

"225.408(a)(i)" and adding in its place "225.1101(5)".

252.225-7007 [Amended]

25. Section 252.225-7007 is amended in the introductory text by removing "225.408(a)(ii)" and adding in its place "225.1101(6)".

252.225-7008 [Amended]

26. Section 252.225-7008 is amended in the introductory text by removing "225.605-70(e)" and adding in its place "225.1101(7)".

252.225-7009 [Amended]

27. Section 252.225-7009 is amended in the introductory text by removing "225.605-70(a)" and adding in its place "225.1101(8)".

252.225-7010 [Amended]

28. Section 252.225-7010 is amended in the introductory text by removing "225.605-70(c)" and adding in its place "225.1101(9)".

252.225-7020 [Amended]

29. Section 252.225-7020 is amended in the introductory text by removing "225.408(a)(iii)" and adding in its place "225.1101(10)".

252.225-7021 [Amended]

30. Section 252.225-7021 is amended in the introductory text by removing "225.408(a)(iv)" and adding in its place "225.1101(11)".

252.225-7035 [Amended]

31. Section 252.225-7035 is amended in the introductory text by removing "225.408(a)(v)" and adding in its place "225.1101(12)"; and in Alternate I by removing "225.408(a)(v)(B)(2)" and adding in its place "225.1101(12)(ii)".

252.225-7036 [Amended]

32. Section 252.225-7036 is amended in the introductory text by removing "225.408(a)(vi)" and adding in its place "225.1101(13)"; and in Alternate I introductory text by removing "225.408(a)(vi)(B)(2)" and adding in its place "225.1101(13)(i)(B)".

252.225-7037 [Amended]

33. Section 252.225-7037 is amended in the introductory text by removing "225.605-70(b)" and adding in its place "225.1101(14)".

252.225-7041 [Amended]

34. Section 252.225-7041 is amended in the introductory text by removing "225.971" and adding in its place "225.1103(2)".

252.225-7042 [Amended]

35. Section 252.225-7042 is amended in the introductory text by removing "225.97" and adding in its place "225.1103(3)".

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DEPARTMENT OF DEFENSE

48 CFR Part 226

[DFARS Case 99-D300]

Defense Federal Acquisition Regulation Supplement; Utilization of Indian Organizations and Indian-Owned Economic Enterprises

AGENCY: Department of Defense (DoD).

ACTION: Final rule

SUMMARY: The Acting Director of Defense Procurement has issued a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to revise procedures pertaining to the Indian Incentive Program. The Program provides for incentive payments to Government contractors that use Indian organizations and Indian-owned economic enterprises as subcontractors. This rule reflects new statutory provisions that permit small business concerns to participate in the Indian Incentive Program.

EFFECTIVE DATE: April 13, 2000.

FOR FURTHER INFORMATION CONTACT: Ms. Susan Schneider, Defense Acquisition Regulations Council, PDUSD (AT&L) DP (DAR), IMD 3D139, 3062 Defense Pentagon, Washington, DC 20301-3062. Telephone (703) 602-0262; telefax (703) 602-0350. Please cite DFARS Case 99-D300.

SUPPLEMENTARY INFORMATION:

A. Background

The rule revises DFARS Subpart 226.1 to update procedures pertaining to the Indian Incentive Program. Section 504 of the Indian Financing Act of 1974 (25 U.S.C. 1544) established the Indian Incentive Program, which provides for payment of incentives to Government contractors that use Indian organizations and Indian-owned economic enterprises as subcontractors. Prior to fiscal year 1999, annual appropriations acts restricted DoD payments under the Program to those contractors that submitted small business subcontracting plans pursuant to 15 U.S.C. 637(d) or Section 854 of Public Law 101-89 (15 U.S.C. 637 note). Since small business concerns are not required to submit subcontracting plans, small businesses were excluded from

participation in the Indian Incentive Program under DoD contracts. Section 8024 of the DoD Appropriations Act for Fiscal Year 1999 (Public Law 105-262) and Section 8024 of the DoD Appropriations Act for Fiscal Year 2000 (Public Law 106-79) eliminated the requirements for a DoD contractor to submit a subcontracting plan before it may participate in the Indian Incentive Program.

DoD implements the Indian Incentive Program through use of the clause at Federal Acquisition Regulation (FAR) 52.226-1, Utilization of Indian Organizations and Indian-Owned Economic Enterprises. The FAR and DFARS previously prescribed use of the clause in only those DoD contracts that contain subcontracting plan requirements. On October 26, 1999, a proposed FAR rule was published at 64 FR 57964 to remove the FAR requirements for DoD use of the clause; these DFARS amendments replace the FAR requirements.

DoD published a proposed rule at 64 FR 63003 on November 18, 1999. Thirty-six sources submitted comments on the proposed rule. DoD considered all comments in the development of the final rule. The final rule differs from the proposed rule in that it lowers the dollar threshold for use of the clause at FAR 52.226-1, to provide increased opportunity or small business concerns to participate in the Indian Incentive Program.

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 expects this final rule 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.* A final regulatory flexibility analysis has been prepared and its summarized as follows:

The legal basis for the rule is Section 504 of the Indian Financing Act of 1974 (25 U.S.C. 1544); Section 8024 of the DoD Appropriations Act for Fiscal Year 1999 (Public Law 105-262); and Section 8024 of the DoD Appropriations Act for Fiscal Year 2000 (Public Law 106-79). This rule will apply to all DoD contractors that have the clause at FAR 52.226-1, Utilization of Indian Organizations and Indian-Owned Economic Enterprises, incorporated into their contracts. The proposed rule required use of the clause at FAR 52.226-1 in construction contracts valued at \$1,000,000 or more, and in other than construction contracts valued

at \$500,000 or more, except those awarded using FAR Part 12 (Commercial Item) procedures. As a result of public comments received, and to provide increased opportunity for small business concerns to participate in the Indian Incentive Program, the final rule lowers the dollars threshold for use of the clause to the simplified acquisition threshold (\$100,000), for all contracts except those awarded using FAR Part 12 procedures. The rule does not impose any new reporting, recordkeeping, or other compliance requirements, and does not duplicate, overlap, or conflict with any other Federal rules. The rule is expected to have a beneficial effect on small business concerns, because small businesses are now eligible to receive incentive payments for the use of Indian organizations and Indian-owned economic enterprises as subcontractors.

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 226

Government procurement.

Michele P. Peterson,
Executive Editor, Defense Acquisition Regulations Council.

Therefore, 48 CFR part 226 is amended as follows:

1. The authority citation for 48 CFR part 226 continues to read as follows:

Authority: 41 U.S.C. 421 and 48 CFR Chapter 1.

PART 226—OTHER SOCIOECONOMIC PROGRAMS

2. Sections 226.103 and 226.104 are revised to read as follows:

226.103 Procedures.

(f) The contracting officer must submit a request for funding of the Indian incentive to the Office of Small and Disadvantaged Business Utilization, Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics) (OUSD (AT&L) SADB, 1777 North Kent Street, Suite 9100, Arlington, VA 22209. Upon receipt of funding from OUSD (AT&L) SADB, the contracting officer must issue a contract modification to add the Indian incentive funding for payment of the contractor's request for adjustment as described at FAR 52.226-1, Utilization of Indian Organizations and Indian-Owned Economic Enterprises.

226.104 Contract Clause.

Use the following prescription instead of the prescription at FAR 26.104(a):

(a) Use the clause at FAR 52.226-1, Utilization of Indian Organizations and Indian-Owned Economic Enterprises, in solicitations and contracts that—

(1) Do not use FAR part 12 procedures; and

(2) Are for supplies or services expected to exceed the simplified acquisition threshold.

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DEPARTMENT OF DEFENSE

48 CFR Part 235

[DFARS Case 99-D302]

Defense Federal Acquisition Regulation Supplement; Manufacturing Technology Program

AGENCY: Department of Defense (DoD).

ACTION: Final rule.

SUMMARY: The Acting Director of Defense Procurement is adopting as final, without change, an interim rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to implement Section 216 of the National Defense Authorization Act for Fiscal Year 2000. Section 216 amends statutory provisions pertaining to cost-sharing requirements for contracts under the Manufacturing Technology Program.

EFFECTIVE DATE: April 13, 2000.

FOR FURTHER INFORMATION CONTACT: Ms. Susan L. Schneider, Defense Acquisition Regulations Council, PDUSD(AT&L)JDP(DAR), IMD 3D139, 3062 Defense Pentagon, Washington, DC 20301-3062. Telephone (703) 602-0326; telefax (703) 602-0350. Please cite DFARS Case 99-D302.

SUPPLEMENTARY INFORMATION:

A. Background

DoD published an interim rule at 65 FR 2057 on January 13, 2000. The rule revised DFARS 235.006-70 to implement Section 216 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106-65). Section 216 amended 10 U.S.C. 2525 to eliminate the mandatory cost-sharing requirements for contracts under the Manufacturing Technology Program, and to require that cost sharing be included as a factor in competitive procedures for evaluating proposals under manufacturing technology projects. DoD received no public comments on the interim rule by the

date specified for receipt of comments. The interim rule is converted to a final rule without change.

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 DoD awards approximately only 20 new contracts under the Manufacturing Technology Program each year.

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 235

Government procurement.

Michele P. Peterson,
Executive Editor, Defense Acquisition Regulations Council.

Interim Rule Adopted as Final Without Change

Accordingly, the interim rule amending 48 CFR Part 235, which was published at 65 FR 2057 on January 13, 2000, is adopted as a final rule without change.

[FR Doc. 00-9085 Filed 4-12-00; 8:45 am]

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DEPARTMENT OF DEFENSE

48 CFR Part 252

[DFARS Case 2000-D006]

Defense Federal Acquisition Regulation Supplement; Caribbean Basin Countries

AGENCY: Department of Defense (DoD).

ACTION: Final rule.

SUMMARY: The Acting Director of Defense Procurement has issued a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to implement the determination of the United States Trade Representative (USTR) to renew the treatment of Caribbean Basin Country end products a eligible products under the Trade Agreements Act, except for end products from the Dominican Republic and Honduras.