

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 is amended by adding an entry in numerical order to read as follows:

Authority: 26 U.S.C. 7805 * * *
Section 1.382–7 is also issued under 26 U.S.C. 382(m). * * *

Par. 2. Section 1.382–7 is added to read as follows:

§ 1.382–7 Built-in gains and losses.

[The text of this proposed section is the same as the text of § 1.382–7T(a) through (b)(1) published elsewhere in this issue of the **Federal Register**.]

Kevin M. Brown,

Deputy Commissioner for Services and Enforcement.

[FR Doc. E7–11444 Filed 6–13–07; 8:45 am]

BILLING CODE 4830–01–P

OFFICE OF MANAGEMENT AND BUDGET**Office of Federal Procurement Policy****48 CFR Part 9903****Cost Accounting Standards Board; Contract Clauses**

AGENCY: Cost Accounting Standards Board, Office of Federal Procurement Policy, OMB.

ACTION: Proposed rule with request for comment.

SUMMARY: The Cost Accounting Standards (CAS) Board is proposing to add a clause for inclusion in CAS-covered contracts and subcontracts awarded to foreign concerns. The Board is taking this action to provide a standard clause for use by Government and contractor personnel in applying the CAS requirements to contracts and subcontracts awarded to foreign concerns.

DATES: Interested parties should submit comments in writing on or before August 13, 2007.

ADDRESSES: Due to delays in OMB's receipt and processing of mail, respondents are strongly encouraged to submit comments electronically to ensure timely receipt. Comments should indicate case number CAS–2007–01N.

Electronic comments may be submitted to casb2@omb.eop.gov. Please put the full body of your comments in the text of the electronic message and also as an attachment readable in either MS Word, Corel WordPerfect, or as a pdf. Please include your name, title, organization, postal address, telephone number, and e-mail address in the text of the message. Comments may also be submitted via facsimile to (202) 395–5105. If you must submit via regular mail, please do so at Office of Federal Procurement Policy, 725 17th Street, NW., Room 9013, Washington, DC 20503, ATTN: Laura Auletta.

FOR FURTHER INFORMATION CONTACT: Laura Auletta, Manager, Cost Accounting Standards Board, 725 17th Street, NW., Room 9013, Washington, DC 20503 (telephone: 202–395–3256).

SUPPLEMENTARY INFORMATION:**A. Background**

Prior to November 4, 1993, modified CAS coverage required a contractor to comply with only CAS 401 and CAS 402. Similarly, 9903.201–1(b)(4) required that foreign concerns comply with only CAS 401 and 402. Thus, prior to November 4, 1993, the contract clause at 9903.201–4(c) was used for both contracts with modified coverage and contracts with foreign concerns.

However, on November 4, 1993, the Board revised the definition of modified coverage to include CAS 405 and 406, so that modified coverage currently includes CAS 401, 402, 405, and 406 (see 9903.201–2(b)). In conjunction with the revised definition of modified coverage, the Board also amended the clause at 9903.201–4(c) to include CAS 405 and 406. However, the Board did not change the requirement that foreign concerns comply with only CAS 401 and 402. As a result, the contract clause at 9903.201–4(c) can no longer be used for foreign concerns without modification by the parties.

The Board has developed a clause for use in contracts with foreign concerns that will not require modification. Except that it includes only CAS 401 and 402, this clause is identical to the clause currently applicable to contracts subject to modified coverage. To effect this change, the proposed rule would amend 9903.201–4, Contract Clauses, to include the new clause at (f), Disclosure and Consistency of Cost Accounting Practices—Foreign Concerns.

B. Paperwork Reduction Act

The Paperwork Reduction Act, Public Law 96–511, does not apply to this rulemaking, because this rule imposes no paperwork burden on offerors,

affected contractors and subcontractors, or members of the public which requires the approval of OMB under 44 U.S.C. 3501, *et seq.*

C. Executive Order 12866 and the Regulatory Flexibility Act

The economic impact of this rule on contractors and subcontractors is expected to be minor. As a result, the Board has determined this rule is not significant under the provisions of Executive Order 12866, and that a regulatory impact analysis will not be required. Furthermore, this rule will not have a significant impact on a substantial number of small businesses because small businesses are exempt from the application of the Cost Accounting Standards. Therefore, this rule does not require a regulatory flexibility analysis under the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*

D. Public Comments

Interested persons are invited to participate by submitting data, views or arguments with respect to this proposed rule. All comments must be in writing and submitted to the address indicated in the **ADDRESSES** section.

List of Subjects in 48 CFR Part 9903

Government procurement, Cost Accounting Standards.

Paul A. Denett,

Administrator, Office of Federal Procurement Policy.

For the reasons set forth in this preamble, Chapter 99 of Title 48 of the Code of Federal Regulations is proposed to be amended as set forth below:

PART 9903—CONTRACT COVERAGE

1. Section 9903.201–4 is proposed to be amended by adding a new paragraph (f). The proposed paragraph will read as follows:

9903.201–4 Contract Clauses.

* * * * *

(f) *Disclosure and Consistency of Cost Accounting Practices—Foreign Concerns.*

(1) The contracting officer shall insert the clause set forth below, Disclosure and Consistency of Cost Accounting Practices—Foreign Concerns, in negotiated contracts when the contract is with a foreign concern and the contract is not otherwise exempt under 9903.201–1 (see 9903.201–2(e)).

(2) The clause below requires the contractor to comply with 9904.401 and 9904.402, to disclose (if it meets certain requirements) actual cost accounting practices, and to follow consistently

disclosed and established cost accounting practices.

Disclosure and Consistency of Cost Accounting Practices—Foreign Concerns (DATE)

(a) *The Contractor, in connection with this contract, shall—*

(1) Comply with the requirements of 9904.401, Consistency in Estimating, Accumulating, and Reporting Costs; and 9904.402, Consistency in Allocating Costs Incurred for the Same Purpose, in effect on the date of award of this contract, as indicated in Part 9904.

(2) (CAS-covered Contracts Only) If it is a business unit of a company required to submit a Disclosure Statement, disclose in writing its cost accounting practices as required by 9903.202–1 through 9903.202–5. If the Contractor has notified the Contracting Officer that the Disclosure Statement contains trade secrets and commercial or financial information which is privileged and confidential, the Disclosure Statement shall be protected and shall not be released outside of the Government.

(3)(i) Follow consistently the Contractor's cost accounting practices. A change to such practices may be proposed, however, by either the Government or the Contractor, and the Contractor agrees to negotiate with the Contracting Officer the terms and conditions under which a change may be made. After the terms and conditions under which the change is to be made have been agreed to, the change must be applied prospectively to this contract, and the Disclosure Statement, if affected, must be amended accordingly.

(ii) The Contractor shall, when the parties agree to a change to a cost accounting practice and the Contracting Officer has made the finding required in 9903.201–6(c) that the change is desirable and not detrimental to the interests of the Government, negotiate an equitable adjustment as provided in the Changes clause of this contract. In the absence of the required finding, no agreement may be made under this contract clause that will increase costs paid by the United States.

(4) Agree to an adjustment of the contract price or cost allowance, as appropriate, if the Contractor or a subcontractor fails to comply with the applicable CAS or to follow any cost accounting practice, and such failure results in any increased costs paid by the United States. Such adjustment shall provide for recovery of the increased costs to the United States, together with interest thereon computed at the annual rate established under section 6621(a)(2) of the Internal Revenue Code of 1986 (26 U.S.C. 6621(a)(2)) for such period,

from the time the payment by the United States was made to the time the adjustment is effected.

(b) If the parties fail to agree whether the Contractor has complied with an applicable CAS rule, or regulation as specified in Parts 9903 and 9904 and as to any cost adjustment demanded by the United States, such failure to agree will constitute a dispute under the Contract Disputes Act (41 U.S.C. 601).

(c) The Contractor shall permit any authorized representatives of the Government to examine and make copies of any documents, papers, and records relating to compliance with the requirements of this clause.

(d) The Contractor shall include in all negotiated subcontracts, which the Contractor enters into, the substance of this clause, except paragraph (b), and shall require such inclusion in all other subcontracts of any tier, except that—

(1) If the subcontract is awarded to a business unit which pursuant to 9903.201–2 is subject to other types of CAS coverage, the substance of the applicable clause set forth in 9903.201–4 shall be inserted.

(2) This requirement shall apply only to negotiated subcontracts in excess of \$650,000.

(3) The requirement shall not apply to negotiated subcontracts otherwise exempt from the requirement to include a CAS clause as specified in 9903.201–1.

(End of Clause)

[FR Doc. E7–11332 Filed 6–13–07; 8:45 am]

BILLING CODE 3110–01–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 697

[Docket No. 070516106–7106–01; I.D. 041907A]

RIN 0648–AV44

Atlantic Coastal Fisheries Cooperative Management Act Provisions; Weakfish Fishery

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Proposed rule; request for comments.

SUMMARY: NMFS proposes to decrease the incidental catch allowance for weakfish caught in the Exclusive Economic Zone (EEZ) from 300 lb (135

kg) to no more than 150 lb (67 kg) per day or trip, whichever is longer in duration. The intent of this proposed rule is to modify regulations for the Atlantic coast stock of weakfish to be more compatible with the Atlantic States Marine Fisheries Commission's (Commission) Interstate Fishery Management Plan (ISFMP) for weakfish, as set forth in the Atlantic Coastal Fisheries Cooperative Management Act (Atlantic Coastal Act).

DATES: Written comments must be received on or before July 16, 2007.

ADDRESSES: You may submit comments by any of the following methods:

- E-Mail: Weakfish.150@noaa.gov. Include in the subject line the following identifier: "Comments on Weakfish Bycatch 150."

- Federal e-rulemaking portal: <http://www.regulations.gov>

- Mail: Chris Moore, Chief, Partnerships and Communications Division (SF8), Office of Sustainable Fisheries, National Marine Fisheries Service, 1315 East-West Highway, Suite 13317, Silver Spring, MD 20910. Mark the outside of the envelope: "Comments on Weakfish Bycatch 150 Proposed Rule."

- Fax: (301) 713–0596

FOR FURTHER INFORMATION CONTACT: Tom Meyer, 301–713–2334.

SUPPLEMENTARY INFORMATION:

Background

NMFS is proposing to modify weakfish conservation measures in the EEZ under the authority of the Atlantic Coastal Fisheries Cooperative Management Act (Atlantic Coastal Act), 16 U.S.C. 5103, which states that, in the absence of an approved and implemented Fishery Management Plan under the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) (16 U.S.C. 1801 *et seq.*) and, after consultation with the appropriate Fishery Management Council(s), the Secretary of Commerce (Secretary) may implement regulations to govern fishing in the EEZ, i.e., from 3 to 200 nm offshore. These regulations must be (1) compatible with the effective implementation of an ISFMP developed by the Commission, and (2) consistent with the national standards set forth in section 301 of the Magnuson-Stevens Act.

On February 1, 2007, the Commission's Weakfish Management Board (Board) approved Addendum II to Amendment 4 to the ISFMP for Weakfish. Under the Addendum, the states of Massachusetts through North Carolina will be required to implement a six fish creel limit at their current size