

portions of the Veterans Entrepreneurship and Small Business Development Act of 1999 (Pub. L. 106-50) and section 803 of the Small Business Reauthorization Act of 2000, part of the Consolidated Appropriations Act, 2001 (Pub. L. 106-554). The statutes added a separate subcontracting plan goal requirement for veteran-owned small business and another goal for service-disabled veteran-owned small business concerns. There are approximately 4 to 5.5 million small businesses owned and controlled by veterans and 100,000 to 300,000 small businesses owned and controlled by service-disabled veterans. This rule does not duplicate, overlap, or conflict with other relevant Federal regulations. There are no alternatives to the final rule that would accomplish the stated objectives.

The FAR Secretariat has submitted a copy of the FRFA to the Chief Counsel for Advocacy of the Small Business Administration. Interested parties may obtain a copy from the FAR Secretariat. The Councils will consider comments from small entities concerning the affected FAR Parts 2, 4, 5, 7, 19, 52, and 53 in accordance with 5 U.S.C. 610. Interested parties must submit such comments separately and should cite 5 U.S.C. 601, *et seq.* (FAC 2001-09, FAR case 2000-302), in correspondence.

### C. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (Pub. L. 104-13) applies. However, this final rule requires contractors to report, as a separate item, information already collected and reported under OMB Control Numbers 9000-0006 and 9000-0007. The impact of this final rule on the information collection hours of these OMB clearances is so small as to be within the estimating parameters of these clearances. Therefore, the clearances have not been changed.

#### List of Subjects in 48 CFR Parts 2, 4, 5, 7, 19, 52, and 53

Government procurement.

Dated: August 21, 2002.

**Al Matera,**

*Director, Acquisition Policy Division.*

#### Interim Rule Adopted as Final Without Change

Accordingly, DoD, GSA, and NASA adopt the interim rules and correction amending 48 CFR parts 2, 4, 5, 7, 19, 52, and 53, which were published in the **Federal Register** at 65 FR 60542, October 11, 2000, the second interim rule at 66 FR 53492, October 22, 2001, and the correction to the second interim rule at 67 FR 1858, January 14, 2002, as a final rule without change.

**Authority:** 40 U.S.C. 486(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).  
[FR Doc. 02-21869 Filed 8-29-02; 8:45 am]

**BILLING CODE 6820-EP-U**

## DEPARTMENT OF DEFENSE

### GENERAL SERVICES ADMINISTRATION

### NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

#### 48 CFR Parts 22, 25, and 52

[FAC 2001-09; FAR Case 2002-009; Item IV]

RIN 9000-AJ41

#### Federal Acquisition Regulation; Trade Agreements Thresholds

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

**ACTION:** Final rule.

**SUMMARY:** The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) have agreed on a final rule amending the Federal Acquisition Regulation (FAR) to implement new dollar thresholds for application of the Trade Agreements Act (TAA) and North American Free Trade Agreement (NAFTA) as published by the U.S. Trade Representative in the **Federal Register** at 67 FR 14763, March 27, 2002.

**DATES:** Effective Date: September 30, 2002.

**FOR FURTHER INFORMATION CONTACT:** The FAR Secretariat, Room 4035, GS Building, Washington, DC, 20405, (202) 501-4755, for information pertaining to status or publication schedules. For clarification of content, contact Ms. Cecelia Davis, Procurement Analyst, at (202) 219-0202. Please cite FAC 2001-09, FAR case 2002-009.

#### SUPPLEMENTARY INFORMATION:

##### A. Background

This final rule amends FAR Subparts 22.15, 25.2, 25.4, 25.6, and 25.11 to implement new dollar thresholds for application of the Trade Agreements Act (TAA) and North American Free Trade Agreement (NAFTA), as published by the U.S. Trade Representative in the **Federal Register** at 67 FR 14763, March 27, 2002.

The rule also amends the clauses at 52.213-4, Terms and Conditions—Simplified Acquisitions (Other Than Commercial Items), and 52.222-19, Child Labor—Cooperation with Authorities and Remedies.

This is not a significant regulatory action and, therefore, was not subject to review under Section 6(b) of Executive Order 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

## B. Regulatory Flexibility Act

The Regulatory Flexibility Act does not apply to this rule. This final rule does not constitute a significant FAR revision within the meaning of FAR 1.501 and Public Law 98-577, and publication for public comments is not required. However, the Councils will consider comments from small entities concerning the affected FAR Parts 22, 25, and 52 in accordance with 5 U.S.C. 610. Interested parties must submit such comments separately and should cite 5 U.S.C. 601, *et seq.* (FAC 2001-09, FAR case 2002-009), in correspondence.

## C. Paperwork Reduction Act

The Paperwork Reduction Act does apply; however, these changes to the FAR do not impose additional information collection requirements to the paperwork burden previously approved under OMB Control Numbers 9000-0023, 9000-0025, 9000-0130, and 9000-0141.

#### List of Subjects in 48 CFR Parts 22, 25, and 52

Government procurement.

Dated: August 21, 2002.

**Al Matera,**

*Director, Acquisition Policy Division.*

Therefore, DoD, GSA, and NASA amend 48 CFR parts 22, 25, and 52 as set forth below:

1. The authority citation for 48 CFR parts 22, 25, and 52 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).

#### PART 22—APPLICATION OF LABOR LAWS TO GOVERNMENT ACQUISITIONS 22.1503 [Amended]

2. Amend section 22.1503 in paragraph (b)(3) by removing "\$54,372" and adding "\$56,190" in its place; and by removing from paragraph (b)(4) "\$177,000" and adding "\$169,000" in its place.

#### PART 25—FOREIGN ACQUISITION

##### 25.202 [Amended]

3. Amend section 25.202 in paragraph (c) by removing "\$6,806,000" and "\$7,068,419" and adding "\$6,481,000" and "\$7,304,733" in their place, respectively.

##### 25.403 [Amended]

4. Amend section 25.403 in paragraph (b)(1) by removing "\$177,000" and "\$6,806,000" and adding "\$169,000" and "\$6,481,000" in their place, respectively.

25.405 [Amended]

5. Amend section 25.405 as follows:
a. In paragraph (a) by removing "\$25,000 or less" and "\$54,372" and adding "less than \$25,000" and "\$56,190" in their place, respectively;
b. In paragraph (b) by removing "\$7,068,419" and adding "7,304,733" in its place; and
c. In paragraph (c) by removing "\$54,372" and "\$7,068,419" and adding "\$56,190" and "\$7,304,733" in their place, respectively.

25.601 [Amended]

6. Amend section 25.601 as follows:
a. In the introductory text of paragraph (a) by removing "must" and adding "shall" in its place;
b. In paragraphs (a)(1) and (a)(3)(ii) by removing "\$177,000" and adding "\$169,000" in their places; and
c. In paragraph (a)(2) by removing "\$6,806,000" and adding "\$6,481,000" in its place.
7. Amend section 25.1101 as follows:
a. Revise paragraphs (b)(1)(i)(A), (b)(1)(ii), (b)(1)(iii), (b)(2)(ii), and (b)(2)(iii); and
b. In paragraphs (c)(1) and (d) by removing "\$177,000" and adding "\$169,000" in their place.

The revised text reads as follows:

25.1101 Acquisition of supplies.

\* \* \* \* \*

(b)(1)(i) \* \* \*

(A) The acquisition is for supplies, or for services involving the furnishing of supplies, for use within the United States, and the acquisition value is \$25,000 or more, but is less than \$169,000; and

\* \* \* \* \*

(ii) If the acquisition value is \$25,000 or more but is less than \$50,000, use the clause with its Alternate I.

(iii) If the acquisition value is \$50,000 or more but is less than \$56,190, use the clause with its Alternate II.

(2) \* \* \*

(ii) If the acquisition value is \$25,000 or more but is less than \$50,000, use the provision with its Alternate I.

(iii) If the acquisition value is \$50,000 or more but is less than \$56,190, use the provision with its Alternate II.

\* \* \* \* \*

25.1102 [Amended]

8. Amend section 25.1102 as follows:
a. In the introductory text of paragraphs (a) and (c), and paragraphs (c)(3) and (d)(3) by removing "\$6,806,000" and adding "\$6,481,000" in their place; and
b. In paragraphs (c)(3) and (d)(3) by removing "\$7,068,419" and adding "\$7,304,733" in their place.

25.1103 [Amended]

9. Amend section 25.1103 in paragraphs (c)(1)(i) and (c)(1)(ii)(B) by removing "\$177,000" and adding "\$169,000" in their place.

PART 52—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

10. Amend section 52.213-4 as follows:

a. Revise the date of the clause; and
b. Remove paragraph (b)(1)(vi) and redesignate paragraphs (b)(1)(i) through (b)(1)(v) as (b)(1)(ii) through (b)(1)(vi), respectively; and add a newly designated paragraph (b)(1)(i) to read as follows:

52.213-4 Terms and Conditions—Simplified Acquisitions (Other Than Commercial Items).

\* \* \* \* \*

Terms and Conditions—Simplified Acquisitions (Other Than Commercial Items) (Sept 2002)

\* \* \* \* \*

(b) \* \* \*

(1) \* \* \*

(i) 52.222-19, Child Labor—Cooperation with Authorities and Remedies (Sept 2002) (E.O. 13126). (Applies to contracts for supplies exceeding the micro-purchase threshold.)

\* \* \* \* \*

52.222-19 [Amended]

11. Amend section 52.222-19 by revising the date of the clause to read (SEPT 2002); in paragraph (a)(3) by removing "\$54,372" and adding "\$56,190" in its place; and in paragraph (a)(4) by removing "\$177,000" and adding "\$169,000" in its place.

[FR Doc. 02-21870 Filed 8-29-02; 8:45 am]

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DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Part 52

[FAC 2001-09; FAR Case 2001-012; Item V]

RIN 9000-AJ22

Federal Acquisition Regulation; Payments Under Fixed-Price Construction Contracts

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

ACTION: Final rule.

SUMMARY: The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) have agreed on a final rule amending the Federal Acquisition Regulation (FAR) to clarify in the certification language of the clause entitled Payments Under Fixed-Price Construction Contracts that all payments due to subcontractors and suppliers have been made by the prime contractor from previous progress payments received from the Government.

DATES: Effective Date: September 30, 2002.

FOR FURTHER INFORMATION CONTACT: The FAR Secretariat, Room 4035, GS Building, Washington, DC, 20405, (202) 501-4755, for information pertaining to status or publication schedules. For clarification of content, contact Mr. Jeremy Olson at (202) 501-3221. Please cite FAC 2001-09, FAR case 2001-012.

SUPPLEMENTARY INFORMATION:

A. Background

DoD, GSA, and NASA published a proposed rule in the Federal Register at 66 FR 53050, October 18, 2001, with request for comments. Six respondents submitted public comments. The Councils considered all comments and concluded that the proposed rule should be converted to a final rule, with no changes made to the proposed rule.

The rule revises FAR 52.232-5, Payments Under Fixed-Price Construction Contracts, to clarify the certification language. The ambiguity surfaced as a result of a decision issued on April 2, 1999, by the United States Court of Appeals for the Sixth Circuit in United States v. Gatewood, 173 F.3d 983 (6th Cir. 1999). The Court concluded that certifying that the prime contractor has made payments to subcontractors and suppliers does not explicitly include all payments due.

Of the six respondents who submitted public comments, two endorsed the proposed rule as written. The remaining respondents provided comments, which are discussed below:

1. One of the respondents asserted that some of its customers "that do not pay their invoices on time use the rationale of this FAR regulation to respond to us that it is not necessary to pay us until they themselves are paid by the Federal Government." The respondent requested that the Government close "a loophole" for billion dollar companies to avoid paying their smaller vendors.