(x)(M);

■ d. Redesignating paragraphs (f)(x)(Z) through (NN) as paragraphs (f)(x)(Y) through (MM);

■ e. In the newly redesignated paragraph (f)(x)(Y), removing “Pub. L.” and adding “Public Law” in its place;

■ f. In the newly redesignated paragraph (f)(x)(MM), removing “225.7010–5” and adding “225.7004–7(b)” in its place; and

■ g. Adding paragraphs (f)(x)(NN) and (OO).

The additions read as follows:

212.301 Solicitation provisions and contract clauses for the acquisition of commercial products and commercial services.

* * * * *

(f) * * *

(x) * * *

(M) Use the clause at 252.225–7019, Restriction on Acquisition of Anchor and Mooring Chain, as prescribed in 225.7004–7(a), to comply with 10 U.S.C. 4864 and section 8041 of the Fiscal Year 1991 DoD Appropriations Act (Pub. L. 101–511) and similar sections in subsequent DoD appropriations acts.

* * * * *

(NN) Use the clause at 252.225–7063, Restriction on Acquisition of Components of T-AO 205 and T-ARC Class Vessels, as prescribed in 225.7004–7(c), to comply with 10 U.S.C. 4864.

(OO) Use the clause at 252.225–7064, Restriction on Acquisition of Certain Satellite Components, as prescribed in 225.7004–7(d), to comply with 10 U.S.C. 4864.

* * * * *

PART 225—FOREIGN ACQUISITION

225.7001 [Amended]

■ 3. Amend section 225.7001 in the definition of “Component” by removing “component except that for use in 225.7007” and adding “component, except that for use in 225.7004–2(b)(6)” in its place.

■ 4. Revise section 225.7004 to read as follows:

225.7004 Restrictions on the procurement of goods other than U.S. goods.

■ 5. Add section 225.7004–0 to read as follows:

225.7004–0 Scope.

This section implements 10 U.S.C. 4864.

■ 6. Revise sections 225.7004–1 through 225.7004–4 to read as follows:

Sec.

* * * * *

225.7004–1 Definitions.

225.7004–2 Restrictions.

225.7004–3 Exceptions.

225.7004–4 Implementation of restriction on certain naval vessel components.

* * * * *

225.7004–1 Definitions.

As used in this section—

National technology and industrial base means the persons and organizations that are engaged in production activities conducted within the United States, Australia, Canada,

New Zealand, and the United Kingdom of Great Britain and Northern Ireland (United Kingdom). (10 U.S.C. 4801)

Star tracker means a navigational tool used in a satellite weighing more than 400 pounds whose principal purpose is to support the national security, defense, or intelligence needs of the U.S. Government.

225.7004-2 Restrictions.

Except as provided in 225.7004-3, do not acquire any of the following items, either as end products or components, unless the manufacturer of the items is part of the national technology and industrial base:

(a) Buses, if multipassenger motor vehicles are purchased, leased, rented, or made available under contracts for transportation services.

(b) Components for naval vessels, to the extent they are unique to marine applications (see also 225.7004-4 for implementation of the restriction for naval vessels):

- (1) Gyrocompasses.
- (2) Electronic navigation chart systems.
- (3) Steering controls.
- (4) Propulsion and machinery control systems.
- (5) Totally enclosed lifeboats.

(6) Welded shipboard anchor and mooring chain. See also 225.7004-5.

(c) Large medium-speed diesel engines for new construction of auxiliary ships using funds available for National Defense Sealift Fund programs or Shipbuilding and Conversion, Navy.

(d) For T-AO 205 and T-ARC class vessels:

- (1) Auxiliary equipment, including pumps, for all shipboard services.
- (2) Propulsion system components, including engines, reduction gears, and propellers.
- (3) Shipboard cranes.
- (4) Spreaders for shipboard cranes.
- (e) Star trackers.

225.7004-3 Exceptions.

(a) *Contracts under the simplified acquisition threshold.* The restrictions at 225.7004-2 do not apply to a contract or subcontract that does not exceed the simplified acquisition threshold.

(b) *Buses.* The restriction at 225.7004-2(a) does not apply in the following circumstances:

(1) Buses manufactured outside the national technology and industrial base are needed for temporary use because buses manufactured in the national technology and industrial base are not available to satisfy requirements that cannot be postponed. Such use may not, however, exceed the lead time required for acquisition and delivery of buses

manufactured in the national technology and industrial base.

(2) The requirement for buses is temporary in nature. For example, to meet a special, nonrecurring requirement or a sporadic and infrequent recurring requirement, buses manufactured outside the national technology and industrial base may be used for temporary periods of time. Such use may not however, exceed the period of time needed to meet the special requirement.

(3) Buses manufactured outside the national technology and industrial base are available at no cost to the U.S. Government.

(c) *Components for naval vessels.* The restriction at 225.7004-2(b) does not apply to acquisition of spare or repair parts needed to support components for naval vessels manufactured outside the United States. Support includes the purchase of spare gyrocompasses, electronic navigation chart systems, steering controls, propulsion and machinery control systems, totally enclosed lifeboats, and welded shipboard anchor and mooring chain.

(d) *Components for auxiliary ships.* The restriction at 225.7004-2(c) does not apply to large medium-speed engines for icebreakers or special mission ships.

(e) *Star trackers.* The restriction at 225.7004-2(e) does not apply to acquisition programs that have received Milestone A approval as defined in 10 U.S.C. 4211 before October 1, 2021, as documented by the requiring activity official performing program management responsibilities. The contracting officer shall include the Milestone A approval documentation in the contract file.

225.7004-4 Implementation of restriction on certain naval vessel components.

(a) The statute at 10 U.S.C. 4864(h) prohibits the use of contract clauses or certifications to implement the restriction at 225.7004-2(b) for naval vessel components.

(b) Agencies shall accomplish implementation of the restriction at 225.7004-2(b) through use of management and oversight techniques that achieve the objectives of this section without imposing a significant management burden on the Government or the contractor involved.

■ 7. Add sections 225.7004-5 through 225.7004-7 to read as follows:

* * * * *

225.7004-5 Additional restrictions on anchor and mooring chain.

225.7004-6 Waiver of restrictions.

225.7004-7 Contract clauses.

* * * * *

225.7004-5 Additional restrictions on anchor and mooring chain.

(a) In accordance with section 8041 of the Fiscal Year 1991 DoD Appropriations Act (Pub. L. 101-511) and similar sections in subsequent DoD appropriations acts, do not acquire welded shipboard anchor and mooring chain, unless—

(1) It is manufactured in the United States, including cutting, heat treating, quality control, testing, and welding (both forging and shot blasting process); and

(2) The cost of the components manufactured in the United States exceeds 50 percent of the total cost of components.

(b) The statute at 10 U.S.C. 4864 also restricts acquisition of welded shipboard anchor and mooring chain, when used as a component of a naval vessel; however, the Appropriations Act restriction described in paragraph (a) of this section takes precedence over the restriction of 10 U.S.C. 4864 cited in 225.7004-2(b)(6).

225.7004-6 Waiver of restrictions.

(a) *Welded shipboard anchor and mooring chain.* (1) In accordance with section 8016 of the Consolidated Appropriations Act, 2023 (Pub. L. 117-328), the secretary of the department responsible for acquisition may waive the restrictions in 225.7004-2(b)(6) and 225.7004-5, on a case-by-case basis, if—

(i) Sufficient domestic suppliers are not available to meet DoD requirements on a timely basis; and

(ii) The acquisition is necessary to acquire capability for national security purposes.

(2) Document the waiver in a written determination and findings containing—

(i) The factors supporting the waiver; and

(ii) A certification that the acquisition must be made in order to acquire capability for national security purposes.

(3) Provide a copy of the determination and findings to the House and Senate Committees on Appropriations.

(b) *Star trackers.* The waiver criteria at paragraph (c) of this section apply, except that the USD(A&S) may delegate the authority to waive a restriction for a star tracker for a particular foreign country to the service acquisition executive, without power of redelegation (section 1603, National Defense Authorization Act for Fiscal Year 2021 (Pub. L. 116-283)).

(c) *Waiver of restrictions of 10 U.S.C. 4864(a)*. The restrictions on certain foreign purchases at 225.7004–2 may be waived, except as provided in paragraphs (a) and (b) of this section, as follows:

(1)(i) USD(A&S), without power of delegation, may waive a restriction for a particular item for a particular foreign country upon determination that—

(A) U.S. producers of the item would not be jeopardized by competition from a foreign country, and that country does not discriminate against defense items produced in the United States to a greater degree than the United States discriminates against defense items produced in that country; or

(B) Application of the restriction would impede cooperative programs entered into between DoD and a foreign country, or would impede the reciprocal procurement of defense items under a memorandum of understanding providing for reciprocal procurement of defense items under 225.872, and that country does not discriminate against defense items produced in the United States to a greater degree than the United States discriminates against defense items produced in that country.

(ii) A notice of the determination to exercise the waiver authority shall be published in the **Federal Register** and submitted to the congressional defense committees at least 15 days before the effective date of the waiver.

(iii) The effective period of the waiver shall not exceed 1 year.

(iv) For contracts entered into prior to the effective date of a waiver, provided adequate consideration is received to modify the contract, the waiver shall be applied as directed or authorized in the waiver to—

(A) Subcontracts entered into on or after the effective date of the waiver; and

(B) Options for the procurement of items that are exercised after the effective date of the waiver, if the option prices are adjusted for any reason other than the application of the waiver.

(2) The head of the contracting activity may waive a restriction on a case-by-case basis upon execution of a determination and findings that any of the following applies:

(i) The restriction would cause unreasonable delays.

(ii) Satisfactory quality items manufactured in the national technology and industrial base are not available.

(iii) Application of the restriction would result in the existence of only one source for the item in the national technology and industrial base.

(iv) Application of the restriction is not in the national security interests of the United States.

(v) Application of the restriction would adversely affect a U.S. company.

(3) A restriction is waived when it would cause unreasonable costs. The cost of an item of national technology and industrial base origin is unreasonable if it exceeds 150 percent of the offered price, inclusive of duty, of items that are not of national technology and industrial base origin.

225.7004–7 Contract clauses.

(a) Unless a waiver has been granted, use the clause at 252.225–7019, Restriction on Acquisition of Anchor and Mooring Chain, in solicitations and contracts, including solicitations and contracts using FAR part 12 procedures for the acquisition of commercial products and commercial services, that exceed the simplified acquisition threshold and that require welded shipboard anchor or mooring chain.

(b) Use the clause at 252.225–7062, Restriction on Acquisition of Large Medium-Speed Diesel Engines, in solicitations and contracts, including solicitations and contracts using FAR part 12 procedures for the acquisition of commercial products and commercial services, that exceed the simplified acquisition threshold and that require large medium-speed diesel engines for new construction of auxiliary ships using funds available for National Defense Sealift Fund programs or Shipbuilding and Conversion, Navy unless—

(1) An exception at 225.7004–3(d) applies; or

(2) A waiver has been granted.

(c) Unless a waiver has been granted, use the clause at 252.225–7063, Restriction on Acquisition of Components of T–AO 205 and T–ARC Class Vessels, in solicitations and contracts, including solicitations and contracts using FAR part 12 procedures for the acquisition of commercial products and commercial services, that exceed the simplified acquisition threshold and that require components of T–AO 205 and T–ARC class vessels.

(d) Use the clause at 252.225–7064, Restriction on Acquisition of Certain Satellite Components, in solicitations and contracts, including solicitations and contracts using FAR part 12 procedures for the acquisition of commercial products and commercial services, that exceed the simplified acquisition threshold unless—

(1) An exception at 225.7004–3(e) applies; or

(2) A waiver has been granted.

225.7006 [Removed and Reserved]

■ 8. Remove and reserve section 225.7006.

225.7006–1, 225.7006–2, 225.7006–3, and 225.7006–4 [Removed]

■ 9. Remove sections 225.7006–1, 225.7006–2, 225.7006–3, and 225.7006–4.

225.7007 [Removed and Reserved]

■ 10. Remove and reserve section 225.7007.

225.7007–1, 225.7007–2, and 225.7007–3 [Removed]

■ 11. Remove sections 225.7007–1, 225.7007–2, and 225.7007–3.

225.7008 [Removed and Reserved]

■ 12. Remove and reserve section 225.7008.

225.7009–1 [Amended]

■ 13. Amend section 225.7009–1 by removing “Section” and adding “section” in its place.

225.7010 [Removed and Reserved]

■ 14. Remove and reserve section 225.7010.

225.7010–1, 225.7010–2, 225.7010–3, 225.7010–4, and 225.7010–5 [Removed]

■ 15. Remove sections 225.7010–1, 225.7010–2, 225.7010–3, 225.7010–4, and 225.7006–5.

PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

■ 16. Amend section 252.225–7019—

■ a. By revising the section heading, introductory text, clause date, and paragraph (a);

■ b. In paragraph (b) by removing “, four inches or less in diameter,”; and

■ c. In paragraph (d) by removing “, four inches or less in diameter”.

The revisions read as follows:

252.225–7019 Restriction on Acquisition of Anchor and Mooring Chain.

As prescribed in 225.7004–7(a), use the following clause:

Restriction On Acquisition of Anchor and Mooring Chain (MAY 2024)

(a) *Definition.* As used in this clause—
Component means an article, material, or supply incorporated directly into an end product.

* * * * *

252.225–7037 and 252.22–7038 [Removed and Reserved]

■ 17. Remove and reserve sections 252.225–7037 and 252.225–7038.

252.225–7062 [Amended]

■ 18. Amend section 252.225–7062 introductory text by removing “225.7010–5” and adding “225.7004–7(b)” in its place.

■ 19. Add section 252.225–7063 to read as follows:

252.225–7063 Restriction on Acquisition of Components of T–AO 205 and T–ARC Class Vessels.

As prescribed in 225.7004–7(c), use the following clause:

Restriction on Acquisition of Components of T–AO 205 AND T–ARC Class Vessels (MAY 2024)*(a) Restriction.*

(1) In accordance with 10 U.S.C. 4864, the following components of T–AO 205 and T–ARC class vessels must be manufactured in the United States, Australia, Canada, New Zealand, or the United Kingdom of Great Britain and Northern Ireland (United Kingdom):

(i) Auxiliary equipment, including pumps, for all shipboard services.

(ii) Propulsion system components, including engines, reduction gears, and propellers.

(iii) Shipboard cranes.

(iv) Spreaders for shipboard cranes.

(2) The Contractor shall deliver under this contract only T–AO 205 and T–ARC class vessel components, as described in paragraph (a)(1) of this clause, manufactured in the United States, Australia, Canada, New Zealand, or the United Kingdom (10 U.S.C. 4864).

(b) *Subcontracts.* The Contractor shall insert the substance of this clause, including this paragraph (b), in subcontracts for the components described in paragraph (a)(1) of this clause that exceed the simplified acquisition threshold, including subcontracts for commercial products and commercial services.

(End of Clause)

■ 21. Add section 252.225–7064 to read as follows:

252.225–7064 Restriction on Acquisition of Certain Satellite Components.

As prescribed in 225.7004–7(d), use the following clause:

Restriction On Acquisition of Certain Satellite Components (MAY 2024)*(a) Definition.* As used in this clause—

Star tracker means a navigational tool used in a satellite weighing more than 400 pounds whose principal purpose is to support the national security, defense, or intelligence needs of the U.S. Government.

(b) *Restriction.* In accordance with 10 U.S.C. 4864, a star tracker must be manufactured in the United States, Australia, Canada, New Zealand, or the United Kingdom of Great Britain and Northern Ireland (United Kingdom). The Contractor shall deliver under this contract only star trackers manufactured in the United States, Australia, Canada, New Zealand, or the United Kingdom.

(c) *Subcontracts.* The Contractor shall insert the substance of this clause, including this paragraph (c), in subcontracts for star trackers that exceed the simplified acquisition threshold, including subcontracts for commercial products and commercial services.

(End of clause)

[FR Doc. 2024–11514 Filed 5–29–24; 8:45 am]

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DEPARTMENT OF DEFENSE**Defense Acquisition Regulations System****48 CFR Parts 225 and 252**

[Docket DARS–2023–0018]

RIN 0750–AL33

Defense Federal Acquisition Regulation Supplement: Restriction on Certain Metal Products (DFARS Case 2021–D015)

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

ACTION: Final rule.

SUMMARY: DoD is issuing a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to implement a section of the National Defense Authorization Act of Fiscal Year 2021 that provides restrictions on the acquisition of certain covered materials from The Democratic People’s Republic of North Korea, The People’s Republic of China, The Russian Federation, and The Islamic Republic of Iran.

DATES: Effective May 30, 2024.

FOR FURTHER INFORMATION CONTACT: Kimberly Bass, telephone 703–717–3446.

SUPPLEMENTARY INFORMATION:**I. Background**

DoD published a proposed rule in the **Federal Register** at 88 FR 25609 on April 27, 2023, to implement section 844 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2021 (Pub. L. 116–283). Section 844 amends 10 U.S.C. 2533c (redesignated 10 U.S.C. 4872) and removes from the restriction “material melted” and replaces it with “material mined, refined, separated, melted”. In addition, the reference to “tungsten” is removed and replaced with “covered material” in the exception for commercially available-off-the-shelf (COTS) items to the restriction of 50 percent or more by weight. The final rule also implements section 854 of the

NDAA for FY 2024 (Pub. L. 118–31) that amends the effective date in section 844(b) of the NDAA for FY 2021. Section 854 extends the effective date of the restriction from 5 years to 6 years. Nine respondents submitted public comments in response to the proposed rule.

II. Discussion and Analysis

DoD reviewed the public comments in the development of the final rule. A discussion of the comments and the changes made to the rule as a result of those comments is provided, as follows:

A. Summary of Significant Changes From the Proposed Rule

Revisions were made at DFARS 225.7018–2 to implement the new effective date of the restriction in accordance with section 854 of the NDAA for FY 2024. Consequently, the dates of the current restrictions were revised to provide an effective date through December 31, 2026, and to reflect that the new restrictions will be effective on January 1, 2027. Conforming revisions were also made in the DFARS clause at 252.225–7052, Restriction on the Acquisition of Certain Magnets, Tantalum, and Tungsten.

*B. Analysis of Public Comments***1. Support for the Rule**

Comment: Most respondents strongly supported the proposed rule. A few respondents stated that implementation of the restriction will help to strengthen domestic supply chains and help to establish secure domestic sourcing requirements. A respondent conveyed support for the rule and provided the restriction will contribute to the redevelopment of domestic rare earth production capacity.

Response: DoD acknowledges the respondents’ support for the rule.

2. Strengthen the Defense Industrial Base

Comment: A respondent requested the opportunity to meet and strategize with DoD representatives of the Defense Acquisition Regulations System.

Response: While undergoing the Title 48 CFR rulemaking process, information regarding a rule is pre-decisional, deliberative Government information that cannot be shared with the public. In the context of public notice and comment in the course of rulemaking, it would be inappropriate to meet with individual members of the public to strategize about a pending rule.