

DEPARTMENT OF DEFENSE**GENERAL SERVICES
ADMINISTRATION****NATIONAL AERONAUTICS AND
SPACE ADMINISTRATION****48 CFR Part 31**

[FAR Case 95-021]

RIN 9000-AH04

**Federal Acquisition Regulation;
Foreign Selling Costs**

AGENCIES: Department of Defense (DOD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

ACTION: Proposed rule.

SUMMARY: The Department of Defense, General Services Administration and National Aeronautics and Space Administration are considering increasing the threshold for application of the foreign selling costs allowability ceiling from \$2.5 million to \$5.0 million. This regulatory action was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993. This is not a major rule under 5 U.S.C. 804.

DATES: Comments should be submitted on or before August 19, 1996 to be considered in the formulation of a final rule.

ADDRESSES: Interested parties should submit written comments to: General Services Administration, FAR Secretariat (MVRs), 18th & F Streets, NW, Room 4037, Washington, DC 20405.

Please cite FAR case 95-021 in all correspondence related to this case.

FOR FURTHER INFORMATION CONTACT: Mr. Jeremy Olson at (202) 501-3221 in reference to this FAR case. For general information, contact the FAR Secretariat, Room 4037, GS Building, Washington, DC 20405 (202) 501-4755. Please cite FAR case 95-021.

SUPPLEMENTARY INFORMATION:**A. Background**

The proposed FAR rule would revise FAR 31.205-38(c)(2)(ii) by increasing the threshold for applicability of the foreign selling costs allowability ceiling from \$2.5 million to \$5.0 million. The proposed rule also would revise FAR 31.205-38(c)(2)(iii) by deleting obsolete language. This action is being proposed in an effort to reduce contractors' administrative burden.

B. Regulatory Flexibility Act

This proposed rule is not expected to 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 most contracts awarded to small entities are awarded on a competitive, fixed-price basis and the cost principles do not apply. The cost principles only apply to contracts for which cost or pricing data has been submitted. An Initial Regulatory Flexibility Analysis has, therefore, not been performed. Comments from small entities concerning the affected FAR subpart will be considered in accordance with 5 U.S.C. 610 of the Act. Such comments must be submitted separately and should cite 5 U.S.C. 601,

et seq. (FAR case 95-021), in correspondence.

C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the proposed changes to the FAR do not impose recordkeeping or information collection requirements, or collections of information from offerors, contractors, or members of the public which 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 31

Government procurement.

Dated: June 6, 1996.

Edward C. Loeb,

Director, Federal Acquisition Policy Division.

Therefore, it is proposed that 48 CFR Part 31 be amended as set forth below:

**PART 31—CONTRACT COST
PRINCIPLES AND PROCEDURES**

1. The authority citation for 48 CFR Part 31 continues to read as follows:

Authority: 40 U.S.C. 486(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

31.205-38 [Amended]

2. Section 31.205-38(c)(2)(i) is amended by removing the semicolon at the end and inserting ", and" in its place; in (c)(2)(ii) by removing "\$2,500,000" and inserting "\$5,000,000" in its place, by removing the semicolon at the end and inserting a period in its place; and by removing paragraph (c)(2)(iii).

[FR Doc. 96-14840 Filed 6-19-96; 8:45 am]

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