Commerce and Foreign Trade

PARTS 0 TO 299
Revised as of January 1, 1998

CONTAINING
A CODIFICATION OF DOCUMENTS
OF GENERAL APPLICABILITY
AND FUTURE EFFECT
AS OF JANUARY 1, 1998

Published by
the Office of the Federal Register
National Archives and Records Administration

as a Special Edition of
the Federal Register
Table of Contents

Explanation ................................................................................................ v

Title 15:

Subtitle A—Office of the Secretary of Commerce ......................... 3

Subtitle B—Regulations Relating to Commerce and Foreign Trade:

Chapter I—Bureau of the Census, Department of Commerce ...... 279

Chapter II—National Institute of Standards and Technology, Department of Commerce .............................................. 323

Finding Aids:

Table of CFR Titles and Chapters .................................................... 449

Alphabetical List of Agencies Appearing in the CFR ................... 465

List of CFR Sections Affected ........................................................ 475
Cite this Code: CFR

To cite the regulations in this volume use title, part and section number. Thus, 15 CFR 0.735-1 refers to title 15, part 0, section 735-1.
Explanation

The Code of Federal Regulations is a codification of the general and permanent rules published in the Federal Register by the Executive departments and agencies of the Federal Government. The Code is divided into 50 titles which represent broad areas subject to Federal regulation. Each title is divided into chapters which usually bear the name of the issuing agency. Each chapter is further subdivided into parts covering specific regulatory areas.

Each volume of the Code is revised at least once each calendar year and issued on a quarterly basis approximately as follows:
- Title 1 through Title 16..............................................................as of January 1
- Title 17 through Title 27.................................................................as of April 1
- Title 28 through Title 41.................................................................as of July 1
- Title 42 through Title 50..............................................................as of October 1

The appropriate revision date is printed on the cover of each volume.

LEGAL STATUS

The contents of the Federal Register are required to be judicially noticed (44 U.S.C. 1507). The Code of Federal Regulations is prima facie evidence of the text of the original documents (44 U.S.C. 1510).

HOW TO USE THE CODE OF FEDERAL REGULATIONS

The Code of Federal Regulations is kept up to date by the individual issues of the Federal Register. These two publications must be used together to determine the latest version of any given rule.

To determine whether a Code volume has been amended since its revision date (in this case, January 1, 1976), consult the “List of CFR Sections Affected (LSA),” which is issued monthly, and the “Cumulative List of Parts Affected,” which appears in the Reader Aids section of the daily Federal Register. These two lists will identify the Federal Register page number of the latest amendment of any given rule.

EFFECTIVE AND EXPIRATION DATES

Each volume of the Code contains amendments published in the Federal Register since the last revision of that volume of the Code. Source citations for the regulations are referred to by volume number and page number of the Federal Register and date of publication. Publication dates and effective dates are usually not the same and care must be exercised by the user in determining the actual effective date. In instances where the effective date is beyond the cutoff date for the Code a note has been inserted to reflect the future effective date. In those instances where a regulation published in the Federal Register states a date certain for expiration, an appropriate note will be inserted following the text.

OMB CONTROL NUMBERS

The Paperwork Reduction Act of 1980 (Pub. L. 96-511) requires Federal agencies to display an OMB control number with their information collection request.
Many agencies have begun publishing numerous OMB control numbers as amendments to existing regulations in the CFR. These OMB numbers are placed as close as possible to the applicable recordkeeping or reporting requirements.

OBSOLETE PROVISIONS

Provisions that become obsolete before the revision date stated on the cover of each volume are not carried. Code users may find the text of provisions in effect on a given date in the past by using the appropriate numerical list of sections affected. For the period before January 1, 1986, consult either the List of CFR Sections Affected, 1949-1963, 1964-1972, or 1973-1985, published in seven separate volumes. For the period beginning January 1, 1986, a “List of CFR Sections Affected” is published at the end of each CFR volume.

CFR INDEXES AND TABULAR GUIDES

A subject index to the Code of Federal Regulations is contained in a separate volume, revised annually as of January 1, entitled CFR INDEX AND FINDING AIDS. This volume contains the Parallel Table of Statutory Authorities and Agency Rules (Table I), and Acts Requiring Publication in the Federal Register (Table II). A list of CFR titles, chapters, and parts and an alphabetical list of agencies publishing in the CFR are also included in this volume.

An index to the text of “Title 3—The President” is carried within that volume.

The Federal Register Index is issued monthly in cumulative form. This index is based on a consolidation of the “Contents” entries in the daily Federal Register.

A List of CFR Sections Affected (LSA) is published monthly, keyed to the revision dates of the 50 CFR titles.

REPUBLICATION OF MATERIAL

There are no restrictions on the republication of material appearing in the Code of Federal Regulations.

INQUIRIES

For a legal interpretation or explanation of any regulation in this volume, contact the issuing agency. The issuing agency’s name appears at the top of odd-numbered pages.

For inquiries concerning CFR reference assistance, call 202-523-5227 or write to the Director, Office of the Federal Register, National Archives and Records Administration, Washington, DC 20408 or e-mail info@fedreg.nara.gov.

SALES

The Government Printing Office (GPO) processes all sales and distribution of the CFR. For payment by credit card, call 202-512-1800, M-F 8 a.m. to 4 p.m. e.s.t. or fax your order to 202-512-2233, 24 hours a day. For payment by check, write to the Superintendent of Documents, Attn: New Orders, P.O. Box 371954, Pittsburgh, PA 15250-7954. For GPO Customer Service call 202-512-1803.

ELECTRONIC SERVICES


In addition, the Federal Register’s public inspection list and table of contents are also available on the National Archives and Records Administration’s Fax-on-Demand system. Phone, 301-713-6905.

RAYMOND A. MOSLEY,
Director,
Office of the Federal Register.

THIS TITLE

Title 15—Commerce and Foreign Trade is composed of three volumes. The parts in these volumes are arranged in the following order: parts 0-299, 300-799, and part 800-End. The first volume containing parts 0-299 is comprised of Subtitle A—Office of the Secretary of Commerce, chapter I—Bureau of the Census, Department of Commerce, and chapter II—National Institute of Standards and Technology, Department of Commerce. The second volume containing parts 300-799 is comprised of chapter III—International Trade Administration, Department of Commerce, chapter IV—Foreign-Trade Zones Board, and chapter VII—Bureau of Export Administration, Department of Commerce. The third volume containing part 800-End is comprised of chapter VIII—Bureau of Economic Analysis, Department of Commerce, chapter IX—National Oceanic and Atmospheric Administration, Department of Commerce, chapter XI—Technology Administration, Department of Commerce, chapter XIII—East-West Foreign Trade Board, chapter XIV—Minority Business Development Agency, chapter XX—Office of the United States Trade Representative, and chapter XXIII—National Telecommunications and Information Administration, Department of Commerce. The contents of these volumes represent all current regulations codified under this title of the CFR as of January 1, 1998.

A redesignation table appears in the Finding Aids section of the volume containing Parts 300-799.

For this volume, Cheryl E. Sirofchuck was Chief Editor. The Code of Federal Regulations publication program is under the direction of Frances D. McDonald, assisted by Alomha S. Morris.
Would you like to know... if any changes have been made to the Code of Federal Regulations or what documents have been published in the Federal Register without reading the Federal Register every day? If so, you may wish to subscribe to the LSA (List of CFR Sections Affected), the Federal Register Index, or both.

LSA
The LSA (List of CFR Sections Affected) is designed to lead users of the Code of Federal Regulations to amendatory actions published in the Federal Register. The LSA is issued monthly in cumulative form. Entries indicate the nature of the changes—such as revised, removed, or corrected. $27 per year.

Federal Register Index
The index, covering the contents of the daily Federal Register, is issued monthly in cumulative form. Entries are carried primarily under the names of the issuing agencies. Significant subjects are carried as cross-references. $25 per year.

A finding aid is included in each publication which lists Federal Register page numbers with the date of publication in the Federal Register.

Superintendent of Documents Subscription Order Form

Order Processing Code:  *5421  

☐ YES, send me the following indicated subscriptions for one year:
  ☐ LSA (List of CFR Sections Affected), (LCS) for $27 per year.
  ☐ Federal Register Index (FRSU) $25 per year.

The total cost of my order is $____
Price is subject to change, international customers please add 25%.

Company or personal name

Street address

City, State, ZIP code

Daytime phone with area code

Purchase order No. (optional)

Fax your orders (202) 512-2250
Phone your orders (202) 512-1800

Mail To: Superintendent of Documents
P.O. Box 371954
Pittsburgh, PA 15250-7954

(Includes regular shipping and handling.)

For privacy check box below:
☐ Do not make my name available to other mailers

Check method of payment:
☐ Check payable to Superintendent of Documents

☐ GPO Deposit Account [ ]

☐ VISA ☐ MasterCard [ ] (expiration date)

Credit card No. (must be 20 digits)

Thank you for your order!

Authorizing signature
Title 15—Commerce and Foreign Trade

(This book contains parts 0 to 299)

SUBTITLE A—Office of the Secretary of Commerce ....... 0

SUBTITLE B—Regulations Relating to Commerce and Foreign Trade:

CHAPTER I—Bureau of the Census, Department of Commerce 30
CHAPTER II—National Institute of Standards and Technology, Department of Commerce ............................. 200
Subtitle A—Office of the Secretary of Commerce

<table>
<thead>
<tr>
<th>Part</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Employee responsibilities and conduct</td>
<td>5</td>
</tr>
<tr>
<td>1</td>
<td>The Seal of the Department of Commerce</td>
<td>26</td>
</tr>
<tr>
<td>2</td>
<td>Procedures for handling and settlement of claims under the Federal Tort Claims Act</td>
<td>27</td>
</tr>
<tr>
<td>3</td>
<td>[Reserved]</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Public information</td>
<td>29</td>
</tr>
<tr>
<td>4a</td>
<td>Classification, declassification and public availability of national security information</td>
<td>48</td>
</tr>
<tr>
<td>4b</td>
<td>Privacy Act</td>
<td>53</td>
</tr>
<tr>
<td>5</td>
<td>Operation of vending stands</td>
<td>72</td>
</tr>
<tr>
<td>6</td>
<td>Civil monetary penalty inflation adjustments</td>
<td>74</td>
</tr>
<tr>
<td>7</td>
<td>[Reserved]</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Nondiscrimination in federally-assisted programs of the Department of Commerce—effectuation of Title VI of the Civil Rights Act of 1964</td>
<td>76</td>
</tr>
<tr>
<td>8a</td>
<td>[Reserved]</td>
<td></td>
</tr>
<tr>
<td>8b</td>
<td>Prohibition of discrimination against the handicapped in federally assisted programs operated by the Department of Commerce</td>
<td>90</td>
</tr>
<tr>
<td>8c</td>
<td>Enforcement of nondiscrimination on the basis of handicap in programs or activities conducted by the Department of Commerce</td>
<td>103</td>
</tr>
<tr>
<td>9</td>
<td>Procedures for a voluntary labeling program for household appliances and equipment to effect energy conservation</td>
<td>108</td>
</tr>
<tr>
<td>10</td>
<td>Procedures for the development of voluntary product standards</td>
<td>112</td>
</tr>
<tr>
<td>11</td>
<td>Uniform relocation assistance and real property acquisition for Federal and federally assisted programs</td>
<td>122</td>
</tr>
<tr>
<td>12</td>
<td>Fair packaging and labeling</td>
<td>122</td>
</tr>
<tr>
<td>13</td>
<td>Intergovernmental review of Department of Commerce programs and activities</td>
<td>125</td>
</tr>
<tr>
<td>Part</td>
<td>Page</td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>------</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>[Reserved]</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Legal proceedings</td>
<td>128</td>
</tr>
<tr>
<td>16</td>
<td>Procedures for a voluntary consumer product information labeling program</td>
<td>139</td>
</tr>
<tr>
<td>17</td>
<td>Licensing of Government-owned inventions in the custody of the Department of Commerce</td>
<td>145</td>
</tr>
<tr>
<td>18</td>
<td>Attorney's fees and other expenses</td>
<td>147</td>
</tr>
<tr>
<td>19</td>
<td>Referral of debts to the IRS for tax refund offset</td>
<td>154</td>
</tr>
<tr>
<td>20</td>
<td>Nondiscrimination on the basis of age in programs or activities receiving Federal financial assistance</td>
<td>156</td>
</tr>
<tr>
<td>21</td>
<td>Administrative offset</td>
<td>161</td>
</tr>
<tr>
<td>22</td>
<td>Salary offset</td>
<td>170</td>
</tr>
<tr>
<td>23</td>
<td>Use of penalty mail in the location and recovery of missing children</td>
<td>174</td>
</tr>
<tr>
<td>24</td>
<td>Uniform administrative requirements for grants and cooperative agreements to state and local governments</td>
<td>177</td>
</tr>
<tr>
<td>25</td>
<td>Program</td>
<td>204</td>
</tr>
<tr>
<td>26</td>
<td>Governmentwide debarment and suspension (non-procurement) and governmentwide requirements for drug-free workplace (grants)</td>
<td>220</td>
</tr>
<tr>
<td>27</td>
<td>Protection of human subjects</td>
<td>239</td>
</tr>
<tr>
<td>28</td>
<td>New restrictions on lobbying</td>
<td>249</td>
</tr>
<tr>
<td>29a</td>
<td>Audit requirements for state and local governments</td>
<td>260</td>
</tr>
<tr>
<td>29b</td>
<td>Audit requirements for institutions of higher education and other nonprofit organizations</td>
<td>267</td>
</tr>
</tbody>
</table>
PART 0—EMPLOYEE
RESPONSIBILITIES AND CONDUCT

Subpart A—General Provisions
Sec. 0.735-1 Purpose.
0.735-2 Relation to basic provisions.
0.735-3 Applicability.
0.735-4 Definitions.

Subpart B—General Policy
0.735-5 General principles.
0.735-6 Standards required in the Federal service.
0.735-7 Special requirements of the Department.
0.735-8 Limitations on private activities and interests.

Subpart C—Statutory Limitations Upon Employee Conduct
0.735-9 Employee responsibilities.

Subpart D—Regulatory Limitations Upon Employee Conduct
0.735-10 Administrative extension of statutory limitations.
0.735-10a Proscribed actions.
0.735-11 Gifts, entertainment, and favors.
0.735-12 Outside employment or other activity.
0.735-13 Financial interests.
0.735-14 Use of Government time or property.
0.735-15 Misuse of employment or information.
0.735-16 Indebtedness.
0.735-17 Gambling, betting, and lotteries.
0.735-18 General conduct prejudicial to the Government.
0.735-19 Reporting undue influence to superiors.

Subpart E—Statements of Employment and Financial Interests
0.735-20 General provisions.
0.735-21 Form and content of statements.
0.735-22a Employee's complaint on filing requirement.
0.735-22 Employees required to submit statements.
0.735-23 Employees not required to submit statements.
0.735-24 Time and place for submission of original statements.
0.735-25 Supplementary statements.
0.735-26 Interests of employees' relatives.
0.735-27 Information not known by employees.
0.735-28 Information not required.
0.735-29 Confidentiality of employees' statements.
0.735-30 Relation of this part to other requirements.
0.735-31 Special Government employees.

Subpart F—Supplementary Regulations
0.735-32 Departmental.
0.735-33 Operating units.
0.735-34 Effective date of supplementary regulations.

Subpart G—Administration
0.735-35 Responsibilities of employees.
0.735-36 Responsibilities of operating units.
0.735-37 Procedure.
0.735-38 Availability for counseling.
0.735-39 Authorizations.
0.735-40 Disciplinary and other remedial action.
0.735-41 Inquiries and exceptions.

Subpart H—Disciplinary Actions Concerning Post-Employment Conflict of Interest Violations
0.735-42 Scope.
0.735-43 Report of violations and investigation.
0.735-44 Initiation of proceedings.
0.735-45 Notice.
0.735-46 Hearing.
0.735-47 Decision absent a hearing.
0.735-48 Administrative appeal.
0.735-49 Sanctions.
0.735-50 Judicial review.

APPENDIX A TO PART 0—STATUTES GOVERNING CONDUCT OF FEDERAL EMPLOYEES
APPENDIX B TO PART 0—POSITION CATEGORIES, GRADE GS-13, AND ABOVE, REQUIRING STATEMENTS OF EMPLOYMENT AND FINANCIAL INTERESTS BY INCUMBENTS
APPENDIX C TO PART 0—POSITION CATEGORIES BELOW GS-13 REQUIRING STATEMENTS OF EMPLOYMENT AND FINANCIAL INTERESTS BY INCUMBENTS

SOURCE: 32 FR 15222, Nov. 2, 1967, unless otherwise noted.

Subpart A—General Provisions
§ 0.735-1 Purpose.
The purpose of this part is to set forth Department of Commerce policy and procedure relating to employee responsibilities and conduct.

§ 0.735-2 Relation to basic provisions.
(a) This part implements the following:
§ 0.735-3

(1) The provisions of law cited in this part;
   (2) Executive Order 11222 of May 8, 1965 (3 CFR, 1965 Supp. p. 130);
   (3) Part 735 of the Civil Service regulations (5 CFR 735.101-735.412, inclusive).

(b) This part prescribe additional standards of ethical and other conduct and reporting requirements deemed appropriate in the light of the particular functions and activities of this Department.

§ 0.735-3 Applicability.

This part applies to all persons included within the term “employee” as defined in §0.735-4, except as otherwise provided in this part.

§ 0.735-4 Definitions.

For purposes of this part, except as otherwise indicated in this part:

(a) Employee
   (1) Shall include: (i) Every officer and employee of the Department of Commerce (regardless of location), including commissioned officers of the Environmental Science Services Administration; and
   (ii) Every other person who is retained, designated, appointed, or employed by a Federal officer or employee, who is engaged in the performance of a function of the Department under authority of law or an Executive act, and who is subject to the supervision of a Federal officer or employee while engaged in the performance of the duties of his position not only as to what he does but also as to how he performs his duties, regardless of whether the relationship to the Department is created by assignment, detail, contract, agreement or otherwise.
   (2) Shall not include: (i) Members of the Executive Reserve except when they are serving as employees of the Department under the circumstances described in paragraph (a)(1) of this section;
   (ii) Members of crews of vessels owned or chartered to the Government and operated by or for the Maritime Administration under a General Agency Agreement; or
   (iii) Any other person who is determined legally not to be an officer or employee of the United States.

(b) Special Government employee shall mean an employee as defined in paragraph (a) of this section who is retained, designated, appointed, or employed to perform with or without compensation, for not to exceed 130 days during any period of 365 consecutive days, temporary duties on either a full-time or intermittent basis.

(c) Personnel officer means a personnel official to whom the power of appointment is redelegated under Administrative Order 202-250.

(d) Operating unit means, for purposes of this part, primary and constituent operating units designated as such in the Department Order Series of the Department of Commerce and, in addition, the Office of the Secretary.

(e) Head of an operating unit, for the purposes of this part, includes the Assistant Secretary for Administration with respect to the performance of functions under this part for the Office of the Secretary.

Subpart B—General Policy

§ 0.735-5 General principles.

Apart from statute, there are certain principles of fair dealing which have the force of law and which are applicable to all officers of the Government. A public office is a public trust. No public officer can lawfully engage in business activities which are incompatible with the duties of his office. He cannot, in his private or official character, enter into engagements in which he has, or can have, a conflicting personal interest. He cannot allow his public duties to be neglected by reason of attention to his private affairs. Such conflicts of interest are not tolerated in the case of any private fiduciary, and they are doubly proscribed for a public trustee. (40 Ops. Atty. Gen. 187, 190.)

§ 0.735-6 Standards required in the Federal service.

5 CFR 735.101 states: “The maintenance of unusually high standards of honesty, integrity, impartiality, and conduct by Government employees and special Government employees is essential to assure the proper performance of the Government business and the maintenance of confidence by citizens in their Government.”
§ 0.735-7 Special requirements of the Department.

The close and sensitive relationship between the Department of Commerce and the Nation's business community calls for special vigilance on the part of all officers and employees to avoid even any appearance of impropriety. The regulations set forth in this part have been adopted in order to promote the efficiency of the service in the light of the particular ethical and administrative problems arising out of the work of the Department.

§ 0.735-8 Limitations on private activities and interests.

It is the policy of the Department to place as few limitations as possible on private activities or interests consistent with the public trust and the effective performance of the official business of the Department. There is no general statutory or regulatory limitation on the conduct of private activities for compensation by officers or employees of the Department, when the private activity is not connected with any interest of the Government. When the private activity does not touch upon some interest, it may be conducted if it falls outside applicable statutory limitations and regulatory limitations.

Subpart C—Statutory Limitations Upon Employee Conduct

§ 0.735-9 Employee responsibilities.

Each employee and special Government employee has a positive duty to acquaint himself with the numerous statutes relating to the ethical and other conduct of employees and special employees of the Department and of the Government Appendix A of this part contains a listing of the more important statutory provisions of general applicability. In case of doubt on any question of statutory application to fact situations that may arise, the employee should consult the text of the statutes, which will be made available to him by his organization unit, and he should also avail himself of the legal counseling provided by this part.

Subpart D—Regulatory Limitations Upon Employee Conduct

§ 0.735-10 Administrative extension of statutory limitations.

The provisions of the statutes identified in this part which relate to the ethical and other conduct of Federal employees are adopted and will be enforced as administrative regulations, violations of which may in appropriate cases be the basis for disciplinary action, including removal. The fact that a statute which may relate to employee conduct is not identified in this part does not mean that it may not be the basis for disciplinary action against an employee.

§ 0.735-10a Proscribed actions.

An employee shall avoid any action, whether or not specifically prohibited by this subpart, which might result in, or create the appearance of:
(a) Using public office for private gain;
(b) Giving preferential treatment to any person;
(c) Impeding Government efficiency or economy;
(d) Losing complete independence or impartiality;
(e) Making a government decision outside official channels; or
(f) Affecting adversely the confidence of the public in the integrity of the Government.

§ 0.735-11 Gifts, entertainment, and favors.

(a) General limitations. Except as provided in paragraphs (b) and (f) of this section, an employee shall not solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan, payment of expenses, fee, compensation, or any other thing of monetary value, for himself or another person, from a person who:
(1) Has, or is seeking to obtain, contractual or other business or financial relations with the Department of Commerce;
(2) Conducts operations or activities that are regulated by the Department of Commerce; or
(3) Has interests that may be substantially affected by the performance or nonperformance of the employee's
official duty or by actions of the Department.

(b) Exceptions. The following exceptions are authorized to the limitation in paragraph (a) of this section:

(1) Acceptance of a gift, gratuity, favor, entertainment, loan, payment of expenses, fee, compensation, or other thing of monetary value incident to obvious family or personal relationships (such as those between the employee and the parents, children, or spouse of the employee) when the circumstances make it clear that it is those relationships rather than the business of the persons concerned which are the motivating factors.

(2) Acceptance of food and refreshments of nominal value on infrequent occasions in the ordinary course of a luncheon or dinner meeting or other meeting or on an inspection tour where an employee may properly be in attendance. For the purpose of this section, "nominal value" means that the value of the food or refreshments shall not be unreasonably high under the circumstances.

(3) Acceptance of loans from banks or other financial institutions on customary terms and on security not inconsistent with paragraph (a) of this section, to finance proper and usual activities of employees, such as home mortgage loans.

(4) Acceptance of unsolicited advertising or promotional material, such as pens, pencils, note pads, calendars, and other items of nominal intrinsic value.

(5) Acceptance of a gift, gratuity, favor, entertainment, loan, payment of expenses, fee, compensation, or other thing of monetary value when such acceptance is determined by the head of the operating unit concerned to be necessary and appropriate in view of the work of the Department and the duties and responsibilities of the employee. A copy of each such determination shall be sent to the counselor of the Department.

(6) Special Government employees are covered by this section only while employed by the Department or in connection with such employment.

(c) [Reserved]

(d) Gifts to superiors. An employee shall not solicit a contribution from another employee for a gift to an official superior, make a donation as a gift to an official superior, or accept a gift from an employee receiving less pay than himself (5 U.S.C. 7351). However, this paragraph does not prohibit a voluntary gift of nominal value or donation in a nominal amount made on a special occasion such as marriage, illness, or retirement. An employee who violates these requirements shall be removed from the service.

(e) Gifts from a foreign government. An employee shall not accept a gift, present, decoration, or other thing from a foreign government unless acceptance is (1) authorized by Congress as provided by the Constitution and in Pub. L. 89-673, 80 Stat. 952, and (2) authorized by the Department of Commerce as provided in Administrative Order 202-739.

(f) Reimbursement for travel expenses and subsistence. Neither this section nor §0.735-12 precludes an employee from receipt of bona fide reimbursement, unless prohibited by law, for expenses of travel and such other necessary subsistence as is compatible with this part for which no Government payment or reimbursement is made. However, this paragraph does not allow an employee to be reimbursed, or payment to be made on his behalf, for excessive personal living expenses, gifts, entertainment, or other personal benefits, nor does it allow an employee to be reimbursed by a person for travel on official business under agency orders when reimbursement is proscribed by Decision B-128527 of the Comptroller General dated March 7, 1967. (Requirements applicable to Department of Commerce employees are set forth in Department of Commerce Administrative Order 203-9.)

§0.735-12 Outside employment or other activity.

(a) Incompatible outside employment or other outside activity. An employee shall not engage in outside employment or other outside activity not compatible (1) with the full and proper discharge of the duties and responsibilities of his Government employment, (2) with the policies or interests of the Department, or (3) with the maintenance of the highest standards of ethical and moral
Office of the Secretary, Commerce  § 0.735-12

conduct. Incompatible activities include but are not limited to:

(i) Acceptance of a fee, compensation, gift, payment of expense, or any other thing of monetary value in circumstances in which acceptance may result in, or create the appearance of, a conflict of interest;

(ii) Outside employment which tends to impair the employee's mental or physical capacity to perform his Government duties and responsibilities in an acceptable manner;

(iii) Employment with any foreign government, corporation, partnership, instrumentality, or individual unless authorized by the Department;

(iv) Employment by, or service rendered under contract with, any of the persons listed in § 0.735-11(a);

(v) Receipt by an employee, other than a special Government employee, of any salary or anything of monetary value from a private source as compensation for his services to the Government. (18 U.S.C. 209).

(b) Improper benefit from official activity.

(1) No employee of the Department shall receive compensation (e.g., an honorarium) or anything of monetary value, other than that to which he is duly entitled from the Government, for the performance of any activity during his service as such employee of the Department and within the scope of his official responsibilities.

(2) As used in this paragraph, “within the scope of his official responsibilities” means in the course of or in connection with his official responsibilities. (See 29 Comp. Gen. 163; 30 id. 246; 32 id. 454; 35 id. 354; B-131371, July 17, 1957.)

(3) An activity shall ordinarily be considered to be in the course of or in connection with an employee’s official responsibilities if it is performed as a result of an invitation or request which is addressed to the Department or a component thereof, or which is addressed to an employee at his office at the Department, or which there is reason to believe is extended partly because of the official position of the employee concerned. (When in doubt, it may be asked whether it is likely that the invitation would have been received if the recipient were not associated with the Department.) Whether an employee is on leave while performing an activity shall be considered irrelevant in determining whether an activity is performed in the course of or in connection with the employee’s official responsibilities.

(4) Acceptance of a gift or bequest on behalf of the Department shall be made in accordance with Department Order 3 and Administrative Order 203-9.

(c) Teaching, lecturing, and writing. Employees are encouraged to engage in teaching, lecturing, and writing that is not prohibited by law. Executive Order 11222, 5 CFR Part 735, or the regulations in this part and Administrative Order 201-4, “Writing for Outside Publication,” subject to the following conditions:

(1) An employee shall not, either for or without compensation, engage in teaching, lecturing, or writing, including teaching, lecturing, or writing for the purpose of the special preparation of a person or class of persons for an examination of the Office of Personnel Management or the Board of Examiners for the Foreign Service, that depends on information obtained as a result of his Government employment, except when that information has been made available to the general public or will be made available on request, or when the Assistant Secretary for Administration or his designee gives written authorization for the use of non-public information on the basis that the use is in the public interest.

(2) No employee shall receive compensation or anything of monetary value for any consultation, lecture, discussion, writing, or appearance, the subject matter of which is devoted substantially to the responsibilities, programs, or operations of the Department of Commerce, or which draws substantially on official data or ideas which have not become part of the body of public information. As used in this paragraph, “the body of public information” shall mean information which has been disseminated widely among segments of the public which may be affected by or interested in the information concerned, or which is known by such segments of the public to be freely available on request to a Government agency.

(d) [Reserved]
10 CFR Subtitle A (1-1-98 Edition)

§ 0.735-13 Financial interests.

(a) An employee shall not: (1) Have a direct or indirect financial interest that conflicts substantially, or appears to conflict substantially, with his Government duties and responsibilities; or (2) Engage in, directly or indirectly, a financial transaction as a result of, or primarily relying on, information obtained through his Government employment.

(b) No employee shall participate in any manner, on behalf of the United States, in the negotiation of contracts, the making of loans, and grants, the granting of subsidies, the fixing of rates, or the issuance of valuable permits or certificates, or in any investigation or prosecution, or in the transaction of any other official business, which affects chiefly a person with whom he has any economic interest or any pending negotiations concerning a prospective economic interest, except with express prior authorization as provided for in subpart G of this part.

(c) This section does not preclude an employee from having a financial interest or engaging in financial transactions to the same extent as a private citizen not employed by the Government so long as it is not prohibited by law, Executive order, Civil Service regulations (5 CFR Part 735), or regulations in this part.

(d) The financial (or economic) interests described below are too remote or too inconsequential to affect the integrity of an employee's services in any matter involving them, and are thereby exempted from the prohibitions of 18 U.S.C. 208(a), and do not exclude such employee's participation in the transaction of any official business involving such financial or economic interests:

Deposits in a bank, savings and loan association, building association, credit union or similar financial institution; policies held with an insurance company; constructive interests in companies and other entities owned or held by a mutual fund or other diversified investment company in which the employee has an interest.

These exempted financial (or economic) interests need not be reported by employees in their statements of employment and financial interests referred to in § 0.735-21.

(18 U.S.C. 208(b); 5 CFR 735.404a)

§ 0.735-14 Use of Government time or property.

(a) An employee shall not directly or indirectly use, or allow the use of, Government time or property of any kind, including property leased to the Government, for other than officially approved activities.

(b) Each employee shall protect and conserve Government property, including equipment, supplies, and other property entrusted or issued to him.

§ 0.735-15 Misuse of employment or information.

(a) Use of Government employment. An employee shall not use his Government employment for a purpose that is, or gives the appearance of being, motivated by the desire for private gain for himself or another person, particularly one with whom he has family, business, or financial ties.

(b) Use of inside information. For the purpose of furthering a private interest, an employee shall not, except as provided in § 0.735-12(c), directly or indirectly use, or allow the use of, information which has been or has the appearance of having been obtained through or in connection with his Government employment and which has not been made available to the general public.
Office of the Secretary, Commerce § 0.735—19

(c) Coercion. An employee shall not use his Government employment to coerce, or give the appearance of coercing, a person to provide financial benefit to himself or another person, particularly one with whom he has family, business, or financial ties.

(d) Disclosure of restricted information. No employee shall divulge restricted commercial or economic information, or restricted information concerning the personnel or operations of any Government agency, or release any such information in advance of the time prescribed for its authorized release.

(e) Discrimination. No employee, acting in his official capacity, shall, directly or indirectly, authorize, permit, or participate in any act or course of conduct which, on the ground of race, color, creed, national origin, or sex, excludes from participation, denies any benefit to, or otherwise subjects to discrimination any person under any program or activity administered or conducted by the Department or one of its units, or such employee. (See Department Order 195.)

§ 0.735—16 Indebtedness.

(a) An employee shall pay each just financial obligation in a proper and timely manner, especially one imposed by law such as Federal, State, or local taxes. For purposes of this section, “a just financial obligation” means one acknowledged by the employee or reduced to judgment by a court, and “in a proper and timely manner” means in a manner which, in the view of the Department, does not, under the circumstances, reflect adversely on the Government as his employer.

(b) In the event of dispute between an employee and an alleged creditor, this section does not require the Department to determine the validity or amount of the disputed debt.

§ 0.735—17 Gambling, betting, and lotteries.

An employee shall not participate while on Government-owned or leased property or while on duty for the Government, in any gambling activity including the operation of a gambling device, in conducting a lottery or pool, in a game for money or property or in selling or purchasing a numbers slip or ticket. However, this section does not preclude activities (a) necessitated by an employee’s law enforcement duties, or (b) under section 3 of Executive Order 10927 (relating to solicitations conducted by organizations composed of civilian employees or members of the armed forces among their own members for organizational support or for benefit or welfare funds for their own members) and similar agency-approved activities.

§ 0.735—18 General conduct prejudicial to the Government.

(a) General policy. Officers and employees of the Federal Government are servants of the people. Because of this, their conduct must, in many instances, be subject to more restrictions and to higher standards than may be the case in certain private employments. They are expected to conduct themselves in a manner which will reflect favorably upon their employer. Although the Government is not particularly interested in the private lives of its employees, it does expect them to be honest, reliable, trustworthy, and of good character and reputation. They are expected to be loyal to the Government, and to the department or agency in which they are employed.

(b) Specific policy. An employee shall not engage in criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct, or other conduct prejudicial to the Government.

(c) Regulations applicable to public buildings and grounds. Each employee is responsible for knowing and complying with regulations of the General Services Administration and of the Department of Commerce applicable to public buildings and grounds.

§ 0.735—19 Reporting undue influence to superiors.

Each employee shall report to his superior any instance in which another person inside or outside the Federal Government uses or attempts to use undue influence to induce, by reason of his official Government position, former Government employment, family relationship, political position, or otherwise, the employee to do or omit to do any official act in derogation of his official duty.
Subpart E—Statements of Employment and Financial Interests

§0.735-20 General provisions.
(a) In order to carry out the purpose of this part, certain employees of the Department, specified in or pursuant to this part, will be required to submit statements of outside employment and financial interests for review designed to disclose conflicts of interest, apparent conflicts of interest on the part of employees, and other matters within the purview of this part.
(b) When a conflict or apparent conflict of interest on the part of an employee or other question of compliance with the provisions of this part arises and is not resolved at a lower level within the Department, e.g., by appropriate remedial action, the information concerning the matter shall be reported to the Secretary through the counselor for the Department designated in §0.735-38.
(c) In the event of a conflict or apparent conflict of interest on the part of an employee or other question of compliance with the provisions of this part arises and is not resolved at a lower level within the Department, e.g., by appropriate remedial action, the information concerning the matter shall be reported to the Secretary through the counselor for the Department designated in §0.735-38.
(d) The employee will not be required to reveal precise amounts of financial interest when such information is not necessary for a proper determination as to whether there is any apparent conflict of interest.

§0.735-21 Form and content of statements.
(a) Statements of employment and financial interests shall be submitted as far as practicable on one of the following forms, as appropriate:
(1) Form CD-220, “Confidential Statement of Employment and Financial Interests (For Use by Government Employees Other Than Special Government Employees)”;
(2) Form CD-219, “Confidential Statement of Employment and Financial Interests (For Use by Government Employees)”.
(b) Each of the foregoing forms shall contain, as a minimum, the information required by the formats prescribed by the Office of Personnel Management in the Federal Personnel Manual. Questions on a statement of employment and financial interests that go beyond, or are in greater detail than, those included on the Office's formats may be included on a statement only with the approval of the Assistant Secretary for Administration and the Office.

§0.735-22 Employees required to submit statements.
Except as provided in §0.735-23, a statement of employment and financial interests shall be submitted by the following employees other than special Government employees:
(a) Employees paid at a level of the Executive Schedule in Subchapter II of Chapter 53 of Title 5, United States Code.
(b) Employees classified at GS-13 or above under section 5332 of Title 5, United States Code, or at a comparable pay level under another authority, who are in positions the basic duties and responsibilities of which are determined by the head of the operating unit concerned to require the incumbent to make a Government decision or to take a Government action in regard to:
(1) Contracting or procurement;
(2) Administering or monitoring grants or subsidies;
(3) Regulating or auditing private or other non-Federal enterprise;
(4) Other activities where the decision or action has an economic impact on the interests of any non-Federal enterprise.
Each employee who occupies a position in one of the above-listed categories and who is not excluded from the reporting requirement shall be notified that he is subject to the reporting requirement.
(c) The following employees classified at GS-13 or above under section 5332 of Title 5, United States Code, or at a comparable pay level under another authority, not otherwise subject to paragraph (b) of this section:
(1) Employees in grade GS-16 or above, or in comparable or higher positions.
(2) Employees in Schedule C positions.
(3) Employees in hearing examiner or hearing officer positions.
(4) Persons employed as experts, consultants, or advisers.
(5) Employees in positions or categories of positions, regardless of their official title, identified in Appendix B of this part.

Employees classified below GS-13 under section 5332 of Title 5, United States Code, or at a comparable pay level under another authority, who are in positions or categories of positions, regardless of their official title, identified in Appendix C to this part.

Appendices B and C. (1) Appendix B to this part shall be maintained and changes made therein in accordance with the criteria in 5 CFR 735.403(c) and in accordance with the procedure in this paragraph. Appendix C to this part shall be maintained and changes made therein in accordance with the criteria in 5 CFR 735.403(d) and in accordance with the procedure in this paragraph.

(2) Heads of operating units and heads of offices in the Office of the Secretary shall, in conformity with the above-cited criteria, recommend changes in Appendix B and Appendix C to the Assistant Secretary for Administration for approval. Changes in Appendix C shall be submitted, with specific justification, to the Office of Personnel Management for further prior approval.

(3) Incumbents of positions added to Appendix B or to Appendix C shall become subject to the reporting requirements of this part upon receipt of notification that their position is subject to such requirements. Appendix B and Appendix C shall be republished annually to reflect changes in the lists.

An employee shall have an opportunity for review through the Department of Commerce grievance procedure, as provided by Administrative Order 202-770, of a complaint by him that his position has been improperly included under the regulations of the Department as one requiring the submission of a statement of employment and financial interests.

§ 0.735-23 Employees not required to submit statements.

(a) Employees in positions that meet the criteria in paragraph (b), (c), or (d) of §0.735-22 may be excluded from the reporting requirement when the head of the operating unit concerned determines that:

(1) The duties of a position are such that the likelihood of the incumbent's involvement in a conflicts-of-interest situation is remote; or

(2) The duties of a position are at such a level of responsibility that the submission of a statement of employment and financial interests is not necessary because of the degree of supervision and review over the incumbent or the inconsequential effect on the integrity of the Government.

(b) A statement of employment and financial interests is not required by this part from the Secretary of Commerce, from the head of an independent agency for which the Department of Commerce performs administrative services, or from a full-time member of a committee, board, or commission appointed by the President. These employees are subject to separate reporting requirements under section 401 of Executive Order 11222.

§ 0.735-24 Time and place for submission of original statements.

(a) An employee required to submit a statement of employment and financial interests under this part shall submit that statement not later than:

(1) Ninety days after the effective date of this part if the employee is employed by the Department on or before the effective date of this part; or

(2) Thirty days after the employee's entrance on duty date, but in no case earlier than 90 days after the effective date of this part.

(b) Statements shall be submitted to a personnel officer specified by the head of the operating unit or to such...
§ 0.735-25 Supplementary statements.

Changes in, or additions to, the information contained in an employee's statement of employment and financial interests shall be reported in a supplementary statement as of June 30 each year, except when the Office of Personnel Management authorizes a different date on a showing by the Department of necessity therefor. (The Commission has authorized filing of the supplementary statement for 1967 as of September 30, 1967.) If no changes or additions occur, a negative report is required. Notwithstanding the filing of the annual report required by this section, each employee shall at all times avoid acquiring a financial interest that could result, or taking an action that would result, in a violation of the conflicts-of-interest provisions of section 208 of Title 18, United States Code, or subpart D of this part.

§ 0.735-26 Interests of employees' relatives.

The interest of a spouse, minor child, or other member of an employee's immediate household is considered to be an interest of the employee. For the purpose of this section, "member of an employee's immediate household" means those blood relations who are members of the employee's household.

§ 0.735-27 Information not known by employees.

If any information required to be included on a statement of employment and financial interests or supplementary statement, including holdings placed in trust, is not known to the employee but is known to another person, the employee shall request that other person to submit information in his behalf.

§ 0.735-28 Information not required.

This part does not require an employee to submit on a statement of employment and financial interests or supplementary statement any information relating to the employee's connection with, or interest in, a professional society or a charitable, religious, social, fraternal, recreational, public service, civic, or political organization or a similar organization not conducted as a business enterprise. For the purpose of this section, educational and other institutions doing research and development or related work involving grants of money from or contracts with the Government are deemed "business enterprises" and are required to be included in an employee's statement of employment and financial interests.

§ 0.735-29 Confidentiality of employees' statements.

(a) No employee may have access to a statement of employment and financial interests, or a supplementary statement, unless his official duties make access necessary. Each employee who has access to such a statement is responsible for maintaining it in confidence and shall not allow access to, or allow information to be disclosed from, a statement except to an employee of the Department of Commerce or the Office of Personnel Management to carry out the purpose of this part or to other persons as the Office of Personnel Management or the Assistant Secretary for Administration may determine for good cause shown. (The foregoing limitations do not apply to release of information by an employee with respect to a statement he has submitted under this section.)

(b) The employees designated in paragraph (b) of §0.735-24 to receive statements are authorized to review and retain the statements and are responsible for maintaining the statements in confidence, as provided in this section.

§ 0.735-30 Relation of this part to other requirements.

(a) The requirement that employees submit statements of employment and financial interests and supplementary statements under this part is in addition to, and not in substitution for, or in derogation of, any similar requirement imposed by law, order, or regulation.

(b) The submission of a statement or supplementary statement by an employee does not permit him or any other person to participate in a matter in which his or the other person’s participation is prohibited by law, order, or regulation, including this part.

§ 0.735-31 Special Government employees.

(a) Special Government employees shall be required to report:
(1) All other employment; and
(2) Financial interests specified on Form CD-219.

(b) A waiver may be granted to the requirements of this section in the case of a special Government employee who is not a consultant or expert (as defined in Chapter 304 of the Federal Personnel Manual) when a determination is made that the duties of the position held by that special Government employee are of such a nature and at such a level of responsibility that the submission of the statement by the incumbent is not necessary to protect the integrity of the Government. Any such waiver shall be approved by the head of the operating unit concerned or his designee. A copy of the waiver shall be filed with the deputy counselor for the organization unit concerned.

(c) The original statement of employment and financial interests required to be submitted by a special Government employee shall be submitted not later than his entry on duty. Each special employee shall keep his statement current throughout his employment with the Department by the submission of supplementary statements.

Subpart F—Supplementary Regulations

§ 0.735-32 Departmental.

The Assistant Secretary for Administration may prescribe supplementary instructions consistent with this part.

§ 0.735-33 Operating units.

Each operating unit is hereby authorized and directed to prescribe, after approval by the Assistant Secretary for Administration, such additional regulations not inconsistent with this part as may be necessary to effectuate the general purpose of this part in the light of its individual operating requirements, including but not limited to pertinent statutory provisions, such as:

(a) 35 U.S.C. 4, 122 (Patent Office);
(b) 46 U.S.C. 1111(b) (Maritime Administration);
(c) Certain provisions of the Defense Production Act of 1950, e.g., 50 U.S.C. App. 2160(b)(2) (avoidance of conflicts of interest), 50 U.S.C. App. 2160(b)(6) (financial statements), and 50 U.S.C. App. 2160(f) (prohibition of use of confidential information for purposes of speculation) (Business and Defense Services Administration and any other primary operating unit affected); and
(d) Certain provisions of Pub. L. 89-136, the Public Works and Economic Development Act of 1965, e.g., section 711 (restriction on employing certain EDA employees by applicants for financial assistance), and section 710(b) (embezzlement), false book entries, sharing in loans, etc., and giving out unauthorized information for speculation).

§ 0.735-34 Effective date of supplementary regulations.

Supplementary regulations prescribed pursuant to § 0.735-33, shall become effective upon approval by the issuing officer unless a different date is required by law or a later date is specified therein.
\section*{§ 0.735-35 \hspace{2cm} \hspace{8cm} 15 CFR Subtitle A (1-1-98 Edition)}

\textbf{Subpart G—Administration}

\textbf{§ 0.735-35 Responsibilities of employees.}

It is the responsibility of each employee:

(a) To assure, at the outset of his employment, that each of his interests and activities is consistent with the requirements established by or pursuant to this part;

(b) To submit a statement of employment and financial interests at such times and in such form as may be specified in or pursuant to this part;

(c) To certify, upon entering on duty in the Department, that he has read this part and applicable regulations supplementary thereto;

(d) To obtain prior written authorization of any interest or activity about the propriety of which any doubt exists in the employee's mind, as provided in § 0.735-39;

(e) To confine each of his interests and activities at all times within the requirements established by or pursuant to this part, including any authorizations granted pursuant to this part; and

(f) To obtain a further written authorization whenever circumstances change, or the nature or extent of the interest or activity changes, in such a manner as to involve the possibility of a violation or appearance of a violation of a limitation or requirement prescribed in or pursuant to this part.

\textbf{§ 0.735-36 Responsibilities of operating units.}

The head of each operating unit, or his designee, shall:

(a) Furnish or make available to each employee a copy of this part (or a comprehensive summary thereof) within 90 days after approval of this part by the Office of Personnel Management, and, upon their issuance, a copy of any regulations supplementary thereto (or a comprehensive summary thereof);

(b) Furnish or make available to each new employee at the time of his entrance on duty a copy of this part as it may be amended and any supplementary regulations (or a comprehensive summary thereof);

(c) Bring this part (or as it may be amended and any supplementary regulations thereto) to the attention of each employee annually, and at such other times as circumstances may warrant as may be determined by the Assistant Secretary for Administration;

(d) Have available for review by employees, as appropriate, copies of laws, Executive orders, this part, supplementary regulations, and pertinent Office of Personnel Management regulations and instructions relating to ethical and other conduct of Government employees;

(e) Advise each employee who is a special Government employee of his status for purposes of 18 U.S.C. 203 and 205;

(f) Require each employee specified in § 0.735-22 to submit a statement of employment and financial interests, as provided by or pursuant to this part;

(g) Develop an appropriate form, with the approval of the counselor of the Department, on which the employee may certify that he has read this part and applicable regulations supplementary thereto, in accordance with § 0.735-35(c), and on which he may, if he so desires, indicate that he has a private activity or interest about which he requests advice and guidance as provided by § 0.735-38;

(h) Require each employee upon entering on duty and at such other times as may be specified, to execute the certification required by § 0.735-35(c);

(i) Report to the program Secretarial Officer concerned and to the Assistant Secretary for Administration promptly any instance in which an employee, after notice, fails to submit the certification required under § 0.735-35(c) or a statement of employment or financial interests required under this part within 14 calendar days following the prescribed time limit for doing so; and

(j) Take action to impress upon each employee required to submit a statement of employment and financial interests, upon his supervisor, and upon employees with whom the employee works, their responsibility as follows:

(1) The employee's supervisor is responsible (i) for excluding from the range of duties of the employee any contracts or other transactions between the Government and his outside employer, clients, or entities in which he has an interest within the purview
of this part, and (ii) for overseeing the employee's activities in order to insure that the public interest is protected from improper conduct on his part and that he will not, through ignorance or inadvertence, embarrass the Government or himself.

(2) The employee's supervisor and employees with whom he works are responsible for avoiding the use of the employee's services in any situation in which a violation of law, regulation, or ethical standards is likely to occur or to appear to occur.

(3) The supervisor of an employee is responsible for initiating prompt and proper disciplinary or remedial action when a violation, intentional or innocent, is detected.

(4) Employees shall avoid divulging to a special Government employee privileged Government information which is not necessary to the performance of his governmental responsibility or information which directly involves the financial interests of his non-Government employer.

(5) An employee shall make every effort in his private work to avoid any personal contact with respect to negotiations with the Department for contracts, grants, or loans, if the subject matter is related to the subject matter of his Government employment. When this is not possible, he may participate if not otherwise prohibited by law (e.g., 18 U.S.C. 203 and 205) in the negotiations for his private employer only with the prior approval of the head of the operating unit concerned.

§ 0.735-38 Availability for counseling.

(a) The General Counsel of the Department shall:

(1) Serve as the counselor for the Department of Commerce with respect to matters covered by the basic provisions cited in §0.735-2(a) and otherwise by or pursuant to this part;

(2) Serve as the Department of Commerce designee to the Office of Personnel Management on matters covered by this part; and

(3) Coordinate the counseling services provided under this part and assure that counseling and interpretations on questions of conflicts of interest and other matters covered by this part are available to deputy counselors designated under paragraph (b) of this section.

(b) The counselor shall designate employees who shall serve as deputy counselors for employees of the Department of Commerce with respect to matters covered by or pursuant to this part and shall give authoritative advice and guidance to each employee who seeks advice and guidance on questions of conflicts of interest and other matters covered by or pursuant to this part.

(c) Each operating unit shall notify its employees of the availability of counseling services and of how and where these services are available. This notification shall be given within 90 days after approval of this part by the
Office of Personnel Management and periodically thereafter. In the case of a new employee appointed after the foregoing notification, notification shall be made at the time of his entrance on duty.

(d) In each operating unit a deputy counselor shall advise and counsel each employee concerning any adjustments necessary in his financial interests or activities, or in any contemplated interests or activities, in order to meet the requirements established by or pursuant to this part.

§ 0.735-39 Authorizations.

All requests for authorizations required under this part shall be addressed to the head of the operating unit concerned. In the Office of the Secretary such requests shall be addressed to the Secretary or such person as he may designate. When granted, authorizations will be in writing, and a copy of each authorization will be filed in the employees' official personnel file.

(a) In case of doubt, or upon the request of the employee concerned, cases or questions will be forwarded to the counselor or a deputy counselor. (See § 0.735-38.)

(b) Where an activity requested to be authorized can be conducted as official business, it shall not be authorized as a private activity, but shall be conducted as official business.

(c) Where authorizations involve speaking, writing, or teaching, use of the official title of the employee for identification purposes may be authorized, provided the employee makes it clear that his statements and actions are not of an official nature.

(d) If an authorization has been granted for a specific activity or interest, and the activity or interest is subsequently deemed to constitute a violation of the limitations or requirements prescribed in or pursuant to this part, the employee concerned shall be notified in writing of the cancellation of the authorization and shall modify or stop the activity or interest involved, as requested.

§ 0.735-40 Disciplinary and other remedial action.

(a) Violation of a requirement established in or pursuant to this part shall be cause for appropriate disciplinary action, which may be in addition to any penalty prescribed by law.

(b) When, after consideration of the explanation of the employee provided by § 0.735-20(c), the reviewing officer, in cooperation with the responsible supervisory official, decides that remedial action is required, he will take or cause to be taken immediate action to end the conflict or appearance of conflict of interest. Remedial action may include, but is not limited to:

(1) Changes in assigned duties;

(2) Divestment by the employee of his conflicting interest;

(3) Disciplinary action (including removal from the service); or

(4) Disqualification for a particular assignment.

Remedial action, whether disciplinary or otherwise, shall be effected in accordance with applicable laws, Executive orders, and regulations.

(c) No disciplinary or remedial action may be taken under this section against an employee of another Federal department or agency on detail to the Department of Commerce other than through and with the concurrence of the detailed employee's employing agency.

§ 0.735-41 Inquiries and exceptions.

(a) Inquiries relating to legal aspects of the limitations set forth in or cited in or pursuant to this part should be submitted to the appropriate deputy counselor. Inquiries relating to other aspects of this part or regulations supplementary thereto should be referred to the appropriate personnel office.

(b) Within the limits of administrative discretion permitted to the Department, exceptions to the requirements of this part may be granted from time to time in unusual cases by the head of the operating unit, whenever the facts indicate that such an exception would promote the efficiency of the service. Each request for such an exception should be submitted in writing to the head of the operating unit concerned, and shall contain a full statement of the justification for the
request. Reports concerning such requests, if approved, shall be forwarded to the program Secretarial Officer concerned and to the Assistant Secretary for Administration by the head of the operating unit concerned.

Subpart H—Disciplinary Actions Concerning Post-Employment Conflict of Interest Violations

Authority: 18 U.S.C. 207(j); 5 CFR 737.27.

Source: 49 FR 32057, Aug. 10, 1984; 50 FR 928, Jan. 8, 1985, unless otherwise noted.

§ 0.735-42 Scope.

(a) These regulations establish procedures for imposing sanctions against a former employee for violating the post-employment restrictions of the conflict of interest laws and regulations set forth in 18 U.S.C. 207 and 5 CFR Part 737. These procedures are established pursuant to the requirement in 18 U.S.C. 207(j). The General Counsel is responsible for resolving questions on the legal interpretation of 18 U.S.C. 207 or regulations issued thereunder and for advising employees on these provisions.

(b) For purposes of this subpart, (1) "Former employee" means a former Government employee as defined in 5 CFR 737.3(a)(4) who had served in the Department;

(2) "Lesser included sanctions" means sanctions of the same type but more limited scope as the proposed sanction; thus a bar on communication with an operating unit is a lesser included sanction of a proposed bar on communication with the Department and a bar on communication for one year is a lesser included sanction of a proposed five year bar;

(3) "Assistant Secretary" means the Assistant Secretary for Administration or designee;

(4) "Director" means the Director for Personnel and Civil Rights, Office of the Secretary, or designee;

(5) "Inspector General" and "General Counsel" include any persons designated by them to perform their functions under this subpart; and

(6) "Days" means calendar days except that a deadline which falls on a weekend or holiday shall be extended to the next working day.

§ 0.735-43 Report of violations and investigation.

(a) If an employee has information which indicates that a former employee has violated any provisions of 18 U.S.C. 207 or regulations thereunder, that employee shall report such information to the Inspector General.

(b) Upon receiving information as set forth in paragraph (a) of this section from an employee or any other person, the Inspector General, upon a determination that it is nonfrivolous, shall expeditiously provide the information to the Director, Office of Government Ethics, and to the Criminal Division, Department of Justice. The Inspector General shall coordinate any investigation under this subpart with the Department of Justice, unless the Department of Justice informs the Inspector General that it does not intend to initiate criminal prosecution.

(c) All investigations under this subpart shall be conducted in such a way as to protect the privacy of former employees. To ensure this, to the extent reasonable and practical, any information received as a result of an investigation shall remain confidential except as necessary to carry out the purposes of this subpart, including the conduct of an investigation, hearing, or judicial proceeding arising thereunder, or as may be required to be released by law.

(d) The Inspector General shall report the findings of the investigation to the Director.

§ 0.735-44 Initiation of proceedings.

If the Director determines, after an investigation by the Inspector General, that there is reasonable cause to believe that a former employee has violated post-employment statutes or regulations, the Director shall initiate administrative proceedings under this subpart by proposing sanctions against the former employee and by providing notice to the former employee as set forth in § 0.735-45.
§ 0.735-45 Notice.
(a) The Director shall notify the former employee of the proposed disciplinary action in writing by registered or certified mail, return receipt requested, or by any means which gives actual notice or is reasonably calculated to give actual notice. Notice shall be considered received if sent to the last known address of the former employee.
(b) The notice shall include: (1) A statement of allegations and the basis thereof sufficiently detailed to enable the former employee to prepare a defense;
(2) A statement that the former employee is entitled to a hearing if requested within 20 days from date of notice;
(3) An explanation of the method by which the former employee may request a hearing under this subpart including the name, address, and telephone number of the person to contact if there are further questions;
(4) A statement that the former employee has the right to submit documentary evidence to the Director if a hearing is not requested and an explanation of the method of submitting such evidence and the date by which it must be received; and
(5) A statement of the sanctions which have been proposed.

§ 0.735-46 Hearing.
(a) Examiner. (1) Upon timely receipt of a request for a hearing, the Director shall refer the matter to the Assistant Secretary who shall appoint an examiner to conduct the hearing and render an initial decision.
(2) The examiner shall be impartial, shall not be an individual who has participated in any manner in the decision to initiate the proceedings, and shall not have been employed under the immediate supervision of the former employee or have been employed under a common immediate supervisor. The examiner shall be admitted to practice law and have suitable experience and training to conduct the hearing, reach a determination and render an initial decision in an equitable manner.
(b) Time, date, and place. The hearing shall be conducted at a reasonable time, date, and place as set by the examiner. In setting the date, the examiner shall give due regard to the need for both parties to adequately prepare for the hearing and the importance of expeditiously resolving allegations that may be damaging to the former employee's reputation.
(c) Former employee's rights. At a hearing, the former employee shall have the right:
(1) To represent himself or herself or to be represented by counsel,
(2) To introduce and examine witnesses and to submit physical evidence,
(3) To confront and cross-examine adverse witnesses,
(4) To present oral argument, and
(5) To receive a transcript or recording of the proceedings, on request.
(d) Procedure and evidence. In a hearing under this subpart, the Federal Rules of Evidence and Civil Procedure do not apply but the examiner shall exclude irrelevant or unduly repetitious evidence and all testimony shall be taken under oath or affirmation. The examiner may make such orders and determinations regarding the admissibility of evidence, conduct of examination and cross-examination, and similar matters which the examiner deems necessary or appropriate to ensure orderliness in the proceedings and fundamental fairness to the parties. There shall be no discovery unless agreed to by the parties and ordered by the examiner. The hearing shall not be open to the public unless the former employee or the former employee's representative waives the right to a closed hearing, in which case the examiner shall determine whether the hearing will be open to the public.
(e) Ex-parte communications. The former employee, the former employee's representative, and the agency representative shall not make any ex-parte communications to the examiner concerning the merits of the allegations against the former employee prior to the issuance of the initial decision.
(f) Initial decision. (1) The proposed sanctions shall be sustained in an initial decision upon a determination by the examiner that the preponderance of the evidence indicated a violation of post-employment statutes or regulations.
(2) The examiner shall issue an initial decision which is based exclusively on the transcript of testimony and exhibits together with all papers and requests filed in connection with the proceeding and which sets forth all findings of fact and conclusions of law relevant to the matter at issue.

(3) The initial decision shall become final thirty days after issuance if there has been no appeal filed under §0.735-48.

§0.735-47 Decision absent a hearing.
(a) If the former employee does not request a hearing in a timely manner, the Director shall make an initial decision on the basis of information compiled in the investigation, and any submissions made by the former employee.
(b) The proposed sanction or a lesser included sanction shall be imposed if the record indicates a violation of post-employment statutes or regulations by a preponderance of the evidence.
(c) The initial decision shall become final thirty days after issuance if there has been no appeal filed under §0.735-48.

§0.735-48 Administrative appeal.
(a) Within 30 days after issuance of the initial decision, either party may appeal the initial decision or any portion thereof to the Assistant Secretary. The opposing party shall have 20 days to respond.
(b) If an appeal is filed, the Assistant Secretary shall issue a final decision which shall be based solely on the record, or portions thereof cited by the parties to limit issues, and the appeal and response. The Assistant Secretary shall also decide whether to impose the proposed sanction or a lesser included sanction.
(c) If the final decision modifies or reverses the initial decision, it shall state findings of fact and conclusions of law which differ from the initial decision.

§0.735-49 Sanctions.
(a) If there has been a final determination that the former employee has violated post-employment statutes or regulations, the Director shall impose, subject to the authority of the Assistant Secretary under §0.735-48(b), the sanction which was proposed in the notice to the former employee or a lesser included sanction.
(b) Sanctions which may be imposed include: (1) Prohibiting the former employee from making, on behalf of any other person except the United States, any formal or informal appearance before or, with the intent to influence, any oral or written communication to the Department or any organizational sub-unit thereof on any matter of business for a period not to exceed five years; and (2) Other appropriate disciplinary action.
(c) The Director may enforce the sanctions of paragraph (b)(1) of this section by directing any or all employees to refuse to participate in any such appearance or to accept any such communication. As a method of enforcement, the Director may establish a list of former employees against whom sanctions have been imposed.

§0.735-50 Judicial review.
Any former employee found to have violated 18 U.S.C. 207, or regulations issued thereunder, by a final administrative decision under this subpart may seek judicial review of the administrative determination.

APPENDIX A TO PART 0—STATUTES GOVERNING CONDUCT OF FEDERAL EMPLOYEES
There are numerous statutes pertaining to the ethical and other conduct of Federal employees, far too many to attempt to list them all. Consequently, only the more important ones of general applicability are referred to in this appendix.

A. Bribery and Graft
.01 Title 18, U.S.C., section 201, prohibits anyone from bribing or attempting to bribe a public official by corruptly giving, offering, or promising him or any person selected by him, anything of value with intent (a) to influence any official act by him, (b) to influence him to commit or allow any fraud on the United States, or (c) to induce him to do or omit to do any act in violation of his lawful duty. As used in section 201, "Public officials" is broadly defined to include officers, employees, and other persons carrying on activities for or on behalf of the Government.
.02 Section 201 also prohibits a public official's solicitation or acceptance of, or agreement to take, a bribe. In addition, it forbids
offers or payments to, and solicitations or receipt by, a public official of anything of value "for or because of" any official act performed or to be performed by him.

.03 Section 203 further prohibits the offering to or the acceptance by a witness of anything of value involving intent to influence his testimony at a trial, Congressional hearing, or agency proceeding. A similar provision applies to witnesses "for or because of" testimony given or to be given. The provisions summarized in this section do not preclude lawful witness fees, travel and subsistence expenses, or reasonable compensation for expert testimony.

B. COMPENSATION TO OFFICERS AND EMPLOYEES IN MATTERS AFFECTING THE GOVERNMENT

.01 Title 18, U.S.C., section 203, prohibits an officer or employee from receiving compensation for services rendered for others before a Federal department or agency in matters in which the Government is a party or is interested.

.02 Section 203 applies to a special Government employee as follows:

a. If the special Government employee has served in the Department of Commerce more than 60 days during the preceding period of 365 days, section 203 applies to him only in relation to a particular matter involving a specific party or parties (1) in which he has at any time participated personally and substantially in his governmental capacity, or (2) which is pending in the Department of Commerce; or

b. If the special Government employee has served in the Department no more than 60 days during the preceding period of 365 days, section 203 applies to him only in relation to a particular matter involving a specific party or parties in which he has at any time participated personally and substantially in his governmental capacity.

.03 Section 203 does not preclude:

a. An employee, if not inconsistent with faithful performance of his duties, from acting without compensation as agent or attorney for any person who is the subject of disciplinary, loyalty, or other personnel administration proceedings, in connection with those proceedings; or

b. An employee from giving testimony under oath or from making statements required to be made under penalty for perjury or contempt.

.04 Sections 203 and 205 do not preclude:

a. An employee from acting as agent or attorney for his parents, spouse, child, or any person for whom, or for any estate for which, he is serving as guardian, executor, administrator, trustee, or other personal fiduciary, except in those matters in which he has participated personally and substantially as a Government employee or which are the subject of his official responsibility, provided the head of the operating unit concerned approves; or

b. A special Government employee from acting as agent or attorney for another person in the performance of work under a contract with, or for the benefit of, the United States, provided the head of the operating unit concerned, with the approval of the appropriate program Secretary, shall certify in writing that the national interest so requires, and such certification shall be published in the Federal Register.

.05 Section 205 does not apply to a retired officer of the uniformed services while not on active duty and not otherwise an officer or employee of the United States.

C. ACTIVITIES OF OFFICERS AND EMPLOYEES IN CLAIMS AGAINST AND OTHER MATTERS AFFECTING THE GOVERNMENT

.01 Title 18, U.S.C., section 205, prohibits an officer or employee, otherwise than in the performance of his official duties, from:

a. Acting as agent or attorney for prosecuting any claim against the United States, or receiving any gratuity, or any share of or interest in any such claim in consideration of assistance in the prosecution of such claims; or

b. Acting as agent or attorney for anyone before any Government agency, court, or officer in connection with any matter in which the United States is a party or has a direct and substantial interest.

.02 Section 205 applies to a special Government employee as follows:

a. If the special Government employee has served in the Department more than 60 days during the preceding period of 365 days, section 205 applies to him only in relation to a particular matter involving a specific party or parties (1) in which he has at any time participated personally and substantially in his governmental capacity, or (2) which is pending in the Department of Commerce; or

b. If the special Government employee has served in the Department no more than 60 days during the preceding period of 365 days, section 205 applies to him only in relation to a particular matter involving a specific party or parties in which he has at any time participated personally and substantially in his governmental capacity.

.03 Section 205 does not preclude:

a. An employee, if not inconsistent with faithful performance of his duties, from acting without compensation as agent or attorney for any person who is the subject of disciplinary, loyalty, or other personnel administration proceedings, in connection with those proceedings; or

b. An employee from giving testimony under oath or from making statements required to be made under penalty for perjury or contempt.

.04 Sections 203 and 205 do not preclude:

a. An employee from acting as agent or attorney for his parents, spouse, child, or any person for whom, or for any estate for which, he is serving as guardian, executor, administrator, trustee, or other personal fiduciary, except in those matters in which he has participated personally and substantially as a Government employee or which are the subject of his official responsibility, provided the head of the operating unit concerned approves; or

b. A special Government employee from acting as agent or attorney for another person in the performance of work under a contract with, or for the benefit of, the United States, provided the head of the operating unit concerned, with the approval of the appropriate program Secretary, shall certify in writing that the national interest so requires, and such certification shall be published in the Federal Register.

.05 Section 205 does not apply to a retired officer of the uniformed services while not on active duty and not otherwise an officer or employee of the United States.

D. DISQUALIFICATION OF FORMER OFFICERS AND EMPLOYEES IN MATTERS CONNECTED WITH FORMER DUTIES OR OFFICIAL RESPONSIBILITIES; DISQUALIFICATION OF PARTNERS

.01 Title 18 U.S.C., section 207:

a. Provides that a former Government officer or employee, including a former special Government employee, shall be permanently
Office of the Secretary, Commerce

barred from acting as agent or attorney for anyone other than the United States in any matter in which the United States is a party or is interested and in which he participated personally and substantially in a government capacity;

b. Bars a former Government officer or employee, including a special Government employee, of an agency, for a period of 1 year after his employment with it has ceased, from appearing personally as agent or attorney for another person before any court or agency in connection with a matter in which the Government has an interest and which was under his official responsibility at the employing agency (e.g., Department of Commerce) at any time within 1 year prior to the end of such responsibility; and

c. Prohibits a partner of a person employed by the Government, including a special Government employee, from acting as agent or attorney for anyone other than the United States in matters in which the employee participates or has participated personally and substantially for the Government or which are the subject of his official responsibility.

.02 Subparagraphs .01a. and .01b. of this section do not prevent a former officer or employee of a State, county, or municipality; and

c. Does not prohibit the payment or acceptance of sums under the terms of the Government Employee Training Act.

g. Code of Ethics for Government Service

"Code of Ethics for Government Service," House Concurrent Resolution 175, 85th Cong. 2d Session, 72 Stat. 12 of July 11, 1958, which reads as follows:

"Any Person in Government Service Should:

"Put loyalty to the highest moral principles and to country above loyalty to persons, party, or Government department.

"UPHOLD the Constitution, laws, and legal regulations of the United States and all governments therein and never be a party to their evasion.

"GIVE a full day's labor for a full day's pay; giving to the performance of his duties his earnest effort and best thought.

"SEEK to find and employ more efficient and economical ways of getting tasks accomplished.

"NEVER discriminate unfairly by the dispensing of special favors or privileges to anyone, whether for remuneration or not; and never accept for himself or his family, favors or benefits under circumstances which might
be construed by reasonable persons as influencing the performance of his governmental duties.

MAKE no private promises of any kind binding upon the duties of office, since a Government employee has no private word which can be binding on public duty.

ENGAGE in no business with the Government, either directly or indirectly, which is inconsistent with the conscientious performance of his governmental duties.

NEVER use any information coming to him confidentially in the performance of governmental duties as a means for making private profit.

UPHOLD these principles, ever conscious that public office is a public trust.”

H. PROHIBITIONS

.01 The prohibition against lobbying with appropriated funds (18 U.S.C. 1913) reads as follows:

“No part of the money appropriated by any enactment of Congress shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation, but this shall not prevent officers or employees of the United States or of its departments or agencies from communicating to Members of Congress on the request of any Member or to Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business.

“Whoever, being an officer or employee of the United States or of any department or agency thereof, violates or attempts to violate this section, shall be fined not more than $500 or imprisoned not more than 1 year, or both; and after notice and hearing by the superior officer vested with the power of removing him, shall be removed from office or employment.”

.02 The prohibitions against disloyalty and striking (5 U.S.C. 731. 18 U.S.C. 1918). An individual may not accept or hold a position in the Government of the United States if he:

a. Advocates the overthrow of our constitutional form of government;

b. Is a member of an organization that he knows advocates the overthrow of our constitutional form of government;

c. Participates in a strike, or asserts the right to strike, against the Government of the United States or the government of the District of Columbia; or

d. Is a member of an organization of employees of the Government of the United States or of individuals employed by the government of the District of Columbia that he knows asserts the right to strike against the Government of the United States or the government of the District of Columbia.

.03 The prohibition against employment of a member of a Communist organization (50 U.S.C. 784).

.04 The prohibitions against (a) the disclosure of classified information (18 U.S.C. 798, 50 U.S.C. 798); and (b) the disclosure of confidential information (18 U.S.C. 1906). Each employee who has access to classified information, e.g., confidential, secret, or top secret, or to a restricted area is responsible for knowing and for complying strictly with the security regulations of the Department of Commerce. (See Administrative Order 207-2.)

.05 The prohibition against employment in the competitive civil service of any person who habitually uses intoxicating beverages to excess (5 U.S.C. 7352).

.06 The prohibition against the misuse of a Government vehicle (31 U.S.C. 633a(c)). No employee may willfully use or authorize the use of a Government-owned or Government-leased passenger motor vehicle or aircraft for other than official purposes.

.07 The prohibition against the use of the franking privilege to avoid payment of postage on private mail (18 U.S.C. 1719).

.08 The prohibition against the use of deceit in an examination or personnel action in connection with Government employment (18 U.S.C. 1917).

.09 The prohibition against fraud or false statements in a Government matter (18 U.S.C. 1001). An employee in connection with an official matter shall not knowingly and willfully conceal or cover up a material fact or falsify official papers or documents.

.10 The prohibition against mutilating or destroying a public record (18 U.S.C. 2071). No employee may conceal, remove, mutilate, or destroy Government documents or records except for the disposition of records in accordance with law or regulation.

.11 The prohibition against counterfeiting and forging transportation requests (18 U.S.C. 508). Falsely making, altering or forging, in whole or in part, any form of transportation request is prohibited.

.12 The prohibitions against:

a. Embezzlement of Government money or property (18 U.S.C. 641). No employee may convert any Government money or Government property to his own use or the use of another person.

b. Failure to account for public money (18 U.S.C. 643). Any employee who, having received public money which he is not authorized to retain, fails to render his accounts for same as provided by law, is guilty of embezzlement.
Office of the Secretary, Commerce

Pt. 0, App. B

(c) Embezzlement of the money or property of another person in the possession of the employee by reason of his employment (18 U.S.C. 654). An employee is prohibited from embezzling or wrongfully converting for his own use the money or property of another which comes under his control as the result of his employment.

13. The prohibition against unauthorized removal or use of documents relating to claims from or by the Government (18 U.S.C. 285). No employee, without authority, may remove from the place where it was kept by authority of the United States any document, record, file, or paper intended to be used to procure the payment of money from or by the United States or the allowance or payment of any claim against the United States, regardless of whether the document or paper has already been used or the claim has already been allowed or paid; and no employee may use or attempt to use any such document, record, file, or paper to procure the payment of any money from or by the United States or the allowance or payment of any claim against the United States.

14. The prohibition against proscribed political activities, including the following, among others:

(a) Using official authority or influence for the purpose of interfering with or influencing the result of an election, except as authorized by law (5 U.S.C. 7324);

(b) Taking an active part in political management or in political campaigns, except as authorized by law (5 U.S.C. 7324);

(c) Offering or promising to pay anything of value in consideration of the use of, or promise to use, any influence to procure any appointment or place under the United States for any person (18 U.S.C. 210);

(d) Soliciting or receiving, either as a political contribution or for personal emolument, anything of value in consideration of a promise of support or use of influence in obtaining for any person any appointive office or place under the United States (18 U.S.C. 211);

(e) Using official authority to interfere with a Federal election (18 U.S.C. 595);

(f) Promising any employment compensation, or other benefit made possible by Act of Congress in consideration of political activity or support (18 U.S.C. 600);

(g) Action by a Federal officer or employee to solicit or receive, or to be in any manner concerned with soliciting or receiving, anything for any political purpose whatever from any other Federal officer or employee or from any person receiving compensation for services from money derived from the Treasury of the United States (18 U.S.C. 602);

(h) Soliciting or receiving (by any person) anything of value for any political purpose whatever on any Government premises (18 U.S.C. 603);

(i) Soliciting or receiving contributions for political purposes from anyone on Federal relief or work relief (18 U.S.C. 604);

(j) Payment of a contribution for political purposes by any Federal officer or employee to another Federal officer or employee (18 U.S.C. 607); and

(k) Payment of a political contribution in excess of statutory limitations and purchase of goods, commodities, advertising, or articles the proceeds of which inure to the benefit of certain political candidates or organizations (18 U.S.C. 608).

.15 The prohibition against an employee acting as the agent of a foreign principal registered under the Foreign Agents Registration Act (18 U.S.C. 219).

APPENDIX B TO PART 0—POSITION CATEGORIES, GRADE GS–13, AND ABOVE, REQUIRING STATEMENTS OF EMPLOYMENT AND FINANCIAL INTERESTS BY INCUMBENTS

(1) Auditors.

(2) Attorneys other than attorneys engaged in patent examining or trademark examining operations.

(3) Heads of divisions or comparable organization units, GS–15 or above.

(4) Heads of field offices or installations, GS–15 or above.

(5) Employees in positions involving assigned duties and responsibilities which require the incumbent to make fact-finding determinations or to exercise judgment in recommending a decision or an action in regard to:

(a) Evaluation, appraisal, or selection of contractors or sub-contractors, prospective contractors or prospective subcontractors, proposals of such contractors or subcontractors, the activities performed by such contractors or subcontractors, or determination of the extent of compliance of such contractors or subcontractors with contract provisions.

(b) Negotiation, modification, or approval of contracts or subcontracts.

(c) Evaluation, appraisal, or selection of prospective project sites, or locations of work or activities, including real property proposed for acquisition by purchase or otherwise.

(d) Inspection and quality assurance of materials, products, or components for acceptability.

(e) Review or approval for access permits.

(f) Technical planning or design which involves the preparation of specifications or technical requirements.

(g) Negotiation of agreements for cooperation or implementing arrangements with foreign countries, international organizations, or non-Federal enterprises.

(h) Analysis, evaluation, or review of license applications.
APPENDIX C TO PART 0—POSITION CATEGORIES BELOW GS-13 REQUIRING STATEMENTS OF EMPLOYMENT AND FINANCIAL INTERESTS BY INCUMBENTS

(1) Employees in the National Marine Fisheries Service, National Oceanic and Atmospheric Administration, who are in the following categories of positions:

(a) Special Agents (Fish and Wildlife), Series GS-1812, grades 5 through 12.
(b) Fishery Products Inspectors, Series GS-1863, grades 5 through 12.

(5 CFR 735.104, 735.403)

[50 FR 2276, Jan. 16, 1985]

PART 1—THE SEAL OF THE DEPARTMENT OF COMMERCE

Sec. 1.1 Purpose.
1.2 Description and design.
1.3 Delegation of authority.


SOURCE: 33 FR 9337, June 26, 1968, unless otherwise noted.

§ 1.1 Purpose.

The purpose of this part is to describe the seal of the Department of Commerce and to delegate authority to affix the seal to certifications and documents of the Department.

§ 1.2 Description and design.

(a) The Act of February 14, 1903 (32 Stat. 825, as amended) (15 U.S.C. 1501), which established the Department of Commerce, provided that “The said Secretary shall cause a seal of office to be made for the said department of such device as the President shall approve, and judicial notice shall be taken of the said seal.” On April 4, 1913, the President approved and declared to be the seal of the Department of Commerce the device which he described as follows:

Arms: Per fesse azure and or, a ship in full sail on waves of the sea, in chief proper; and in base a lighthouse illumined proper.

Crest: The American Eagle displayed.

Around the Arms, between two concentric circles, are the words:

DEPARTMENT OF COMMERCE
UNITED STATES OF AMERICA

(b) The design of the approved seal is as shown below. Where necessitated by requirements of legibility, immediate comprehension, or clean reproduction, the concentric circles may be eliminated from the seal on publications and exhibits, and in slides, motion pictures, and television. In more formal uses of the seal, such as on letterheads, the full, proper rendition of the seal shall be used.

(c) The official symbolism of the seal shall be the following: The ship is a symbol of commerce; the blue denotes uprightness and constancy; the lighthouse is a well-known symbol representing guidance from the darkness which is translated to commercial enlightenment; and the gold denotes purity. The crest is the American bald eagle denoting the national scope of the Department’s activities. (The above is a modification of the original symbolism issued with the President’s approval of the seal, made necessary by
Office of the Secretary, Commerce

§ 2.2 Provisions of law and regulations thereunder.

(a) Section 2672 of Title 28, U.S. Code, as above amended, provides that:

The head of each Federal agency or his designee, in accordance with regulations prescribed by the Attorney General, may consider, ascertain, adjust, determine, compromise, and settle any claim for money damages against the United States for injury or loss of property or personal injury or death caused by the negligent or wrongful act or omission of any employee of the agency while acting within the scope of his office or employment, under circumstances where the United States, if a private person, would be liable to the claimant in accordance with the law of the place where the act or omission occurred: Provided, that any award, compromise, or settlement in excess of $25,000 shall be effected only with the prior written approval of the Attorney General or his designee.

Subject to the provisions of this title relating to civil actions on tort claims against the United States, any such award, compromise, settlement, or determination shall be final and conclusive on all officers of the Government, except when procured by means of fraud.

Any award, compromise, or settlement in an amount of $2,500 or less made pursuant to this section shall be paid by the head of the Federal agency concerned out of appropriations available to that agency. Payment of any award, compromise, or settlement in an amount in excess of $2,500 made pursuant to this section or made by the Attorney General in any amount pursuant to section 2677 of this title shall be paid in a manner similar to judgments and compromises in like causes and appropriations or funds available for the payment of such judgments and compromises are hereby made available for the payment of awards, compromises, or settlements under this chapter.

The acceptance by the claimant of any such award, compromise, or settlement shall be final and conclusive on the claimant, and shall constitute a complete release of any claim against the United States and against the employee of the Government whose act or omission gave rise to the claim, by reason of the same subject matter.

(b) Subsection (a) section 2675 of said Title 28 provides that:

An action shall not be instituted upon a claim against the United States for money damages for injury or loss of property or personal injury or death caused by the negligent or wrongful act or omission of any employee of the Government while acting within the scope of his office or employment, unless the claimant shall have first presented the claim
§ 2.3 Delegation of authority.

(a) The General Counsel is hereby named as the designee of the Secretary of Commerce with respect to tort claims filed under section 2672 of Title 28, U.S. Code, as described in §2.2, with authority to act on such claims as provided in said section 2672, including denial thereof.
(b) Authority delegated under this section may, with the approval of the General Counsel, be redelegated to other designees.
(c) Settlement or denial of any claim under this part is final for the Department of Commerce.

[48 FR 31636, July 11, 1983]

§ 2.4 Procedure for filing claims.

(a) The procedure for filing and the contents of claims shall be pursuant to §§14.2, 14.3, and 14.4 of the Regulations (28 CFR Part 14).
(b) Claims shall be filed with the Assistant General Counsel for Administration, Department of Commerce, Washington, D.C. 20230.
(c) If a claim is filed elsewhere in the Department, it shall immediately be recorded and transmitted to the Assistant General Counsel for Administration.


§ 2.5 Adjudication and settlement of claims.

(a) Upon receipt of a claim by the Assistant General Counsel for Administration, the time and date of receipt shall be recorded. The Assistant General Counsel may, after recording the claim, transmit it to the Departmental office or primary operating unit involved in the claim and request that an investigation be conducted. The appropriate Departmental office or primary operating unit shall designate an official to conduct the investigation, who shall prepare a file, obtain additional information as necessary, and prepare for the Assistant General Counsel's signature a proposed award or denial of the claim. If the investigation capabilities of the office or unit are insufficient for a proper and complete investigation, the office or unit shall consult with the Departmental Office of Investigations and Security to: (1) Have that Office conduct the investigation or (2) request another Federal agency to conduct the investigation as necessary, pursuant to §14.8 of the regulations (28 CFR Part 14), all on a reimbursable basis.

[32 FR 3769, Mar. 7, 1967]
Office of the Secretary, Commerce

(1) If the amount of the proposed award exceeds $25,000 (in which case, approval by the Attorney General is required), or if consultation with the Department of Justice is desired or required pursuant to §14.6 of the regulations, the Assistant General Counsel for Administration will prepare and compile the material required by the Department of Justice under §14.7 of the Regulations.

(c) Denial of a claim shall be communicated as provided by §14.9 of the regulations (28 CFR Part 14).

(d) Designees hereunder are responsible for the control over and expeditious handling of claims, bearing in mind the applicable statutory time limitations for adjudications of claims.


§ 2.6 Payment of claims.

When an award is made, the file on the case shall be transmitted to the appropriate fiscal office for payment by the Department or for transmittal for payment as prescribed by §14.10 of the Regulations (28 CFR Part 14). Prior to payment appropriate releases shall be obtained, as provided in said section.

[32 FR 3769, Mar. 7, 1967]

§ 2.7 Annual report.

The Assistant General Counsel for Administration shall compile an annual report covering the preceding fiscal year, describing actions, including denials, taken under this part, name of claimant, amount claimed, amount of any award, and a brief description of the claim. The report shall be prepared by November 15 of each year.

[48 FR 31636, July 11, 1983]

§ 2.8 Supplementary regulations.

(a) The Assistant General Counsel for Administration may from time to time issue such supplementary regulations or instructions as he deems appropriate to carry out the purpose of this part.

(b) Any designee mentioned in paragraph (a) of §2.3 may issue regulations or instructions covering his area of responsibility hereunder which are consistent with this part and with those issued under paragraph (a) of this section, such regulations and instructions to be approved by the Assistant General Counsel for Administration.


PART 3—[RESERVED]

PART 4—PUBLIC INFORMATION

Sec.

4.1 Scope and purpose.

4.2 Policies.

4.3 Definitions.

4.4 Availability of materials for inspection and copying; indexes.

4.5 Requests for records.

4.6 Initial determinations of availability of records.

4.7 Predislosure notification procedures for confidential commercial information.

4.8 Appeals from initial determinations or untimely delays.

4.9 Fees.

APPENDIX A TO PART 4—DEPARTMENT ADMINISTRATIVE ORDER 205±12—PUBLIC INFORMATION

APPENDIX B TO PART 4—FREEDOM OF INFORMATION PUBLIC FACILITIES AND ADDRESSES FOR REQUESTS FOR RECORDS

APPENDIX C TO PART 4—OFFICIALS AUTHORIZED TO MAKE INITIAL DENIALS OF REQUESTS FOR RECORDS


SOURCE: 53 FR 6972, Mar. 4, 1988, unless otherwise noted.

§ 4.1 Scope and purpose.

(a) This part sets forth the rules of the Department of Commerce whereby the Department and its organizational units are to make publicly available the materials and indexes specified in 5 U.S.C. 552(a)(2) and the records requested under 5 U.S.C. 552(a)(3).

(b) These rules conform to requirements of the Freedom of Information Act, 5 U.S.C. 552, as amended, and supplement Department Administrative Order 205-12, which contains policies, delegations of authority, and other criteria implementing 5 U.S.C. 552. DAO 205-12 is attached as Appendix A to this part.

(c) Certain units of the Department other than those identified in §4.4(d) have, pursuant to delegated authority
§ 4.2 Policies.

(a) Department Administrative Order 205-12 contains the basic policies and other criteria to be considered in issuing and administering these rules.

(b) Requests for records made under 5 U.S.C. 552(a)(3) apply only to existing records. The Department is not required, in response to a request, to create records by combining or compiling information contained in existing records, to program or reprogram computers, or otherwise to prepare new records. Departmental officials may, upon request, provide or create new information in record form pursuant to user charge statutes, such as 15 U.S.C. 1525-27, or in accord with authority otherwise provided by law.

§ 4.3 Definitions.

(a) All terms used in this part which are defined in 5 U.S.C. 551 shall have the same meaning herein.

(b) As used in this part, Act means the "Freedom of Information Act," as amended, 5 U.S.C. 552.

(c) The terms Office of the Secretary and operating unit, as explained in Department Organization Order 1-1, “Mission and Organization of the Department of Commerce,” (35 F.R. 19704, December 27, 1970), are defined as follows:

(1) The “Office of the Secretary” is the general management arm of the Department and provides the principal support to the Secretary in formulating policy and in providing advice to the President. It provides program leadership for the Department’s functions and exercises general supervision over the operating units. It also directly carries out program functions as may be assigned by the Secretary from time to time, and provides, as determined to be more economical or efficient, administrative and other support services for designated operating units.

(2) An “operating unit” is an organizational entity outside the Office of the Secretary charged with carrying out specified substantive functions (i.e. programs) of the Department. The operating units constitute the components of the Department through which most of its substantive functions are carried out.

(d) The term unit as used in this part means (1) an operating unit of the Department, and (2) each Secretarial officer and the persons and the Departmental officers reporting to a Secretarial officer.

§ 4.4 Availability of materials for inspection and copying; indexes.

(a) The Assistant Secretary for Administration has established and maintains a central public reference facility available to units of the Department, at which place the following materials of those units utilizing the facility shall be made available for public inspection and copying:

(1) Final opinions and orders, including concurring and dissenting opinions, made in the adjudication of cases;

(2) Those statements of policy and interpretations which have been adopted by the participating organizations and are not published in the Federal Register;

(3) Administrative staff manuals and instructions to staff that affect a member of the public;

(4) Current indexes providing identifying information for the public as to any matter which was issued, adopted, or promulgated after July 4, 1967, and is required by 5 U.S.C. 552(a)(2) to be made available or published;

(5) Records of the final votes of each member in every proceeding of an agency comprised of more than one member.
(6) Rules and decisions denying requests for records which otherwise implement or relate to the Act; and

(7) Materials published in the FEDERAL REGISTER pursuant to 5 U.S.C. 552(a)(1) and such other materials which each unit may consider desirable and practical to make available for the convenience of the public.

(b) The Secretary of Commerce has determined (DAO 205-12, subparagraph 5.02a.5), that it is unnecessary and impracticable to publish quarterly or more frequently and distribute (by sale or otherwise) copies of each index and supplements thereto, as provided in 5 U.S.C. 552(a)(2). Upon request, copies of such indexes shall be provided at a cost not to exceed the direct cost of duplication and mailing, if required.

(c) The central facility established by the Assistant Secretary for Administration is the Central Reference and Records Inspection Facility, Room H6628, Department of Commerce Building, 14th Street between Constitution and Pennsylvania Avenue NW., Washington, DC 20230. The facility is open to the public Monday through Friday of each week, except on official holidays of the Federal Government, between the hours of 9 a.m. and 4:30 p.m. There are no fees or formal requirements for inspection of materials. Equipment for making copies of these materials is available for use by the public. Copies of various Commerce Department materials regularly available for sale by the Department may be purchased at the facility. Information about these materials can also be obtained at this facility. Correspondence concerning materials available at the facility or information about the rules implementing the Act may be sent to the above address. The telephone number of the facility is (202) 377-3271.

(d) The following units of the Department are participating in the use of this central facility: All components of the Office of the Secretary of Commerce.

(e) Other units of the Department which have established separate public reference facilities, listed in Appendix B to this part, may publish rules applicable to the services provided therein for public inspection and copying of materials, provided such rules are not inconsistent with the part.

§ 4.5 Requests for records.

(a) A request for a record (or information contained therein) of the Department which is not customarily made available to the public as part of the Department's regular informational services or which is not available in a public reference facility described in §4.4(c) or Appendix B to this part, shall be made in writing, with the envelope and the letter clearly marked “Freedom of Information Request” to distinguish it from other mail to the Department. Each such request so marked, shall be addressed to the unit of the Department identified in Appendix B to this part which the requester knows or has reason to believe is responsible for the records requested. If the requester is not sure which is the responsible addressee unit, it shall address the request to the central facility identified in §4.4(c), or obtain advance information from that facility as to which is the responsible addressee unit.

(b) Any request for records which is not marked and addressed as specified in paragraph (a) of this section will be so marked and addressed by Department personnel and forwarded immediately to the responsible unit having possession or control of the records requested or having primary concern with such records. A request which is improperly addressed by the requester will not be deemed to have been “received” for purposes of the time period set forth in 5 U.S.C. 552(a)(6), until the earlier of the time that (1) forwarding of the request to the responsible unit has been effected, or (2) such forwarding would have been effected with the exercise of due diligence by Department personnel. In each instance when a request is forwarded, the responsible unit receiving it shall notify the requester that the request was improperly addressed and of the date the request was received by the unit.

(c) Requesters must reasonably describe the records sought. A request for records shall identify the records sufficiently to enable Department personnel familiar with the subject matter to locate them with a reasonable amount
§ 4.6 Initial determinations of availability of records.

(a) The responsible unit which receives a request for records shall promptly log the receipt of the request, and within ten days of its receipt (excluding Saturdays, Sundays, and legal public holidays) shall initially determine:

(1) Whether the request is for records under the Act, is for materials available otherwise than under the Act, or is for information not contained in existing records and, therefore, not under the Act. The requester shall be promptly notified in writing how the request is being handled when it does not come within the Act.

(2) Whether the records requested are reasonably described and can be located on the basis of the information supplied by the requester. If any of the records requested cannot be identified and located from the information furnished, the unit shall promptly so inform the requester in writing, specifying what additional identification is needed to assist the unit in locating the record, and offering to assist the requester to reformulate the request.

(3) Whether the records no longer exist, or are not in the unit’s possession. The unit should, if it knows which unit of the Department or other agency may have the records, forward the request to it. In each instance, the unit shall promptly notify the requester in writing.

(4) Whether the requested records are the exclusive or primary concern of another executive agency. If so, the unit shall refer the request and the responsive records to that other agency for further action under its rules, and promptly notify the requester in writing of this referral. When the subject matter of a classified record originated by another agency indicates that disclosure of the identity of the originating agency might itself compromise national security, that agency shall be consulted prior to any referral of the responsive records.

(b) An authorized official in the responsible unit shall review the request to determine the availability of the records requested.

(1) The determination shall be made within ten days (excluding Saturdays, Sundays and legal public holidays) of the receipt of the request (as defined in §4.5(b) of this part), unless the time is...
extended as provided in paragraph (b)(2) of this section.

(2) In unusual circumstances, an appropriate official authorized to make initial denials of requests may extend the time for initial determination for up to ten days (excluding Saturdays, Sundays and legal public holidays) by written notice to the requester setting forth the reasons for the extension and the date on which a determination is expected to be sent. Extensions of time for the initial determination and extensions of time on appeal may not exceed a total of ten days, and time taken for the former counts against available appeal extension time. “Unusual circumstances” means, but only to the extent reasonably necessary to the processing of a particular request:

(i) The need to search for and collect the requested records from field facilities or other establishments that are separate from the office processing the request;

(ii) The need to search for, collect, and examine a voluminous amount of separate and distinct records which are the subject of a single request, or

(iii) The need for consultation, which shall be conducted with all practical speed, with another agency or unit having a substantial interest in the determination of the request, or among two or more components of the responsible unit having substantial subject-matter interest in the pertinent documents.

(3) If no determination has been sent to the requester at the end of the initial ten day period, or the last extension date, the requester may consider the request to be initially denied, and exercise a right of appeal of the denial. Where no determination can be made within the applicable time period, the responsible unit shall nevertheless exercise due diligence in continuing to process the request. It shall, on expiration of the applicable time period, inform the requester of the reason for the delay, of the date a determination is expected to be sent, and of the requester's right to treat the delay as a denial and to appeal. It may ask the requester to forego an appeal until a determination is made.

(4) If it is determined that the records requested are to be made available, and there are no further fees to be paid, the responsible official shall promptly notify the requester as to how the disclosable records will be made available. If there are fees still to be paid by the requester, the requester shall be notified that upon payment the records will immediately be made available.

(5) Appendix C lists the limited number of officials who have been authorized to make initial denials of requests for records, except as may be subsequently authorized. A reply initially denying, in whole or in part, a request for records shall be in writing, signed by an authorized official, and it shall include:

(i) A reference to the specific exemptions of the Act authorizing the withholding of the records, stating briefly why the exemption applies and, where relevant why a discretionary release is not appropriate.

(ii) The name and title or position of each official responsible for the denial.

(iii) A statement of the manner in which any reasonably segregable portion of a record shall be provided to the requester after deletion of the portion which is determined to be exempt.

(iv) A brief statement of the right of the requester to appeal the determination to the General Counsel and the address to which the appeal should be sent, in accordance with § 4.8 (a) and (b).

(6) A copy of each initial denial and its incoming request for records shall be provided to the Assistant General Counsel for Administration.


§ 4.7 Predisclosure notification procedures for confidential commercial information.

(a) General policy. Confidential commercial or financial information provided to the Department of Commerce by a submitter shall not be disclosed pursuant to a Freedom of Information Act request except in accordance with this section.

(b) Definitions. (1) The term “confidential commercial or financial information” means records provided to the
Department by a submitter that arguably contain material exempt from release under Exemption 4 of the Freedom of Information Act, 5 U.S.C. 552(b)(4), because disclosure could reasonably be expected to cause substantial competitive harm to the submitter.

(2) The term “submitter” means any person or entity who provides confidential commercial or financial information to the Department. The term “submitter” includes, but is not limited to, corporations, state governments and foreign governments.

(c) Notice to submitters. A unit of the Department of Commerce shall provide a submitter with prompt written notice of a request for disclosure of confidential commercial or financial information whenever required under paragraph (d) of this section. Such written notice shall be sent via certified mail, return receipt requested, or any other expeditious manner which provides for documentation of receipt of such notice. The notice shall either describe the exact nature of the information requested or provide copies of the records or portions thereof containing the confidential information.

(d) When notice is required. (1) For confidential commercial or financial information submitted to the Department prior to January 1, 1988, the unit shall provide a submitter with notice of a request whenever:

(i) The records are less than ten years old, and the information has been designated by the submitter as confidential commercial or financial information;

(ii) The Department has reason to believe that disclosure of the information could reasonably be expected to cause substantial competitive harm; or

(iii) The information is the subject of a prior express commitment of confidentiality given by the Department to the submitter.

(2) For confidential commercial or financial information submitted to the Department on or after January 1, 1988, the unit shall provide a submitter with notice of a request whenever:

(i) The submitter has in good faith designated the information as confidential commercial or financial information, or

(ii) The unit has reason to believe that disclosure of the information could reasonably be expected to result in substantial competitive harm to the submitter.

(3) When a submitter has designated confidential commercial or financial information as confidential, notice of a FOIA request for such information shall be required for a period of not more than ten years after the date of submission unless the submitter requests, and provides acceptable justification for, a specific notice period of greater duration. Whenever possible, the submitter’s claim of confidentiality should be supported by a statement or certification by an officer or authorized representative of the submitter that the information at issue is in fact confidential commercial or financial information which has not been disclosed to the public.

(e) Opportunity to object to disclosure. Through the notice described in paragraph (c) of this section, a unit shall afford a submitter 7 working days from date of receipt of such notice within which to provide the unit with a detailed statement of any objection to disclosure. Such statement shall specify all grounds for withholding any of the information and shall demonstrate why the information is considered to be commercial or financial information whose disclosure is likely to cause substantial competitive harm to the submitter. Information provided by a submitter pursuant to this paragraph may itself be subject to disclosure under the FOIA. Whenever notice is given to a submitter under this section the requester shall be advised that the submitter has been provided with notice and an opportunity to object to disclosure.

(f) Notice of intent to disclose. A unit shall carefully consider a submitter’s objections and specific grounds for non-disclosure prior to determining whether to disclose confidential commercial or financial information. Whenever a unit decides to disclose information over the objection of a submitter, the unit shall forward a written notice to the submitter which includes:

(1) A statement of the reasons why the submitter’s objections to disclosure were not sustained;
(2) A description of the information to be disclosed; and
(3) A specified disclosure date. Notice of intent to disclose shall be forwarded to the submitter via certified mail, return receipt requested. Such notice shall state the unit’s intent to disclose the information on the expiration of 7 working days from the date of the submitter’s receipt of the notice. When notice of intent to disclose is provided to the submitter, the requester shall be advised of such notice and of the specified disclosure date.

(g) Notice of FOIA lawsuit. Whenever a requester brings a legal action seeking to compel disclosure of information subject to the notice requirements of paragraph (d) of this section, the unit shall promptly notify the submitter.

(h) When notice is not required. The notice requirements of this section shall not apply if:
(1) The Department determines that the information should not be disclosed;
(2) The information has been published or has been officially made available to the public;
(3) Disclosure of the information is required by law (other than 5 U.S.C. 552);
(4) The disclosure is required by an agency rule which: (i) was adopted pursuant to notice and public comment; (ii) specifies narrow classes of records submitted to the agency that are to be released under the Freedom of Information Act; and (iii) provides in exceptional circumstances for notice when the submitter provides written justification, at the time the information is submitted or a reasonable time thereafter, that disclosure of the information could reasonably be expected to cause substantial competitive harm; or
(5) The designation made by the submitter of confidential commercial or financial information appears obviously frivolous, except that the Department must provide the submitter with written notice of any final administrative disclosure determination 7 working days prior to the specified disclosure date.

§ 4.8 Appeals from initial determinations or untimely delays.

(a) When a request for records has been initially denied in whole or in part, or has not been timely determined, or when a requester has received an adverse initial determination regarding any other matter under this regulation, the requester may submit a written appeal within thirty calendar days after the date of the written denial or, if there has been no determination, on the last day of the applicable time limit. The appeal shall include a copy of the original request, the initial denial, if any, and a statement of the reasons why the records requested should be made available and why the initial denial, if any, was in error. No opportunity for personal appearance, oral argument or hearing on appeal is provided.

(b) An appeal shall be addressed to the Assistant General Counsel for Administration, Department of Commerce, Room 5882, 14th and Constitution Avenue NW., Washington, DC 20230. Both the appeal envelope and the letter shall be clearly marked “Freedom of Information Appeal.” An appeal not addressed and marked as provided herein will be so marked by Department personnel when it is so identified, and will be forwarded immediately to the Assistant General Counsel for Administration. An appeal incorrectly addressed will not be deemed to have been “received” for purposes of the time period for appeal set forth in 5 U.S.C. 552(a)(6), until the earlier of the time that forwarding to the Assistant General Counsel for Administration has been effected; or such forwarding would have been effected with the exercise of due diligence by Department personnel. In each instance when an appeal is so forwarded, the Office of the Assistant General Counsel for Administration shall notify the requester that the appeal was improperly addressed and of the date the appeal was received by the office. All appeals shall be decided by the Assistant General Counsel for Administration with the exception of appeals for records which were initially denied by the Assistant General Counsel for Administration. Appeals initially denied by the Assistant General Counsel for Administration shall
§ 4.9 Fees.

(a) Definitions. The following definitions are applicable to this section.

(1) The term "direct costs" means those expenditures which an agency actually incurs in searching for and duplicating (and in the case of commercial requesters, reviewing) documents to respond to a FOIA request. Direct costs include, for example, the salary of the employee performing work (the basic rate of pay for the employee plus 16 percent of that rate to cover benefits) and the cost of operating duplicating machinery. Not included in direct costs are overhead expenses such as costs of space, and heating or lighting the facility in which the records are stored.

(2) The term "search" includes all time spent looking for material that is responsive to a request, including page-by-page or line-by-line identification of material within documents. Such activity should be distinguished, however, from "review" of material in order to determine whether the material is exempt from disclosure (see paragraph (a)(4) of this section). Searches may be done manually or by computer using existing programming.

(3) The term "duplication" refers to the process of making a copy of a document necessary to respond to a FOIA request. Such copies can take the form of paper copy, microform, audio-visual materials, or machine readable documentation (e.g., magnetic tape or disk), among others. The copy provided be decided by the General Counsel at the address listed in this paragraph.

(c) The Assistant General Counsel for Administration shall make a determination on an appeal within twenty days (excluding Saturdays, Sundays and legal public holidays) of its receipt, unless an extension of time is taken in unusual circumstances, when the time for action may be extended up to ten days (excluding Saturdays, Sundays and legal public holidays) minus any days of extension granted at the initial request level. A notice of such extension shall be sent to the requester, setting forth the reasons and the date on which a determination of the appeal is expected to be sent. As used in this paragraph, "unusual circumstances" are defined in §4.6(b)(2).

(d) If a decision on appeal is to make the records available to the requester in part or whole, such records shall be promptly made available as provided in §4.6.

(e) If no determination of an appeal has been sent to the requester within the twenty day period or the last extension thereof, the requester is deemed to have exhausted his administrative remedies with respect to such request, giving rise to a right of judicial review as specified in 5 U.S.C. 552(a)(6)(C). When no determination can be sent to the requester within the time limit, the Assistant General Counsel for Administration shall nonetheless exercise due diligence in continuing to process the appeal. When the time limit expires, the requester shall be informed of the reason for the delay, of the date when a determination may be expected to be made, and of his right to seek judicial review. The requester may be asked to forego judicial review until the appeal is determined.

(f) A determination on appeal shall be in writing and, when it denies records in whole or in part, the notice to the requester shall include:

(1) Identification of the specific exemption or exemptions of the Act authorizing the withholding, a brief explanation of how the exemption applies, and, when relevant, a statement as to why a discretionary release is not appropriate;

(2) A statement that the decision is final for the Department;

(3) Advice that judicial review of the denial is available in the district in which the requester resides or has his principal place of business, the district in which the agency records are located, or the District of Columbia; and

(4) The names and titles or positions of each official responsible for the denial of the appeal.

(g) The Assistant General Counsel for Administration shall send a copy of each determination on appeal to the central public reference facility referred to in §4.4(c) where it will be indexed and kept available for public inspection and copying.

must be in a form that is reasonably usable by requesters.

(4) The term “review” refers to the process of examining documents located in response to a request that is for a commercial use (see paragraph (a)(5) of this section) to determine whether any portion of any document located is permitted to be withheld. It also includes processing any documents for disclosure, e.g., doing all that is necessary to excise them and otherwise prepare them for release. Review does not include time spent resolving general legal or policy issues regarding the application of exemptions.

(5) The term “commercial use request” refers to a request from or on behalf of one who seeks information for a use or purpose that furthers the commercial, trade, or profit interests of the requester or the person on whose behalf the request is made. In determining whether a requester properly belongs in this category, the Department must determine the use to which a requester will put the documents requested. Moreover, where the department has reasonable cause to doubt the use to which a requester will put the records sought, or where that use is not clear from the request itself, the Department shall seek additional clarification before assigning the request to a specific category.

(6) The term “educational institution” refers to a preschool, a public or private elementary or secondary school, an institution of graduate higher education, an institution of undergraduate higher education, an institution of professional education and an institution of vocational education, which operates a program or programs of scholarly research.

(7) The term “non-commercial scientific institution” refers to an institution that is not operated on a “commercial” basis as that term is referenced in paragraph (a)(5) of this section, and which is operated solely for the purpose of conducting scientific research the results of which are not intended to promote any particular products or industry.

(8) The term “representative of the news media” refers to any person actively gathering news for an entity that is organized and operated to publish or broadcast news to the public. The term “news” means information that is about current events or that would be of current interest to the public. Examples of news media entities include television or radio stations broadcasting to the public at large, and publishers of periodicals (but only in those instances when they can qualify as disseminators of “news”) who make their products available for purchase or subscription by the general public. These examples are not intended to be all-inclusive. Moreover, as traditional methods of news delivery evolve (e.g., electronic dissemination of newspapers through telecommunications services), such alternative media would be included in this category. In the case of “freelance” journalists, they may be regarded as working for a news organization if they can demonstrate a solid basis for expecting publication through that organization, even though not actually employed by it. A publication contract would be the clearest proof, but the Department may also look to the past publication record of a requester in making this determination.

(b) Application—Uniform fee schedule. The fees described in this section apply to FOIA requests processed by all units of the Department. They reflect rates for the full allocable direct cost of search, review, and duplication. The fees to be charged shall be based on the requester category.

(1) The four specific categories and chargeable fees are:

<table>
<thead>
<tr>
<th>Category</th>
<th>Chargeable service</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Commercial Use Requesters</td>
<td>Search, Review, and Duplication, Duplication (excluding the cost of the first 100 pages).</td>
</tr>
<tr>
<td>(ii) Educational and Non-commercial Scientific Institution Requesters</td>
<td>Duplication (excluding the cost of the first 100 pages).</td>
</tr>
<tr>
<td>(iii) Representatives of the News Media</td>
<td>Search and Duplication (excluding the cost of the first 2 hours of search and 100 pages).</td>
</tr>
<tr>
<td>(iv) All Other Requesters</td>
<td>Search and Duplication (excluding the cost of the first 2 hours of search and 100 pages).</td>
</tr>
</tbody>
</table>

(2) Uniform fee schedule.

<table>
<thead>
<tr>
<th>Category</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Manual search</td>
<td>Actual salary rate of employee involved, plus 16 percent of salary rate.</td>
</tr>
<tr>
<td>(ii) Computerized search</td>
<td>Actual direct cost, including operator time.</td>
</tr>
<tr>
<td>(iii) Duplication of records:</td>
<td>$0.07 per page.</td>
</tr>
<tr>
<td>(A) Paper copy reproduction</td>
<td></td>
</tr>
</tbody>
</table>
§ 4.9

15 CFR Subtitle A (1–1–98 Edition)

<table>
<thead>
<tr>
<th>Category</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>(B) Computer tape or printout reproduction.</td>
<td>Actual cost, including operator time.</td>
</tr>
<tr>
<td>(C) Other reproduction (i.e., microfilm, microfiche, microform).</td>
<td>Actual direct cost, including operator time.</td>
</tr>
<tr>
<td>(iv) Review of records (includes preparation for release, i.e., excising).</td>
<td>Actual salary rate of employee conducting review, plus 16 percent of salary rate.</td>
</tr>
</tbody>
</table>

(3) Charging interest. Interest may be charged to those requesters who fail to pay fees charged in a timely fashion. Assessment of such interest will commence on the 31st day following the day on which the billing was sent. Interest will be charged at the rate specified in section 3717 of title 31 U.S.C. and will accrue from the date of the billing. The Department reserves the right to utilize consumer reporting agencies, and collection agencies, when appropriate, to encourage repayment as authorized by the Debt Collection Act of 1982 (Pub. L. 97–365).

(c) Waiver or reduction of fees. (1) Documents shall be furnished without charge, or at reduced charges if disclosure of the information is in the public interest because it is likely to contribute significantly to public understanding of the operations or activities of the government, and is not primarily in the commercial interest of the requester. To assure that the two basic requirements for waiver are met, Commerce shall rely on the following factors in making a determination on the fee waiver request:

(i) The subject of the request (whether the subject of the requested records concerns the operations or activities of the government);

(ii) The informative value of the information to be disclosed (whether the disclosure is likely to contribute to an understanding of government operations or activities);

(iii) The contribution to an understanding of the subject by the general public likely to result from disclosure (whether disclosure of the requested information will contribute to public understanding);

(iv) The significance of the contribution to public understanding (whether the disclosure is likely to contribute significantly to public understanding of government operations or activities);

(v) The existence and magnitude of a commercial interest (whether the requester has a commercial interest that would be furthered by the requested disclosure);

(vi) The primary interest in disclosure (whether the magnitude of the identified commercial interest of the requester is sufficiently large, in comparison with the public interest in disclosure, that disclosure is primarily in the commercial interest of the requester).

(2) Additionally, a fee shall not be charged, or alternatively it may be reduced, in the following instances:

(i) Requests for Department records made by a Federal agency, Federal court (excluding parties), Congressional committee or subcommittee, the General Accounting Office, or the Library of Congress, are not made under the Act, and fees payable under this part do not apply.

(ii) The records are requested by a state or local government, an intergovernmental agency, a foreign government, a public international organization, or an agency thereof, and when it is determined by a responsible Department official that it is an appropriate courtesy, or the records are for purposes that are in the public interest and will promote the objectives of the Act and of the Department.

(iii) A fee shall not be charged if the allowable charges are less than or equal to the cost of routine collection and processing of the fee. Therefore, if the total of charges due for processing a request is $20 or less, no fee will be charged.

(d) Payment of fees. The following conditions shall apply to payment of fees charged under this part.

(1) A search fee provided in paragraph (b) of this section is chargeable even when no records responsive to the request are found, or when the records requested are determined by the responsible Department official to be totally exempt from disclosure. If the estimated search or duplication charges exceed $25 the requester shall be notified of the estimated amount of search or duplication fees, unless the requester has previously advised the Department of a willingness to pay an
amount sufficient to cover the estimated fee. Such notice shall offer the requester the opportunity to confer with Department personnel with the object of reformulating the request in order to reduce the cost.

(2) A requester may be required to make an advance payment (i.e., payment before work is commenced or continued on a request) if the estimated or determined allowable charges that a requester may be required to pay will exceed $250 or the requester has previously failed to pay a fee charged in a timely manner (i.e., within 30 days of the date of the billing).

(i) When the estimated charges exceed $250, the Department shall notify the requester of the likely cost and obtain satisfactory assurance of full payment where the requester has a history of prompt payment of FOIA fees. If the requester has no history of prompt payment of FOIA fees, the Department shall require an advance payment of an amount up to the full estimated charges.

(ii) If a requester has previously failed to pay a fee charged in a timely manner, the Department shall require the requester to pay the full amount owed plus any applicable interest and to make an advance payment of the full amount of the estimated fee before the Department will process the request.

(3) Whenever the Department acts pursuant to paragraph (d)(2) of this section, the administrative time limits prescribed in 5 U.S.C. 552(a)(6) will begin only after the agency has received payment of the required fee.

(4) Upon the completion of processing of a request, when a specific fee is determined to be payable and appropriate notice has been given to the requester, the payment of such fee shall be received before the requested records or a portion of the records are made available to the requester.

(5) Payment of fees shall be made in cash or preferably by check or money order payable to "Treasury of the United States", and they shall be paid or sent to the unit stated in the billing notice or, if none, to the unit handling the request. Where appropriate, the responsible official may require that payment be made in the form of a certified check.

(6) If an advance payment of an estimated fee exceeds the actual total fee by $1 or more, the difference shall be refunded to the requester.

(7) When the responsible official reasonably believes that a requester or group of requesters acting in concert is attempting to break a request into a series of requests for the purpose of evading the assessment of fees, the unit may aggregate any such requests and charge accordingly.

(e) Other charges. (1) This part does not apply to any special statistical compilation, study, or other record requested pursuant to statutes specifically providing for setting the level of fees for particular types of records such as 15 U.S.C. 1525-1527. The fee for the performance of such service is the actual cost of the work involved in compiling the record. All monies received by the Department in payment of the cost of this work are deposited in a separate account administered under the direction of the Secretary, and may be used to defray the ordinary expenses incidental to the work.

(2) The full cost of other special services will be assessed. Such services would include:

(i) Certifying that records are true copies; and

(ii) Sending records by special methods such as express mail, etc.


APPENDIX A TO PART 4—DEPARTMENT ADMINISTRATIVE ORDER 205-12—PUBLIC INFORMATION

SECTION 1. Purpose—01. This order, and the rules and other materials which implement it, are designed to carry out the responsibilities of the Department of Commerce under the Freedom of Information Act, as amended (5 U.S.C. 552), hereinafter referred to as "the Act."

02. This revision updates and clarifies the provisions of the order (dated June 29, 1967) which it supersedes, in light of the amendments to the Act which become effective February 19, 1975. Section 7, "Compulsory Process Requesting Documents or Testimony" contained in the superseded order, is now found in Department Administrative Order 218-5, to be published separately in the Federal Register.
Pt. 4, App. A

SEC. 2 Authorities—This order is issued pursuant to the Act: 5 U.S.C. 553; 5 U.S.C. 301; Reorganization Plan No. 5 of 1950; and other authority vested by law in the Secretary applicable to the dissemination of records and other information of the Department and charges for services related thereto.

SEC. 3. Policies—(a) The Department of Commerce, in fulfilling its statutory missions to foster, promote and develop the foreign and domestic commerce of the United States and to administer the specific programs entrusted to it, regularly develops, collects, analyzes, and disseminates facts, statistics, consensus, charts, scientific findings, technology, and other information, and performs other services, in order to assist the business community and other segments of the public, according to their needs and interest. This information which the Department develops, collates, and disseminates is generally made readily available, either without charge or by purchase, to the affected persons and to anyone else who may be interested, through publications, reprints of regulations (by subscription or otherwise), press releases, special reports, correspondence and personal interviews or conferences with staff, speeches, and other media. It is the policy of the Department to continue its regular practices of disseminating information to the public prepared as a part of its regular facilities and channels, as distinguished from those requests for records subject to 5 U.S.C. 552(a)(3) which are to be made available; shall, where discretion exists in making such determinations, take an affirmative and constructive view of the requirements of the Act. Accordingly, in making rules and specific determinations, they shall among other factors: (1) Provide such information to the affected public as well as enable it to deal effectively and knowledgeably with their organizations; (2) keep within the limits of demonstrable need the use of the legal authorities which permit the withholding of information and records; (3) apply principles of equal treatment to requests for records; (4) consider disclosure to be the rule rather than the exception; (5) consider the public convenience as well as the efficient conduct of their organizations’ business; (6) act in a timely manner; and (7) be guided by materials prepared by the Department of Justice and the Office of General Counsel of the Department, and by applicable court decisions.

SEC. 4. Delegation of authority—(a) The Secretary of Commerce is responsible for the effective administration of the Act and other laws applicable to the dissemination of records and other information of the Department. Aside from the Secretary’s retaining authority for his immediate office, or as he otherwise may act, authority is hereby delegated to the following officials of the Department to decide initially whether or not to make publicly available records and other information subject to the Act which are in the possession of their organizations, in accord with the provisions of the Act, this order and rules supplementing it, other applicable law, and as may be otherwise provided by the Secretary:

(1) Secretarial Officers, for their respective offices and for the Department staff units reporting to them (as defined in Department Organization Order 1-1, “Mission and Organization of the Department of Commerce” (35 FR 19704, December 27, 1970), as amended.

(b) Heads of operating units of the department (as defined in Department Organization Order 1-1).

Although the officials having authority under subsection 4.01 of this section may permit employees within their organizations to make records and information publicly available under the Act, they shall not delegate authority initially to deny such records and information only to a limited number of officers or employees under them without power of further redelegation.

(3) The authority to make final decisions on appeal of initially denied requests for records is hereby delegated to the General Counsel of the Department without power of further redelegation.
Office of the Secretary, Commerce

.04 The General Counsel of the Department, and his designees, shall provide legal services to enable the officials designated in subsections 4.01 and 4.02 of this section to discharge their respective duties and responsibilities under and pursuant to this order, and shall make legal interpretations of questions arising thereunder. The General Counsel shall act as the focal point within the Department for consultation or other communication with the Department of Justice with respect to any actions to be taken in connection with the Act, this order, and rules implementing it.

.05 Program officials shall provide all support and assistance necessary to enable the General Counsel to perform the functions delegated in this order. This shall include (i) keeping the Office of the General Counsel informed of Freedom of Information Act requests received by the unit; (ii) providing prompt responses to Office of the General Counsel instructions, or requests for assistance; (iii) as requested, allowing the Office of the General Counsel access to relevant records; and (iv) promptly consulting with the Office of the General Counsel regarding any legal issues which arise during the processing of a request.

b. The Office of the Inspector General shall not allow the Office of the General Counsel access to records to the extent that (i) information contained therein might reveal the identity of a confidential source, or (ii) the Inspector General determines that disclosure to Office of the General Counsel would interfere with an audit, investigation, or prosecution.

a. The following information of the Department and its component organizations shall be separately stated and currently published in the Federal Register for the guidance of the public:

1. Descriptions of the central and field organizations and the established places at which, the employees (and in the case of a uniformed service, the members) from whom, and the methods whereby, the public may secure information, make submittals or requests, or obtain decisions;
2. The office of the Secretary or operating unit directives;
4. Rules and orders contained in the various Titles of the Code of Federal Regulations assigned to the Office of the Secretary and to the operating units of the Department.

.05a Official's responsibilities—


a. The following information of the Department and its component organizations shall be separately stated and currently published in the Federal Register for the guidance of the public:

1. Descriptions of the central and field organizations and the established places at which, the employees (and in the case of a uniformed service, the members) from whom, and the methods whereby, the public may secure information, make submittals or requests, or obtain decisions;
2. Statements of the general course and method by which functions are channeled and determined, including the nature and requirements of all formal and informal procedures available;
3. Rules of procedure, descriptions of forms available or the places at which forms may be obtained, and instructions as to the scope and contents of all papers, reports, or examinations;
4. Substantive rules of general applicability adopted as authorized by law, and statements of general policy or interpretations of general applicability formulated and adopted by their agencies; and
5. Each amendment, revision, or repeal of the foregoing.

b. The information contained in paragraph 5.01a of this subsection shall be published in the Federal Register in the form of or included in:

1. Department Organization Orders, including any supplements and appendices thereto.
2. Department Administrative Orders, including any supplements or appendices thereto.
3. Other Office of the Secretary or operating unit directives.
4. Rules and orders contained in the various Titles of the Code of Federal Regulations assigned to the Office of the Secretary and to the operating units of the Department.
5. General notices.
6. Other forms of publications when incorporated by reference in the Federal Register with the approval of the Director of the Federal Register.

.01a Official's responsibilities—

a. The following information of the Department and its component organizations shall be separately stated and currently published in the Federal Register for the guidance of the public:

1. Department Organization Orders, including any supplements and appendices thereto.
2. Department Administrative Orders, including any supplements or appendices thereto.
3. Other Office of the Secretary or operating unit directives.
4. Rules and orders contained in the various Titles of the Code of Federal Regulations assigned to the Office of the Secretary and to the operating units of the Department.
5. General notices.
6. Other forms of publications when incorporated by reference in the Federal Register with the approval of the Director of the Federal Register.

a. The following information of the Department and its component organizations shall be separately stated and currently published in the Federal Register for the guidance of the public:

1. Department Organization Orders, including any supplements and appendices thereto.
2. Department Administrative Orders, including any supplements or appendices thereto.
3. Other Office of the Secretary or operating unit directives.
4. Rules and orders contained in the various Titles of the Code of Federal Regulations assigned to the Office of the Secretary and to the operating units of the Department.
5. General notices.
6. Other forms of publications when incorporated by reference in the Federal Register with the approval of the Director of the Federal Register.

a. The following information of the Department and its component organizations shall be separately stated and currently published in the Federal Register for the guidance of the public:

1. Department Organization Orders, including any supplements and appendices thereto.
2. Department Administrative Orders, including any supplements or appendices thereto.
3. Other Office of the Secretary or operating unit directives.
4. Rules and orders contained in the various Titles of the Code of Federal Regulations assigned to the Office of the Secretary and to the operating units of the Department.
5. General notices.
6. Other forms of publications when incorporated by reference in the Federal Register with the approval of the Director of the Federal Register.
under 5 U.S.C. 552(a)(1). However, the policy considerations expressed in subsection 3.02 of this order may in certain instances suggest the publication of such matters.

4. That no person shall in any manner be required to resort to or be adversely affected by any matter required to be published in the Federal Register; under 5 U.S.C. 552(a)(1) even if it is not so published. However, actual and timely notice given to such a person having such actual notice is equally bound as one having constructive notice by Federal Register publication. Nevertheless, such actual notice should as a matter of policy be in addition to, rather than instead of, publication.

5. That “currently publish” as provided in 5 U.S.C. 552(a)(1) means promptly at the time that the action occurs.

02 Availability of materials for inspection and copying; indexing (5 U.S.C. 552(a)(2) and (5) of the Act).

a. The head of each operating unit of the Department shall, for his unit, and the Assistant Secretary for Administration shall for the officials, officers and units referred to in paragraph 4.03a, of this order, in accordance with rules which they shall cause to be published in the Federal Register, make available for public inspection and copying the materials, unless such materials are promptly published and copies offered for sale:

1. Final opinion (including concurring and dissenting opinions), as well as orders, made in the adjudication of cases.

2. Those statements of policy and interpretations which have been adopted by the agency and are not published in the Federal Register.

3. Administrative staff manuals and instructions to staff that affect a member of the public.

4. Where applicable, a record of the final votes of each member of an agency in every proceeding when the agency has more than one number. (The terms ‘agency proceeding’ and ‘agency’ are defined in 5 U.S.C. 551, as amended by 5 U.S.C. 552(e).

5. An index, currently maintained, which provides identifying information for the public as to any matter (a) which has been issued, adopted, or promulgated since July 4, 1967, and (b) which is required to be made available or published pursuant to 5 U.S.C. 552(a)(2). It is hereby determined, subject to subsequent redetermination by the Assistant Secretary for Administration pursuant to changed circumstances, that it is unnecessary and impracticable to publish quarterly or more frequently and distribute (by sale or otherwise) copies of each such index and supplements thereto. Copies of such indexes shall be provided upon request at a cost not to exceed the direct cost of duplication.

b. The rules published in the Federal Register under paragraph 5.02a of this subsection shall include provisions for the time, place, copying fees, and any procedures applicable to making such materials available at facilities or otherwise for public inspection and copying.

c. The Assistant Secretary for Administration shall establish and maintain a centralized public reference facility for the inspection and copying of materials subject to 5 U.S.C. 552(a)(2) and (5). The head of an operating unit may, with the approval of the Assistant Secretary for Administration, establish for this organization a separate place for making the materials subject to 5 U.S.C. 552(a)(2) and (5) available to the public for inspection and copying, and publish appropriate rules applicable thereto approved by the Assistant Secretary for Administration.

d. The officials responsible for determining the materials to be available for public inspection and copying under paragraph 5.02a of this subsection shall consider, among other factors, in promulgating the published rules or in making such determinations:

1. That those matters which fall within one or more of the exemptions contained in 5 U.S.C. 552(b) are not required to be made available. Nonetheless, they may be made available in any particular respect if it is determined that this would better serve the public interest.

2. That they may, to the extent required to prevent a clearly unwarranted invasion of personal privacy, delete identifying details from an opinion, statement of policy, interpretation, staff manual or instruction, or other materials, when it is made available or published. However, in each case the justification for the deletion shall be explained fully in writing. Such action is to be taken in order to provide the public with those information materials called for under 5 U.S.C. 552(a)(2), while at the same time protecting the medical, family or other personal privacy rights of the individuals involved in such agency materials. Agency explanations for deletions of identifying details should provide such information as can be furnished without defeating the purpose of the deletion provision. When an agency has a number of recurring deletion situations, it may promulgate implementing rules or other public notice specifying the applicable reasons for such deletions, and cite the rule in the preamble to each of the covered documents, rather than contain the complete explanation in each document.

3. That distinction should be made between those materials (a) which do and which do not affect any member of the public, and (b) which are and which are not to be relied upon, used or cited as precedent by the agency against any private person or party. Those materials specified in 5 U.S.C. 552(a)(2) which affect the public and which have precedential effect shall be made available for inspection and copying, and also included in
Office of the Secretary, Commerce

Pt. 4, App. A

the index, as provided in this order. However, since the basic purpose of this section of the Act is to disclose to the interested members of the public essential information which will enable them to deal effectively and knowingly with an agency, materials which provide such information should be included in the appropriate facilities.

4. That an advisory interpretation made by an agency on a specific set of facts which is requested by and addressed to a particular person need not be made generally available under paragraph 5.02a. of this subsection if it is not to be cited or relied upon by any official of the agency as a precedent in the disposition of other cases. Nonetheless, if it may serve any useful public purpose, any such interpretation may be made publicly available upon the deletion of identifying details to the extent necessary to protect personal privacy.

5. That the agency is not precluded using as precedent against any affected person those matters specified in subparagraphs 1.3. of paragraph 5.02a. of this subsection as to which a person has actual and timely notice of the terms thereof, even though they have not been indexed and either made available or published. If the agency practice is to furnish such notices, it is more desirable that it do so in addition to, rather than instead of, indexing and making them publicly available hereunder, in recognition of the purpose of 5 U.S.C. 552(a)(2) to make the end product materials of the administrative process available to the public.

6. That matters which are published in the FEDERAL REGISTER in accordance with 5 U.S.C. 552(a)(1) are not required to be made available under 5 U.S.C. 552(a)(2) for public inspection and copying nor need they be indexed (the Federal Register has its own index). However, to the extent that it would be useful and practicable to index and provide such published information to the public for ready reference, it should be included.

7. That an index provides sufficient identifying information for the public if a person who exercises diligence may familiarize himself with the materials through use of the index.

8. That an alternative to making materials available to the public for inspection and copying is to promptly publish and offer them for sale to the public. Such published materials, however, are subject to the indexing requirement. If it would help the public and it is practical to do so, a copy of such published materials should also be made available in any facilities established for public inspection, and if permissible, copies of the publications should be made available for sale therein.

9. That materials required to be made available or published under 5 U.S.C. 552(a)(2), but which were adopted or issued by an agency prior to July 4, 1967, may at any time be used, relied upon or cited as precedent by the agency irrespective of whether they are listed in the agency’s index. Officials, however, may, to the extent they deem it practicable and helpful to the public, also index such materials in whole or in part.

3. Availability of records upon request (5 U.S.C. 552(a)(3), (4), and (6) of the Act).

a. The Assistant Secretary for Administration shall cause to be published in the FEDERAL REGISTER rules stating the time, place, fees and procedures to be followed, with respect to making records of the Department promptly available to any person requesting them, as provided in 5 U.S.C. 552(a)(3), (4) and (6).

b. The rules published in the FEDERAL REGISTER pursuant to paragraph 5.03a. of this subsection shall, insofar as is practicable, be complete, precise, and workable, suitable for the information of agency personnel and the public alike, and shall include provisions, among other matters, for the following:

1. Information as to the place to make requests, when requests will be deemed received by the Department for purposes of the time limits contained in 5 U.S.C. 552(a)(6), the timely handling of requests, and the making of initial determinations concerning the availability of the records requested.

2. Timely notice to the requester, as applicable, that a requested record does not exist, has been disposed of as provided by law, or is not in the possession or control of the Department.

3. A procedure whereby the time limits for responding to requests for records or appeals from denials may be extended, as authorized by 5 U.S.C. 552(a)(6)(B), and wherein a failure by the agency to respond in a timely manner may be considered a denial of the request.

4. Consultation with other operating units or offices within the Department, or with other Federal executive agencies, when there is a mutual agency interest or concern in the record or its contents and there is a question as to its availability. The determination as to availability should be made by the predominately interested agency, if there is one. When a record requested from the Department is the exclusive concern of another executive agency, the request shall be promptly referred to that other agency, and the requester so notified.

5. A procedure for administrative appeal of a request for a record initially denied in whole or in part. The appeal procedure shall include provisions which insure that: (i) The requester may file an appeal in writing within thirty days of receipt of an initial denial; (ii) an appeal shall be considered received when properly addressed to the General Counsel; (iii) appeals shall be decided without right of the requester for a personal appearance, oral argument, or hearing; (iv) timely decisions on appeals or other notices concerning them shall be made in writing.
Pt. 4, App. A

and communicated to the requester; (v) if the decision is wholly or partly in favor of the requester, the General Counsel shall make the particular records of information available to the requester, in the order that such be done; and to the extent that the decision is adverse to the requester, it shall briefly state the reason for the decision and the identity of the official responsible for making it, (vi) whenever applicable, requesters shall be effectively notified of their right to seek judicial review.

6. A schedule of fees as authorized by the Act, with procedures which (i) put requesters of records on timely notice as to substantial search and copying fees estimated to be incurred with respect to a request; (ii) attempt to insure that requester pay the chargeable fees for work to be done; (iii) which provide for appropriate waiver or reduction of fees; and (iv) which do not intend to discourage requests for records under the Act. Work, services, publications, or documents which the agency as part of its regular mission has been performing or producing or will be performed or produced for members of the public or for those who are engaged in the transaction of official business of or with the Government, without charge, by user charge, or by publication or subscription charge, are to be distinguished from those records properly requested under 5 U.S.C. 552(a)(3) and the fees charged thereunder.

c. The officials designated in subsections 4.01 and 4.02 of this order who are responsible for initially determining whether any records properly requested under the Act may be made available, shall include in their consideration:

1. Whether the records are of the type referred to in subsection 3.01 of this order, and the request is to be handled in accord with the policy set forth therein;
2. Whether the records are subject to 5 U.S.C. 552(a)(1), (2), or (5) and have been otherwise made publicly available pursuant to paragraphs 5.01a or 5.02a of this section;
3. Whether the requester has complied with the published rules covering the making of requests and the payment of fees;
4. Whether the records or information contained in them are matters which fall within one or more of the exemptions contained in 5 U.S.C. 552(b), and if so whether they are not to be disclosed or whether, if such discretion exists, it would nevertheless be in the public interest to make the record or information available in whole or in part;
5. Whether any reasonably segregable portion of the record can be disclosed after deletion of the portions which it is determined should not be disclosed;
6. The officials who establish a facility as provided in paragraph 5.02 of this section may utilize the facility to:
1. Receive and assist in processing requests for records;
2. Receive from officials the requested records which are made available, maintain custody of them and supervise their inspection and copying by requesters;
3. Arrange for making certified and other copies of available records;
4. Collect and account for fees established for services connected with the requests;
5. Return records after inspection to their place of custody;
6. Act as a central communication center between the requesters and the organizations involved in recordkeeping and officials making determinations as to their availability; and
7. Provide reasonable assistance to persons requesting records, including explanations of the applicable procedure and other rules, and making referrals to sources of information available under regular informational programs of the Department.

e. The Assistant Secretary for Administration shall establish such standard forms, procedures and instructions as he deems necessary for processing requests for records, maintaining records of related expenditures, and obtaining information for the Departmental report required by 5 U.S.C. 552(d).

04. Special review requirements.—a. The General Counsel or one of his designees shall be consulted before any initial denial is issued.

b. As provided in paragraph 7.03c. of DAO 205-12, the Operating Unit Public Affairs Office shall receive a copy of each request at the same time as the Action Office. If the Public Affairs Officer wishes to monitor and/or comment on any response to a particular request prior to transmittal, the Officer shall notify the Action Office within three (3) working days after receiving a copy of the request. The Action Office shall cooperate with the Public Affairs Officer in this effort; and give due consideration to any recommendations or comments from the Officer. In addition, the Director of the Office of Public Affairs or his or her designee shall be informed before any decision on an appeal from an initial denial is issued.

c. As provided in Part B, Chapter IV, subsection 5.06f. of the Department’s Handbook of Security Regulations and Procedures, appeals of initial denials based, even in part, on the ground that the matter is exempted from disclosure under 5 U.S.C. 552(b)(1) (classified information) shall be referred to the Departmental Information Security Program Committee. That Committee shall conduct a declassification review and determine if the record(s) involved may be made available to the public.

d. Whenever, on appeal from an initially denied request, the General Counsel and the concerned Secretarial Officer or operating unit head cannot agree on whether applicable exemptions should be waived, as provided
Office of the Secretary, Commerce

in subsection 04 of this section, the matter shall be promptly referred to the Secretary for resolution.

.05 Annual Report (5 U.S.C. 552(d) of the Act).
   a. The Assistant Secretary for Administration shall prepare and transmit to the Congress on or before March 1 of each year the annual report by the Act.
   b. To assist in the preparation of the report, each official specified in subsection 4.01 of this order, shall, no later than January 31 of each year, provide the Assistant Secretary for Administration with the information specified in the Act and such other information as he may require.

SE 6. Supplementary rules—01 The Secretary may from time to time issue such supplementary rules or instructions as he deems appropriate to carry out the purposes of this order.

.02 Each duly authorized official may issue rules covering his respective area of responsibility designed to implement this order, and which are consistent herewith and with any rules issued by the Assistant Secretary for Administration.

SEC. 7. Effect on other orders. This order supersedes Department Administrative Order 205-12 of June 29, 1967, as amended. Any other prior orders, rules, or instructions, or parts thereof, the provisions of which are inconsistent or in conflict with the provisions of this order, are hereby constructively amended or superseded.

APPENDIX B TO PART 4—FREEDOM OF INFORMATION PUBLIC FACILITIES AND ADDRESSES FOR REQUESTS FOR RECORDS

The following public reference facilities and addresses have been established within the Department of Commerce for: (a) Public inspection and copying of materials from various units within the Department under 5 U.S.C. 552(a)(2), or determined to be available for response to requests made under 5 U.S.C.(a)(3); (b) furnishing information and otherwise assisting the public concerning Departmental operations under the Freedom of Information Act; and (c) receipt and processing requests for records under 5 U.S.C. 552(a)(3).

Commerce units that have separate mailing addresses are noted below. Requests should be addressed to the unit which the requester knows or has reason to believe has possession, control, or has primary concern with the records sought. Otherwise, requests should be addressed to the Central Reference and Records Inspection Facility.

Department of Commerce Freedom of Information Central Reference and Records Inspection Facility, U.S. Department of Commerce, room 6025, Herbert C. Hoover Building, 14th Street between Constitution Avenue and Pennsylvania, NW., Washington, DC 20230. Phone (202) 377-4115. This facility serves the Office of the Secretary and all other units of the Department not identified below as explained at 15 CFR 4.4(c) and (d).


The Bureau of the Census maintains a separate facility for inspection of (a)(2) records. The location is room 2455, Federal Building 3, Suitland, Maryland 20233.


Economic Development Administration, Freedom of Information Records Inspection Facility, U.S. Department of Commerce, room 7003, Herbert C. Hoover Building, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Phone (202) 377-4687. Mailing address of Regional EDA offices:


—Austin Regional Office, EDA, U.S. Department of Commerce, Freedom of Information Request Control Desk, Grant Building, room 201, 611 East 6th Street, Austin, Texas 78701.


The Minority Business Development Agency maintains a separate facility for public inspection of (a)(2) records. The location is room 5078B, Herbert C. Hoover Building, Washington, DC 20230.

National Institute of Standards and Technology, Freedom of Information Records Inspection Facility, room E106, Administration Building, Gaithersburg, Maryland 20234. Phone (301) 975-2389.


National Oceanic and Atmospheric Administration, Public Reference Facility, room 714 WSC-5, 600 Independence Avenue, S.W., Washington, DC 20230.


[56 FR 20533, May 6, 1991]

APPENDIX C TO PART 4—OFFICIALS AUTHORIZED TO MAKE INITIAL DENIALS OF REQUESTS FOR RECORDS

The following officials of the Department have been delegated authority to initially deny requests for records of their respective units for which they are responsible. (The listings are subject to change because of organizational changes or new delegations.) Accordingly, the Director for Federal Assistance and Management Support is specifically authorized to amend or revise this appendix from time to time in order to reflect changes.

OFFICE OF THE SECRETARY

Executive Secretariat, Director.

Office of the Deputy Secretary: Associate Deputy Secretary.

Office of Business Liaison: Director.

Office of Consumer Affairs: Director.

Office of the Assistant Secretary for Legislative and Intergovernmental Affairs: Deputy Assistant Secretary for Legislative and Intergovernmental Affairs.


Office of the General Counsel: Deputy General Counsel, Assistant General Counsel for Administration, Director of Intelligence Liaison.

Assistant Secretary for Administration

Office of the Administrative Law Judge: Office Manager.

Office of Civil Rights: Director.

Office of Financial Management: Director.

Office of Federal Assistance: Director.

Office of Budget Operations: Director.

Office of Management Support: Director.

Departmental Freedom of Information Officer

Office of Budget, Planning and Organization: Director.

Office of Management and Organization: Director.

Office of Budget: Director.

Office of Program Planning and Evaluation: Director.

Office of Personnel: Director.

Office of Personnel Operations: Director.

Office of Information Resources Management: Director.

Office of Procurement and Administrative Services: Director.

Office of Administrative Services Management: Director.

Office of Federal Property Programs: Director.

Office of Publications: Director.

Office of Security: Director.

Office of Procurement: Director.

Office of Major Systems Procurement: Director.

Office of Procurement Operations: Director.

[56 FR 20533, May 6, 1991]
Office of the Secretary, Commerce

Office of Procurement Management: Director.
Office of Small and Disadvantaged Business Utilization: Director.

ECONOMIC AND STATISTICAL AFFAIRS
Office of Administration: Director.
Bureau of Economic Analysis: Director.
Bureau of the Census: Chief, Program and Policy Development Office.

TECHNOLOGY ADMINISTRATION
Under Secretary for Technology: Deputy Under Secretary for Technology. Assistant Secretary for Technology Policy. Chief Counsel. Deputy Chief Counsel.
National Institute of Standards and Technology: Director of Administration. Deputy Director of Administration.
National Technical Information Service: Director. Associate Director for Administration.

ECONOMIC DEVELOPMENT ADMINISTRATION
Chief Counsel.
Deputy Chief Counsel.

EXPORT ADMINISTRATION
Under Secretary.
Deputy Under Secretary.
Assistant Secretary for Export Administration.
Director, Office of Technology and Policy Analysis.
Director, Office of Foreign Availability.
Director, Office of Export Licensing.
Assistant Secretary for Industrial Resource Administration.
Assistant Secretary for Export Enforcement.
Director, Office of Export Enforcement.
Director, Office of Antidumping Compliance.
Director, Office of Enforcement Support.

INTERNATIONAL TRADE ADMINISTRATION
Deputy Under Secretary for International Trade
Deputy Assistant Secretary for Planning
Director, Office of Public Affairs
Director, Office of Legislative and Intergovernmental Affairs

International Economic Policy
Director, Office of Policy Coordination
Director, Office of Multilateral Affairs
Director, Office of Africa
Director, Office of the Near East
Director, Office of South Asia
Director, Office of Western Europe
Director, Office of European Community Affairs
Director, Office of Eastern Europe, Russia and Independent States
Director, Office of Latin America

Director, Office of Mexico
Director, Office of Canada
Director, Office of the PRC and Hong Kong
Director, Office of the Pacific Basin
Director, Office of Japan Trade Policy
Director, Office of Japan Commercial Programs

Import Administration
Director, Foreign Trade Zones Staff
Director, Office of Policy
Director, Statutory Import Programs Staff
Director, Office of Antidumping Compliance
Director, Office of Countervailing Compliance
Director, Office of Countervailing Agreements Compliance
Director, Office of Antidumping Investigations
Director, Office of Countervailing Investigations
Director, Office of Accounting

Trade Development
Director, Office of Trade and Economic Analysis
Director, Office of Export Promotion Coordination
Director, Office of Planning, Coordination and Resource Management
Director, Office of Aerospace
Director, Office of Computers and Business Equipment
Director, Office of Microelectronics, Medical Equipment and Instrumentation
Director, Office of Telecommunications
Director, Office of Automotive Affairs
Director, Office of Materials, Machinery and Chemicals
Director, Office of Energy, Environment and Infrastructure
Director, Office of Textiles and Apparel
Director, Office of Consumer Goods
Director, Office of Export Trading Company Affairs
Director, Office of Finance
Director, Office of Service Industries

U.S. and Foreign Commercial Service
Director, Office of Information Systems
Deputy Assistant Secretary for International Operations
Deputy Assistant Secretary for Domestic Operations
Manager, Export Promotion Services Administration
Director, Office of Organization and Management Support
Director, Office of Personnel
Director, Office of Financial Management
Director, Office of Information Resources Management

47
Subpart A—Classification of National Security Information

§ 4a.1 General.

Executive Order 12356 provides the only basis for classifying information within the Department of Commerce, except as provided in the Atomic Energy Act of 1954. The policy of the Department of Commerce is to make information concerning its activities available to the public consistent with the need to protect the national defense or foreign relations as required by the interests of the United States and its citizens. Accordingly, security classification shall be applied only to protect the national security.

§ 4a.2 Director, Office of Security.

The Director is responsible for (a) acting on all suggestions, complaints, and appeals not otherwise resolved, concerning the implementation and administration of E.O. 12356 and implementing directives, and (b) deciding all appeals from denials of requests for national security information under the Mandatory Review provision of E.O. 12356, when the initial denial was based...
Office of the Secretary, Commerce § 4a.8

on continued classification under the Order. When acting on such appeals the Director shall confer, as necessary, with the Offices of the General Counsel, Information Management, and Personnel. The Director may solicit advise from various operating units as required. All suggestions, complaints, or appeals should be addressed to the Director, Office of Security, Room 5044, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230.

§ 4a.3 Classification levels.

Information may be classified as national security information by a designated original classifier of the Department when it is determined that the information concerns one or more of the categories prescribed in E.O. 12356 and when the unauthorized disclosure of the information, either by itself or in the context of other information, reasonably could be expected to cause damage to the national security. The levels established by E.O. 12356 (Top Secret, Secret, and Confidential) are the only terms which may be applied to national security information. Except as provided by statute, no other terms shall be used within the Department of Commerce in conjunction with any of the three classification levels.

§ 4a.4 Classification authority.

Authority to originally classify information as Secret or Confidential may be exercised only by the Secretary of Commerce and by officials to whom such authority is specifically delegated. No official of the Department of Commerce is authorized to originally classify information as Top Secret.

§ 4a.5 Duration of classification.

Information shall remain classified as long as its unauthorized disclosure would result in damage to the national security. When it can be determined a specific date or event for declassification shall be set by the original classification authority at the time the information is originally classified. Automatic declassification markings applied under predecessor executive orders shall remain valid unless the classification is extended by an authorized declassification authority. Information classified under predecessor orders and marked for declassification review shall remain classified until reviewed for declassification under the provisions of E.O. 12356 governing systematic review or mandatory review for declassification.

Subpart B—Declassification

§ 4a.6 General.

Information that continues to meet the classification requirements prescribed in E.O. 12356 despite the passage of time will continue to be safeguarded. However, information which is properly classified at the time it is developed may not necessarily require protection indefinitely. National security information over which the Department of Commerce exercises final classification jurisdiction shall be declassified or downgraded as soon as national security considerations permit. When information is determined to be no longer damaging to the national security, it may continue to be exempt from public disclosure by law. If so, when the information is declassified the declassification authority shall indicate that all or portions of the information become FOR OFFICIAL USE ONLY and shall cite the authority which permits nondisclosure.

§ 4a.7 Systematic review for declassification.

Classified information constituting permanently valuable records of the Government, as defined by U.S.C. 2103, that is in the possession and control of the Department of Commerce or of the Archivist of the United States, shall be systematically reviewed for declassification. This review shall be in accordance with systematic review guidelines authorized by the Secretary of Commerce.

§ 4a.8 Mandatory review for declassification.

(a) Requests. Classified information under the jurisdiction of the Department of Commerce shall be reviewed for declassification upon receipt of a request by a United States citizen or permanent resident alien, a Federal agency, or a state or local government. A request for mandatory review of classified information shall be submitted...
§ 4a.8

in writing and describe the information with sufficient specificity to locate it with a reasonable amount of effort. Request shall be submitted to the Director, Office of Security, U.S. Department of Commerce, Room 5044, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230.

(b) Processing requirements. (1) The Director, Office of Security, shall acknowledge receipt of the request directly to the requester. When a request does not satisfy the conditions of paragraph (a) of this section, the requester shall be notified that unless additional identifying information is provided, no further action will be taken. The request shall be forwarded to the operating unit or office which originated the information or which has primary interest in the subject matter. The unit or office assigned action shall review the information within twenty working days as prescribed below.

(2) The action office shall determine whether, under the declassification provisions of the Department of Commerce National Security Information Manual, the entire document or portions thereof may be declassified. The action office shall also determine whether, if the document or portions are declassified, withholding the information is otherwise warranted under applicable statutes. Declassification of the information shall be accomplished by a designated declassification authority. Upon declassification the information shall be remarked. If the information may not be released in whole or in part, the reviewing official shall provide the reasons for denial by citing the applicable provision of section 1.3 of E.O. 12356. When the classification is a derivative decision based on classified source material of another Federal agency, the action office shall provide the information to the originator for review.

(3) The action office shall also determine if declassified information is otherwise available for public release under the Freedom of Information Act. If the information is not releasable, the reviewing official shall advise the Director, Office of Security, that the information has been declassified but that it is exempt from disclosure, citing the appropriate exemption of the Freedom of Information Act and applicable regulations.

(4) If the request for declassification is denied in whole or in part, the requester shall be notified of the right to appeal the determination within sixty days and of the procedures for such an appeal. If declassified information remains exempt from disclosure under the Freedom of Information Act, the requester shall be advised of those appellate procedures. All denials of information under the Freedom of Information Act must be approved by the Office of the Assistant General Counsel for Administration.

(c) Fees. If the request requires the rendering of services for which fees may be charged, the unit assigned action may calculate the anticipated amount of fees to be charged and ascertain the requester’s willingness to pay the allowable charges as a precondition to taking further action on the request in accordance with §4.9 of Department of Commerce Freedom of Information Act rules and §4b.11 of the Department’s Privacy Act rules.

(d) Right of appeal. (1) A requester may appeal to the Director, Office of Security, when the requested information is not declassified and released in whole. The Director shall determine, within thirty days after receipt of an appeal, whether continued classification of the requested information is required in whole or in part, notify the requester of his determination, and make available to the requester any information determined to be releasable. If continued classification is required under the provisions of this manual, the requester shall be notified of the final determination and of the reasons for denial.

(2) During the declassification review of information under appeal the Director, Office of Security, may overrule previous determinations in whole or in part when, in his judgment, continued protection in the interest of national security is no longer required. If the Director determines that the information no longer requires classification, it shall be declassified and, unless it is otherwise exempt from disclosure, released to the requester. The Director shall advise the original reviewing
Office of the Secretary, Commerce § 4a.9 Requests under the Privacy Act and the Freedom of Information Act involving classified records.

(a) The Freedom of Information Act (FOIA), Title 5 U.S.C. 552(b)(1) and the Privacy Act of 1974 (PA), Title 5 U.S.C. 552a(k)(1), authorize withholding of records from public availability which are “(1) specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and (2) are in fact properly classified pursuant to such Executive order.”

(b) Under the FOIA a determination on an initial request must be made within ten working days after receipt of the request. A determination on an appeal to an initial denial must be made within twenty working days after receipt of an FOIA appeal; or for a PA appeal, within thirty working days. Time limits are mandatory for an FOIA request, but are permissive for a PA request. Except for unusual circumstances, failure to make a determination within the stated time limits means that a requester has exhausted the administrative remedies and may bring suit immediately.

(c) Persons who request information under the provisions of these Acts, and whose requests are denied on appeal, may petition the courts to enjoin the Department of Commerce from withholding the record and, in this event, burden is on the Department of Commerce to sustain its actions.

(d) To assure that PA/FOIA requests involving classified records are subjected to a thorough classification review and that a response is made within the specified time limits, the procedures in paragraphs (e) and (f) shall apply as well as those of DAO 205-12 “Public Information,” DAO 205-14 “Processing Requests Under the Freedom of Information Act,” and DAO 205-15 “Implementing the Privacy Act of 1974.”

(e) Initial requests involving classified records:

(1) The office determined to have primary interest shall conduct a classification review of the information as prescribed in §4a.8(b) (2), (3), and (4).

(2) If the information is subsequently declassified, the action office shall consult with the Office of the Assistant General Counsel for Administration to determine releasibility with consideration only for the legality of release within the purview of PA/FOIA.

(3) If the record warrants continued classification, the action office shall coordinate with the Office of the Assistant General Counsel for Administration and so advise the requester, and further advise the requester of the right of appeal.

(4) If the classification review cannot be completed within the prescribed time limit, due to unusual circumstances, the action office shall advise the requester. An extension of time shall be arranged in accordance with the FOIA and implementing Commerce PA/FOIA rules.

(f) Receipt of an appeal for reconsideration of denial of a classified record under PA/FOIA: Appeals under this section shall be addressed to the General Counsel who shall refer the record(s) to the Director, Office of Security, for a declassification review. The Director may overrule previous determinations in whole or in part when, in his judgment, continued protection in the interest of national security is no longer required. If the information under review no longer requires classification, it shall be declassified. The Director shall advise the General Counsel of his decision.

§ 4a.10 Presidential information.

Information originated by the President, by the White House Staff, by committees, commissions, or boards appointed by the President, or by others specifically providing advice and counsel to a President or acting on behalf of a President is exempted from the provisions of mandatory review for declassification, except as consistent with applicable laws that pertain to presidential papers or records.

§ 4a.11 Foreign government information.

Requests for mandatory review for declassification of foreign government information shall be processed as prescribed in §4a.8(b). Consultation with the foreign source of the information
§ 4a.12 Public availability of declassified information.

A fundamental policy of the Department of Commerce is to make information available to the public to the maximum extent permitted by law. Information which is declassified, for any reason, loses its protective status in the interest of national security. Accordingly, declassified information shall be handled in every respect on the same basis as all other unclassified information.

Subpart C—Access to Classified Information

§ 4a.13 Access by persons outside the Executive branch.

Department of Commerce classified information may be made available to persons outside the Executive Branch provided that (a) they are engaged in historical research projects or previously have occupied policy-making positions to which they were appointed by the President, or (b) the information is necessary for their performance of a function related to a contract or other agreement with the U.S. Government. The Director, Office of Security, shall determine, prior to the release of classified information under this provision, the propriety of such action in the interest of national security and obtain assurance of the recipient's trustworthiness and need to know.

§ 4a.14 Access by industrial, educational, and commercial entities.

Bidders, contractors, grantees, educational, scientific or industrial organizations may receive classified information under the procedures prescribed in the Department of Defense Industrial Security Manual.

§ 4a.15 Access by historical researchers and former presidential appointees.

(a) Persons who are engaged in historical research projects or who have previously occupied policy-making positions to which they were appointed by the President may be authorized access to classified information provided that the head of the component with classification jurisdiction over the information:

(1) Makes a written determination that access is consistent with the interests of national security;

(2) Is assured by the Director, Office of Security, that the requestors have an appropriate determination of trustworthiness as a precondition to access;

(3) Obtains written agreements from requestors to safeguard the information to which they are given access in accordance with these regulations;

(4) Obtains written consent to a review by the Department of Commerce of their resultant notes and manuscripts for the purpose of determining that no classified information is contained therein; and

(5) Limits access granted to former Presidential appointees to items that the person originated, reviewed, signed, or received while serving as a Presidential appointee.

(b) The material requested should be clearly identified so that it can be located and compiled with a reasonable amount of effort. If the access requested by historical researchers or former Presidential appointees requires the rendering of services for which fair and equitable fees may be charged, the requestor shall be notified.

(c) The provisions of this section apply only to classified information, or any part of it, originated by the Department of Commerce or information that is now in the sole custody of the Department. Otherwise, the researcher shall be referred to the classifying agency. Operating units providing information under this section shall maintain custody of classified information at a Commerce facility.

§ 4a.16 Access by foreign nationals, foreign governments, international organizations and immigrant aliens.

Foreign nationals employed by the Department of Commerce may be granted access to classified information originated within the Department only for the specific classified project to which they are assigned and only
Office of the Secretary, Commerce

§ 4b.1 Purpose and scope.

(a) The purpose of this part is to establish policies and procedures for implementing the Privacy Act of 1974 (Pub. L. 93-579), particularly 5 U.S.C. 552a as added by the Act. The main objectives are to facilitate full exercise of rights conferred on individuals under the Act and to ensure the protection of privacy as to individuals on whom the Department maintains records in systems of records under the Act. The Department accepts the responsibility to act promptly and in accordance with the Act upon receipt of any inquiry, request or appeal from a citizen of the United States or an alien lawfully admitted for permanent residence into the United States, regardless of the age of the individual. Further, the Department accepts the obligations to maintain only such information on individuals as is relevant and necessary to the performance of its lawful functions, to maintain that information with such accuracy, relevancy, timeliness, and completeness as is reasonably necessary to assure fairness in determinations made by the Department about the individual, to obtain information from the individual to the extent practicable, and to take every reasonable step to protect that information from unwarranted disclosure. The Department will maintain no record describing how an individual exercises rights guaranteed by the First Amendment unless expressly authorized by statute or by the individual about whom the record is maintained or unless pertinent to and within the scope of an authorized law enforcement activity. An individual’s name and address will not be sold or rented by the Department unless such action is specifically authorized by law; however, this provision shall not be construed to require the withholding of names and addresses otherwise permitted to be made public.

(b) This part applies to all units in the Department in order to assure the maximum amount of uniformity and consistency within the Department in its implementation of the Act. The units of the Department may promulgate supplementary orders and rules not inconsistent with this part.

(c) The Assistant Secretary for Administration is delegated responsibility for maintaining this part, for issuing such orders and directives internal to the Department as are necessary for full compliance with the Act, and for effecting publication of all required notices concerning systems of records.
§ 4b.2

(d) Matters outside the scope of this part include the following:

(1) Requests solely under the Freedom of Information Act (5 U.S.C. 552) and Part 4 of this title;

(2) Requests involving information pertaining to an individual which is in a record or file but not within the scope of a system of records notice published in the Federal Register;

(3) Requests to correct a record where a grievance procedure is available to the individual either by regulation or by contract or collective bargaining agreement with the Department or a unit of the Department, and the individual has initiated, or has expressed in writing the intention of initiating, such grievance procedure. An individual selecting the grievance procedure waives the use of the procedures in this part to correct or amend a record; and,

(4) Requests for employee-employer services and counseling which were routinely granted prior to enactment of the Act, including, but not limited to, test calculations of retirement benefits, explanations of health and life insurance programs, and explanations of tax withholding options.

(e) The selection of the appropriate method for processing an individual’s request for records depends on the status or capacity of the individual, the wording of the request and the character of the records requested. The Department anticipates the following situations and will undertake processing as indicated:

(1) Requester is the individual to whom the record pertains and the requester expressly states only that the request is under the Act—The request will be processed under the Act and this part;

(2) Requester is the individual to whom the record pertains and the requester expressly states only that the request is under the Freedom of Information Act or both—The Department will respond to the requester and ask for clarification of the requester’s intention as to processing. The request will not be deemed to have been “received” for purposes of measuring time periods for response until the clarification actually has been received by the appropriate official of the Department; and,

(5) Requester (i) is not an individual or (ii) is an individual but not the individual to whom the record pertains or one asserting parentage or guardianship as permitted under the Act—The request will be processed under the Freedom of Information Act and the Department’s implementing regulations or under other applicable procedures.


§ 4b.2 Definitions.

(a) All terms used in this part which are defined in 5 U.S.C. 552a shall have the same meaning herein.

(b) As used in this part:


(2) The term appeal means the request by an individual that an initial denial of a request for correction or amendment by that individual be reviewed and reversed.

(3) The term Department means the Department of Commerce.

(4) The term inquiry means either a request for general information regarding the Act and this part or a request by an individual (or that individual’s parent or guardian) that the Department determine whether it has any
Office of the Secretary, Commerce

§ 4b.3 Procedures for inquiries pertaining to individual records in a record system.

(a) Any individual, regardless of age, who is a citizen of the United States or an alien lawfully admitted for permanent residence into the United States may submit an inquiry to the Department. The inquiry should be made either in person or by mail addressed to the appropriate Privacy Officer identified in Appendix A to this part or to the official identified in the notification procedures paragraph of the systems of records notice published in the Federal Register. If an individual believes the Department maintains a record pertaining to that individual but does not know which system of records might contain such a record and/or which unit of the Department maintains the system of records, assistance in person or by mail will be provided at the first address listed in Appendix A to this part. The offices of Privacy Officers are open to the public between the hours of 9:00 a.m. and 4:00 p.m., Monday through Friday (excepting holidays).

(b) The processing of inquiries submitted by mail will be facilitated if the words “PRIVACY ACT INQUIRY” appear in capital letters on the face of the envelope.

(c) The Department has an official form for making inquiries and requests, a facsimile of which is Appendix C to this part. Its use is urged. Copies may be obtained by contacting any of the officials in Appendix A to this part. Copies also may be obtained by contacting any facility of the Department which offers direct services to the public. Please consult your telephone directory under the listing “United States Government—Commerce Department.”

(d) If, for some reason, an individual is unable to use the Department’s official form, the letter should bear the words “PRIVACY ACT INQUIRY” in capital letters at the top. If the inquiry is for general information regarding the Act and this part, no particular information is required. If the inquiry is a request that the Department determine whether it has, in a given system of records, a record which pertains to the individual, the following information should be submitted:

1. Name of individual whose record is sought;
2. Individual whose record is sought is either a U.S. citizen or an alien lawfully admitted for permanent residence;
3. Identifying data that will help locate the record (for example, maiden name, occupational license number, period or place of employment, etc.);
4. Record sought, by description and by record system name, if known;
5. Action requested (that is, send information on how to exercise rights under the Act; does requested record exist; access to requested record; or copy of requested record);
6. Copy of court guardianship order or minor’s birth certificate, as provided in §4b.4(f)(3), but only if requester is
§ 4b.4

guardian or parent of individual whose record is sought;
(7) Requester’s name (printed), signature, address, and telephone number (optional);
(8) Date; and,
(9) Certification of request by notary or other official, but only if (i) request is for notification that requested record exists, for access to requested record or for copy of requested record; (ii) record is not available to any person under 5 U.S.C. 552; and (iii) requester does not appear before an employee of the Department for verification of identity.

The Department reserves the right to require compliance with the identification procedures appearing at § 4b.4(f) where circumstances warrant.
(e) Any inquiry which is not addressed as specified in paragraph (a) of this section or which is not marked as specified in paragraphs (b) and (d) of this section will be so addressed and marked by Department personnel and forwarded immediately to the responsible Privacy Officer. An inquiry which is not properly addressed by the individual will not be deemed to have been “received” for purposes of measuring time periods for response until actual receipt by the Privacy Officer.

In each instance when an inquiry so forwarded is received, the Privacy Officer shall notify the individual that his or her inquiry was improperly addressed and the date when the inquiry was received at the proper address.

(f)(1) Each inquiry received shall be acted upon promptly by the responsible Privacy Officer. Every effort will be made to respond within ten days (excluding Saturdays, Sundays and holidays) of the date of receipt. If a response cannot be made within ten days, the Privacy Officer shall send an acknowledgment during that period providing information on the status of the inquiry and asking for such further information as may be necessary to process the inquiry. The first correspondence sent by the Privacy Officer to the requester shall contain the Department’s control number assigned to the request, as well as a note that the requester should use that number in all future contacts in order to facilitate processing. The Department shall use that control number in all subsequent correspondence.

(2) If the Privacy Officer fails to send an acknowledgment within ten days, as provided above, the requester may ask the General Counsel, to take corrective action. No failure of a Privacy Officer to send an acknowledgment shall confer administrative finality for purposes of judicial review.

(g) An individual shall not be required to state a reason or otherwise justify his or her inquiry.

(h) Special note should be taken of the fact that certain agencies are responsible for publishing notices of systems of records having Government-wide application to other agencies, including the Department. The agencies known to be publishing these general notices and the types of records covered therein appear in Appendix B to this part. These general notices do not identify the Privacy Officers in the Department to whom inquiries should be presented or mailed. The provisions of this section, and particularly paragraph (a) of this section, should be followed in making inquiries with respect to such records. Such records in the Department are subject to the provisions of this part to the extent indicated in Appendix B to this part. The exemptions, if any, determined by the agency publishing a general notice shall be invoked and applied by the Department after consultation, as necessary, with that other agency.


§ 4b.4 Times, places, and requirements for identification of individuals making requests for access.

(a) Any individual, regardless of age, who is a citizen of the United States or an alien lawfully admitted for permanent residence into the United States may submit a request for access to records to the Department. The request should be made either in person or by mail addressed to the responsible Privacy Officer identified in Appendix A to this part. The offices of Privacy Officers are open to the public between the hours of 9:00 a.m. and 4:00 p.m. Monday through Friday (excluding holidays).
Office of the Secretary, Commerce § 4b.4

(b) The Department has an official form for making requests, a facsimile of which is Appendix C to this part. Its use is urged. Copies may be obtained by contacting any of the officials listed in Appendix A to this part. Copies also may be obtained by contacting any facility of the Department which offers direct services to the public. Please consult your telephone directory under the listing “United States Government—Commerce Department.”

(c) The processing of requests submitted by mail will be facilitated if the words “PRIVACY ACT REQUEST” appear in capital letters on the face of the envelope. If, for some reason, an individual is unable to use the Department’s official form the letter should bear the words “PRIVACY ACT REQUEST” in capital letters at the top.

(d) Any request which is not addressed as specified in paragraph (a) of this section or which is not marked as specified in paragraph (c) of this section will be so addressed and marked by Department personnel and forwarded immediately to the responsible Privacy Officer. A request which is not properly addressed by the individual will not be deemed to have been “received” for purposes of measuring time periods for response until actual receipt by the Privacy Officer. In each instance when a request so forwarded is received, the Privacy Officer shall notify the individual that his or her request was improperly addressed and the date when the request was received at the proper address.

(e) If the request follows inquiry under § 4b.3 in connection with which the individual’s identity was established by the Department, the individual need only indicate the record to which access is sought, give the Department control number assigned to the request, and sign and date the request. If the request is not preceded by an inquiry under § 4b.3, the procedures of either § 4b.3(c) or § 4b.3(d) of this part should be followed.

(f) The requirements for identification of individuals seeking access to records are as follows:

(i) In person. Each individual making a request in person shall be required to present satisfactory proof of identity. The means of proof, in the order of preference and priority, are:

(1) A document bearing the individual’s photograph (for example, driver’s license, passport or military or civilian identification card);

(ii) A document, preferably issued for participation in a federally sponsored program, bearing the individual’s signature (for example, unemployment insurance book, employer’s identification card, national credit card, and professional, craft or union membership card); and,

(iii) A document bearing neither the photograph nor the signature of the individual, preferably issued for participation in a federally sponsored program (for example, Medicaid card).

In the event the individual can provide no suitable documentation of identity, the Department will require a signed statement asserting the individual’s identity and stipulating that the individual understands the penalty provision of 5 U.S.C. 552a(i)(3) recited in § 4b.12(a). For the convenience of the public, and in addition to the Privacy Officers listed in Appendix A to this part, most facilities which are open to the public and operated by the Department outside Metropolitan Washington, D.C. have employees authorized to determine the identity of an individual. However, such employees are not authorized to take any other action with respect to a request except to transmit the request to the responsible Privacy Officer. In order to avoid any unwarranted disclosure of an individual’s records, the Department reserves the right to determine the adequacy of proof of identity offered by any individual, particularly when the request involves a sensitive record.

(ii) Not in person. If the individual making a request does not appear in person before a Privacy Officer or other employee authorized to determine identity, a certificate of a notary public or equivalent officer empowered to administer oaths must accompany the request under the circumstances prescribed in § 4b.3(d)(9). The Department’s official form for requests contains a certificate. If, for some reason, the individual is unable to use the official form, the certificate within or attached
§ 4b.5 Disclosure of requested information to individuals.

(a)(1) Each request received shall be acted upon promptly by the responsible Privacy Officer. Every effort will be made to respond within ten days (excluding Saturdays, Sundays, and holidays) of the date of receipt. If a response cannot be made within ten days due to unusual circumstances, the Privacy Officer shall send an acknowledgment during that period providing information on the status of the request and asking for such further information as may be necessary to process the request. “Unusual circumstances” shall include circumstances where a search for and collection of requested records from inactive storage, field facilities or other establishments are required, cases where a voluminous amount of data is involved, instances where information on other individuals must be separated or expunged from the particular record, and cases where consultations with other agencies having a substantial interest in the determination of the request are necessary.

(b) Grant of access—(1) Notification. An individual shall be granted access to a record pertaining to him or her, except where the provisions of paragraph (g)(1) of this section apply. The Privacy Officer shall notify the individual of the determination to grant access and provide the following information:

(i) The methods of access, as set forth in paragraph (b)(2) of this section;

(ii) The place at which the record may be inspected;

(iii) The earliest date on which the record may be inspected and the period of time that the records will remain available for inspection. In no event shall the earliest date be later than thirty days from the date of notification;

(iv) The estimated date by which a copy of the record could be mailed and the estimate of fees pursuant to §4b.11.

(3) Parents of minors and legal guardians. An individual acting as the parent of a minor or the legal guardian of the individual to whom a record pertains shall establish his or her personal identity in the same manner prescribed in either paragraph (f)(1) or (2) of this section. In addition, such other individual shall establish his or her identity in the representative capacity of parent or legal guardian. In the case of the parent of a minor, the proof of identity shall be a certified or authenticated copy of the minor’s birth certificate. In the case of a legal guardian of an individual who has been declared incompetent due to physical or mental incapacity or age by a court of competent jurisdiction, the proof of identity shall be a certified or authenticated copy of the court’s order. For purposes of the Act, a parent or legal guardian may represent only a living individual, not a decedent. A parent or legal guardian may be accompanied during personal access to a record by another individual, provided the provisions of §4b.5(f) are satisfied.

(g) When the provisions of this part are alleged to have the effect of impeding an individual in exercising his or her right to access, the Department will consider, from an individual making a request, alternative suggestions regarding proof of identity and access to records.

(h) An individual shall not be required to state a reason or otherwise justify his or her request for access to a record.

(2) Methods of access. The following methods of access to records by an individual may be available depending on the circumstances of a given situation:

(i) Inspection in person may be had in the office specified by the Privacy Officer granting access, during the hours indicated in §4b.4(a);

(ii) Transfer of records to a Federal facility more convenient to the individual may be arranged, but only if the Privacy Officer determines that a suitable facility is available, that the individual's access can be properly supervised at that facility, and that transmittal of the records to that facility will not unduly interfere with operations of the Department or involve unreasonable costs, in terms of both money and manpower; and,

(iii) Copies may be mailed at the request of the individual, subject to payment of the fees prescribed in §4b.11. The Department, at its own initiative, may elect to provide a copy by mail, in which case no fee will be charged the individual.

(c) Access to medical records is governed by the provisions of §4b.6.

(d) The Department shall supply such other information and assistance at the time of access as to make the record intelligible to the individual.

(e) The Department reserves the right to limit access to copies and abstracts of original records, rather than the original records. This election would be appropriate, for example, when the record is in an automated data media such as tape or disc, when the record contains information on other individuals, and when deletion of information is permissible under exemptions (for example, 5 U.S.C. 552a(k)(2)). In no event shall original records of the Department be made available to the individual except under the immediate supervision of the Privacy Officer or his designee. Title 18, United States Code, section 2701(a) makes it a crime to conceal, mutilate, obliterate, or destroy any record filed in a public office, or to attempt to do any of the foregoing.

(f) Any individual who requests access to a record pertaining to that individual may be accompanied by another individual of his or her choice. "Accompanied" includes discussion of the record in the presence of the other individual. The individual to whom the record pertains shall authorize the presence of the other individual in writing and shall include the name of the other individual, a specific description of the record to which access is sought, the Department control number assigned to the request, the date and the signature of the individual to whom the record pertains. The other individual shall sign the authorization in the presence of the Privacy Officer. An individual shall not be required to state a reason or otherwise justify his or her decision to be accompanied by another individual during personal access to a record.

(g) Initial denial of access—(1) Grounds. Access by an individual to a record which pertains to that individual will be denied only upon a determination by the Privacy Officer that:

(i) The record is exempt under §§4b.13 and 4b.14 or exempt by determination of another agency publishing notice of the system of records, as described in §4b.3(h);

(ii) The record is information compiled in reasonable anticipation of a civil action or proceeding;

(iii) The provisions of §4b.6 pertaining to medical records temporarily have been invoked; or.

(iv) The individual unreasonably has failed to comply with the procedural requirements of this part.

(2) Notification. The Privacy Officer shall give notice of denial of access to records to the individual in writing and shall include the following information:

(i) The Privacy Officer's name and title or position;

(ii) The date of the denial;
§ 4b.6 Special procedures: Medical records.

(a) No response to any request for access to medical records by an individual will be issued by the Privacy Officer for a period of seven days (excluding Saturdays, Sundays and holidays) from the date of receipt.

(b) The Department has published as a routine use, for all systems of records containing medical records, consultations with an individual's physician or psychologist if, in the sole judgment of the Department, disclosure could have an adverse effect upon the individual. The mandatory waiting period set forth in paragraph (a) of this section will permit exercise of this routine use in appropriate cases. The Department will pay no cost of any such consultation.

(c) In every case of a request by an individual for access to medical records, the Privacy Officer shall:

1. Inform the individual of the waiting period prescribed in paragraph (a) of this section;
2. Obtain the name and address of the individual's physician and/or psychologist, if the individual consents to give them;
3. Obtain specific, written consent for the Department to consult the individual's physician and/or psychologist in the event that the Department believes such consultation is advisable, if the individual consents to give such authorization;
Office of the Secretary, Commerce § 4b.7

(4) Obtain specific, written consent for the Department to provide the medical records to the individual’s physician or psychologist in the event that the Department believes access to the record by the individual is best effected under the guidance of the individual’s physician or psychologist, if the individual consents to give such authorization; and,

(5) Forward the individual’s medical record to the Department’s medical officer for review and a determination on whether consultation with or transmittal of the medical records to the individual’s physician or psychologist is warranted. If the consultation with or transmittal of such records to the individual’s physician or psychologist is determined to be warranted, the Department’s medical officer shall consult or transmit. Whether or not such a consultation or transmittal occurs, the Department’s medical officer shall provide instruction to the Privacy Officer regarding the conditions of access by the individual to his or her medical records.

(d) If an individual refuses in writing to give the names and consents set forth in paragraphs (c)(2) through (4) of this section and the Department has determined that disclosure could have an adverse effect upon the individual, the Department shall give the individual access to said records by means of a copy, provided without cost to the requester, sent registered mail return receipt requested.

§ 4b.7 Request for correction or amendment to record.

(a) Any individual, regardless of age, who is a citizen of the United States or an alien lawfully admitted for permanent residence into the United States may submit a request for correction or amendment to the Department. The request should be made either in person or by mail addressed to the Privacy Officer who processed the individual’s request for access to the record, and to whom is delegated authority to make initial determinations on requests for correction or amendment. The offices of Privacy Officers are open to the public between the hours of 9:00 a.m. and 4:00 p.m. Monday through Friday (excluding holidays).

(b) The processing of requests submitted by mail will be facilitated if the words “PRIVACY ACT REQUEST” appear in capital letters on the face of the envelope. If, for some reason, the individual is unable to use the Department’s official form, the letter should bear the words “PRIVACY ACT REQUEST” in capital letters at the top.

(c) Any request which is not addressed as specified in paragraph (a) of this section or which is not marked as specified in paragraph (b) of this section will be so addressed and marked by Department personnel and forwarded immediately to the responsible Privacy Officer. A request which is not properly addressed by the individual will not be deemed to have been “received” for purposes of measuring time periods for response until actual receipt by the Privacy Officer. In each instance when a request so forwarded is received, the Privacy Officer shall notify the individual that his or her request was improperly addressed and the date when the request was received at the proper address.

(d) Since the request, in all cases, will follow a request for access under §4b.5, the individual’s identity will be established by his or her signature on the request and use of the Department control number assigned to the request.

(e) A request for correction or amendment should include the following:

(1) A specific identification of the record sought to be corrected or amended (for example, description, title, date, paragraph, sentence, line and words);
(2) The specific wording to be deleted, if any;
(3) The specific wording to be inserted or added, if any, and the exact place at which to be inserted or added; and,
(4) A statement of the basis for the requested correction or amendment, with all available supporting documents and materials which substantiate the statement. The statement should identify the criterion of the Act being invoked, that is, whether the information in the record is unnecessary, inaccurate, irrelevant, untimely or incomplete.
§ 4b.8 Agency review of request for correction or amendment of record.

(a)(1)(i) Not later than ten days (excluding Saturdays, Sundays and holidays) after receipt of a request to correct or amend a record, the Privacy Officer shall send an acknowledgment providing an estimate of time within which action will be taken on the request and asking for such further information as may be necessary to process the request. The estimate of time may take into account unusual circumstances as described in §4b.5(a). No acknowledgment will be sent if the request can be reviewed, processed and the individual notified of the results of review (either compliance or denial) within the ten days. Requests filed in person will be acknowledged in writing at the time submitted.

(ii) If the Privacy Officer fails to send the acknowledgment within the ten days, as provided above, the requester may ask the General Counsel, to take corrective action. No failure of a Privacy Officer to send an acknowledgment shall confer administrative finality for purposes of judicial review.

(2) Promptly after acknowledging receipt of a request, or after receiving such further information as might have been requested, or after arriving at a decision within the ten days, the Privacy Officer shall either:

(i) Make the requested correction or amendment and advise the individual in writing of such action, providing either a copy of the corrected or amended record or a statement as to the means whereby the correction or amendment was effected in cases where a copy cannot be provided (for example, erasure of information from a record maintained only in magnetically recorded computer files); or,

(ii) Inform the individual in writing that his or her request is denied and provide the following information:

(A) The Privacy Officer’s name and title or position;
(B) The date of the denial;
(C) The reasons for the denial, including citation to the appropriate sections of the Act and this part; and,
(D) The procedures for appeal of the denial as set forth in §4b.9, including the name and address of the General Counsel.

The term promptly in this subsection means within thirty days (excluding Saturdays, Sundays and holidays). If the Privacy Officer cannot make the determination within thirty days, the individual will be advised in writing of the reason therefor and of the estimated date by which the determination will be made.

(b) Whenever an individual’s record is corrected or amended pursuant to a request by that individual, the Privacy Officer shall see to the notification of all persons and agencies to which the corrected or amended portion of the record had been disclosed prior to its correction or amendment, if an accounting of such disclosure required by the Act was made. The notification shall require a recipient agency maintaining the record to acknowledge receipt of the notification, to correct or amend the record and to apprise any agency or person to which it had disclosed the record of the substance of the correction or amendment.

(c) The following criteria will be considered by the Privacy Officer in reviewing a request for correction or amendment:

(1) The sufficiency of the evidence submitted by the individual;
(2) The factual accuracy of the information;
(3) The relevance and necessity of the information in terms of purpose for which it was collected;
(4) The timeliness and currency of the information in light of the purpose for which it was collected;
(5) The completeness of the information in terms of the purpose for which it was collected;
(6) The degree of risk that denial of the request could unfairly result in determinations adverse to the individual;
(7) The character of the record sought to be corrected or amended; and,
(8) The propriety and feasibility of complying with the specific means of correction or amendment requested by the individual.

(d) The Department will not undertake to gather evidence for the individual, but does reserve the right to verify the evidence which the individual submits.
Office of the Secretary, Commerce § 4b.9

(e) Correction or amendment of a record requested by an individual will be denied only upon a determination by the Privacy Officer that:

1. The individual has failed to establish, by a preponderance of the evidence, the propriety of the correction or amendment in light of the criteria set forth in paragraph (c) of this section;

2. The record sought to be corrected or amended is part of the official record in a terminated judicial, quasi-judicial or quasi-legislative proceeding to which the individual was a party or participant;

3. The information in the record sought to be corrected or amended, or the record sought to be corrected or amended, is the subject of a pending judicial, quasi-judicial or quasi-legislative proceeding to which the individual is a party or participant;

4. The correction or amendment would violate a duly enacted statute or promulgated regulation; or,

5. The individual unreasonably has failed to comply with the procedural requirements of this part.

(f) If a request is partially granted and partially denied, the Privacy Officer shall follow the appropriate procedures of this section as to the records within the grant and the records within the denial.

§ 4b.9 Appeal of initial adverse agency determination on correction or amendment.

(a) When a request for correction or amendment has been denied initially under § 4b.8, the individual may submit a written appeal within thirty days after the date of the initial denial. When an appeal is submitted by mail, the postmark is conclusive as to timeliness.

(b) An appeal shall be addressed to the General Counsel, Department of Commerce, Room 5882, Washington, DC 20230. The processing of appeals will be facilitated if the words "PRIVACY APPEAL" appear in capital letters on both the envelope and the top of the appeal papers. An appeal not addressed and marked as provided herein will be so marked by Department personnel when it is so identified, and will be forwarded immediately to the General Counsel. An appeal which is not properly addressed by the individual will not be deemed to have been "received" for purposes of measuring the time periods in this section until actual receipt by the General Counsel. In each instance when an appeal so forwarded is received, the General Counsel shall notify the individual that his or her appeal was improperly addressed and the date when the appeal was received at the proper address.

(c) The individual's appeal papers shall include a statement of the reasons why the initial denial is believed to be in error and the Department's control number assigned to the request. The appeal shall be signed by the individual. The record which the individual requests be corrected or amended and all correspondence between the Privacy Officer and the requester will be supplied by the Privacy Officer who issued the initial denial. While the foregoing normally will comprise the entire record on appeal, the General Counsel may seek additional information necessary to assure that the final determination is fair and equitable and, in such instances, the additional information will be disclosed to the individual to the greatest extent possible and an opportunity provided for comment thereon.

(d) No personal appearance or hearing on appeal will be allowed.

(e) The General Counsel shall act upon the appeal and issue a final determination in writing not later than thirty days (excluding Saturdays, Sundays and holidays) from the date on which the appeal is received; Provided, That the General Counsel may extend the thirty days upon deciding that a fair and equitable review cannot be made within that period, but only if the individual is advised in writing of the reason for the extension and the estimated date by which a final determination will issue. The estimated date should not be later than the sixtieth day (excluding Saturdays, Sundays and holidays) after receipt of the appeal unless unusual circumstances, as described in § 4b.5(a), are met.
§ 4b.10 Disclosure of record to person other than the individual to whom it pertains.

(a) The Department may disclose a record pertaining to an individual to a person other than the individual to whom it pertains only in the following instances:

(1) Upon written request by the individual, including authorization under §4b.5(f);

(2) With the prior written consent of the individual;

(3) To a parent or legal guardian under 5 U.S.C. 552a(h);

(4) When required by the Act and not covered explicitly by the provisions of 5 U.S.C. 552a(b); and

(5) When permitted under 5 U.S.C. 552a(b)(1) through (11), which read as follows:1

(i) To those officers and employees of the agency which maintains the record who have a need for the record in the performance of their duties;

(ii) Required under section 552 of this title;

(iii) For a routine use as defined in paragraph (a)(7) of this section and described under paragraph (e)(4)(D) of this section;

(iv) To the Bureau of the Census for purposes of planning or carrying out a

15 U.S.C. 552a(b)(4) has no application within the Department.
Office of the Secretary, Commerce § 4b.11

(census or survey or related activity pursuant to the provisions of Title 13;
(v) To a recipient who has provided the agency with advance adequate written assurance that the record will be used solely as a statistical research or reporting record, and the record is to be transferred in a form that is not individually identifiable;
(vi) To the National Archives of the United States as a record which has sufficient historical or other value to warrant its continued preservation by the United States Government, or for evaluation by the Administrator of General Services or his designee to determine whether the record has such value;
(vii) To another agency or to an instrumentality of any governmental jurisdiction within or under the control of the United States for a civil or criminal law enforcement activity if the activity is authorized by law, and if the head of the agency or instrumentality has made a written request to the agency which maintains the record specifying the particular portion desired and the law enforcement activity for which the record is sought;
(viii) To a person pursuant to a showing of compelling circumstances affecting the health or safety of an individual if upon such disclosure notification is transmitted to the last known address of such individual;
(ix) To either House of Congress, or, to the extent of matter within its jurisdiction, any committee or subcommittee thereof, any joint committee of Congress or subcommittee of any such joint committee;
(x) To the Comptroller General, or any of his authorized representatives, in the course of the performance of the duties of the General Accounting Office; or
(xi) Pursuant to the order of a court of competent jurisdiction.

(b) The situations referred to in paragraph (a)(4) of this section include the following:

1. 5 U.S.C. 552a(c)(4) requires dissemination of a corrected or amended record or notation of a disagreement statement by the Department in certain circumstances;
2. 5 U.S.C. 552a(d) requires disclosure of records to the individual to whom they pertain, upon request;
3. 5 U.S.C. 552a(g) authorizes civil action by an individual and requires disclosure by the Department to the court;
4. Section 5(e)(2) of the Act authorizes release of any records or information by the Department to the Privacy Protection Study Commission upon request of the Chairman; and
5. Section 6 of the Act authorizes the Office of Management and Budget to provide the Department with continuing oversight and assistance in implementation of the Act.
(c) The Privacy Officer shall make an accounting of each disclosure by him of any record contained in a system of records in accordance with 5 U.S.C. 552a(c)(1) and (2). Except for a disclosure made under 5 U.S.C. 552a(b)(7), the Privacy Officer shall make such accounting available to any individual, insofar as it pertains to that individual, on request submitted in accordance with § 4b.4. The Privacy Officer shall make reasonable efforts to notify any individual when any record in a system of records is disclosed to any person under compulsory legal process, promptly upon being informed that such process has become a matter of public record.

§ 4b.11 Fees.
(a) The only fees to be charged to or collected from an individual under the provisions of this part are for copying records at the request of the individual.
1. No fees shall be charged or collected for the following: Search for and retrieval of the records; review of the records; copying at the initiative of the Department without a request from the individual; transportation of records and personnel; and first-class postage.
2. It is the policy of the Department to provide an individual with one copy of each record corrected or amended pursuant to his or her request without charge as evidence of the correction or amendment.
3. As required by the United States Civil Service Commission in its published regulations implementing the Act, the Department will charge no fee.
§ 4b.12

for a single copy of a personnel record covered by that Commission’s Government-wide published notice of systems of records.

(b) The copying fees prescribed by paragraph (a) of this section are:

- $0.07 Each copy of each page, up to 8½” x 14”, made by photocopy or similar process.
- $0.25 Each copy of each microform frame printed on paper.
- $0.25 Each aperture card.
- $0.25 Each 105-mm fiche.
- $6.00 Each 100' roll of 35-mm microfilm.
- $6.00 Each 100' roll of 16-mm microfilm.
- $0.20 Each page of computer printout without regard to the number of carbon copies concurrently printed.

Other copying forms (e.g., typing or printing) will be charged at direct cost, including personnel and equipment costs.

(c) All copying fees shall be paid by the individual before the copying will be undertaken. Payments shall be made in cash or, preferably, by check or money order payable to “U.S. Department of Commerce,” and they shall be paid or sent to the office stated in the billing notice, or if none, to the Privacy Officer processing the request. Where appropriate, payment may be required in the form of certified check.

(d) A copying fee totaling $1 or less shall be waived, but the copying fees for contemporaneous requests by the same individual shall be aggregated to determine the total fee.

A copying fee shall not be charged or collected, or alternatively, it may be reduced, when it is determined by the Privacy Officer, based on a petition therefor, that the petitioning individual is indigent and that Department resources permit a waiver of all or part of the fee. An individual is deemed to be indigent when without income or resources sufficient to pay the fees.

(e) Special and additional services provided at the request of the individual, such as certification or authentication, postal insurance and special mailing arrangement costs, will be charged to the individual in accordance with other published regulations of the Department pursuant to statute (for example, 31 U.S.C. 403a).

(f) This section applies only to individuals making requests under this part. To the extent an individual makes a request under the Freedom of Information Act, as provided in §4b.1(e) (2), (3) and (5), the fees provisions of this chapter shall apply. All other persons shall remain subject to fees and charges prescribed by other and appropriate authorities.

§ 4b.12 Penalties.

(a) The Act provides, in pertinent part:

Any person who knowingly and willfully requests or obtains any record concerning an individual from an agency under false pretenses shall be guilty of a misdemeanor and fined not more than $5,000. (5 U.S.C. 552a(i)(3)).

(b) A person who falsely or fraudulently attempts to obtain records under the Act also may be subject to prosecution under such other criminal statutes as 18 U.S.C. 494, 495 and 1001.

§ 4b.13 General exemptions.

(a) Individuals may not have access to records maintained by the Department but which were provided by another agency which has determined by regulation that such information is subject to general exemption under 5 U.S.C. 552a(j). If such exempt records are within a request for access, the Department will advise the individual of their existence and of the name and address of the source agency. For any further information concerning the record and the exemption, the individual must contact that source agency.

(b) The general exemptions determined to be necessary and proper with respect to systems of records maintained by the Department, including the parts of each system to be exempted, the provisions of the Act from which they are exempted, and the justification for the exemption, are as follows:

1. Individuals identified in Export Administration compliance proceedings or investigations—COMMERCE/ITA—1. Pursuant to 5 U.S.C. 552a(j)(2), these records are hereby determined to be exempt from all provisions of the Act, except 5 U.S.C. 552a (b), (c) (1) and (2), (e) (4) (A) through (F), (e) (6), (7), (9), (10), and (11), and (i). These exemptions are necessary to insure the proper functioning
of the law enforcement activity, to protect confidential sources of information, to fulfill promises of confidentiality, to maintain the integrity of the law enforcement process, to avoid premature disclosure of the knowledge of criminal activity and the evidentiary bases of possible enforcement actions, to prevent interference with law enforcement proceedings, to avoid disclosure of investigative techniques, and to avoid the endangering of law enforcement personnel. Section 7(c) of the Export Administration Act of 1969, as amended, also protects this information from disclosure.

(2) Fisheries Law Enforcement Case Files—COMMERCE/NOAA±11. Pursuant to 5 U.S.C. 552a(j)(2), these records are hereby determined to be exempt from all provisions of the Act, except 5 U.S.C. 552a (b), (c) (1) and (2), (e) (4) (A) through (F), (e) (6), (7), (9), (10), and (11), and (i). These exemptions are necessary to insure the proper functioning of the law enforcement activity, to protect confidential sources of information, to fulfill promises of confidentiality, to maintain the integrity of the law enforcement process, to avoid premature disclosure of the knowledge of criminal activity and the evidentiary bases of possible enforcement actions, and to maintain the integrity of the law enforcement process.

§ 4b.14 Specific exemptions.

(a) Some systems of records under the Act which are maintained by the Department contain, from time to time, material subject to the exemption appearing at 5 U.S.C. 552a(k)(1), relating to national defense and foreign policy materials. The systems of records published in the FEDERAL REGISTER by the Department which are within this exemption are:

COMMERCE/ITA±1, COMMERCE/ITA±2, COMMERCE/ITA±3, COMMERCE/NOAA±11, COMMERCE/PAT±TM±4, COMMERCE/PAT±TM±6, COMMERCE/PAT±TM±7, COMMERCE/PAT±TM±8, COMMERCE/PAT±TM±9, COMMERCE/DEPT±12, COMMERCE/DEPT±13, and COMMERCE/DEPT±14.

The Department hereby asserts a claim to exemption of such materials wherever they might appear in such systems of records, or any systems of records, at present or in the future. The materials would be exempt from 5 U.S.C. 552a (c)(3), (d), (e)(1), (e)(4) (G), (H), and (I), and (f). The reason therefor is to protect the materials required by Executive order to be kept secret in the interest of the national defense and foreign policy.

(b) The specific exemptions determined to be necessary and proper with respect to systems of records maintained by the Department, including the parts of each system to be exempted, the provisions of the Act from which they are exempted, and the justification for the exemption, are as follows:

(1) Exempt under 5 U.S.C. 552a(k)(1). The systems of records exempt hereunder appear in paragraph (a) of this section. The claims for exemption of COMMERCE/DEPT±12, COMMERCE/ITA±1, and COMMERCE/NOAA±11 under this paragraph are subject to the condition that the general exemption claimed in §4b.13(b)(3) is held to be invalid.

(2) Exempt under 5 U.S.C. 552a(k)(2). The systems of records exempt (some only conditionally), the sections of the
Act from which exempted, and the reasons therefor are as follows:

(i) Individuals identified in Export Administration compliance proceedings or investigations—COMMERCE/ITA-1, but only on condition that the general exemption claimed in §4b.13(b)(1) is held to be invalid;

(ii) Individuals involved in export transactions—COMMERCE/ITA-2;

(iii) Fisheries Law Enforcement Case Files—COMMERCE/NOAA-11, but only on condition that the general exemption claimed in §4b.13(b)(2) is held to be invalid;

(iv) Investigative Records—Contract and Grant Frauds and Employee Criminal Misconduct—COMMERCE/DEPT-12, but only on condition that the general exemption claimed in §4b.13(b)(3) is held to be invalid;

(v) Investigative Records—Persons Within the Investigative Jurisdiction of the Department—COMMERCE/DEPT-13;

(vi) Litigation, Claims and Administrative Proceeding Records—COMMERCE/DEPT-14; and


The foregoing are exempted from 5 U.S.C. 552a(c)(3), (d), (e)(1), (e)(4)(G), (H), and (I), and (f). The reasons for asserting the exemption are to prevent subjects of investigation from frustrating the investigatory process, to insure the proper functioning and integrity of law enforcement activities, to prevent disclosure of investigative techniques, to maintain the ability to obtain necessary information, to fulfill commitments made to sources to protect their identities and the confidentiality of information and to avoid endangering these sources and law enforcement personnel. Special note is taken of the fact that the proviso clause in this exemption imports due process and procedural protections for the individual. The existence and general character of the information exempted will be made known to the individual to whom it pertains.

(3) Exempt under 5 U.S.C. 552a(k)(4).

The systems of records exempt, the sections of the Act from which exempted, and the reasons therefor are as follows:

(i) Agricultural Census Records for 1964 (partial), 1969, and 1974—COMMERCE/CENSUS-1;

(ii) Individual and Household Statistical Surveys and Special Census Studies Records—COMMERCE/CENSUS-3;

(iii) Minority-Owned Business Enterprises Survey Records—COMMERCE/CENSUS-4;

(iv) Population and Housing Census Records for 1960 and 1970—COMMERCE/CENSUS-5;

(v) Population Census Personal Service Records for 1900 and All Subsequent Decennial Censuses—COMMERCE/CENSUS-6 and


The foregoing are exempted from 5 U.S.C. 552a(c)(3), (d), (e)(1), (e)(4)(G), (H), and (I), and (f). The reasons for asserting the exemption are to comply with the prescription of Title 13, United States Code, especially sections 8 and 9 relating to prohibitions against disclosure, and to avoid needless consideration of these records whose sole statistical use comports fully with a basic purpose of the Act, namely, no adverse determinations may be made from these records as to any identifiable individual.

(4) Exempt under 5 U.S.C. 552a(k)(5).

The systems of records exempt (some only conditionally), the sections of the Act from which exempted, and the reasons therefor are as follows:

(i) Applications to U.S. Merchant Marine Academy (USMMA)—COMMERCE/MA-1;

(ii) USMMA Midshipman Medical Files—COMMERCE/MA-17;

(iii) USMMA Midshipman Personnel Files—COMMERCE/MA-18;

(iv) USMMA Non-Affiliated Fund Employees—COMMERCE/MA-19;

(v) Applicants for the NOAA Corps—COMMERCE/NOAA-4;

(vi) Commissioned Officer Official Personnel Folders—COMMERCE/NOAA-7;

(vii) Conflict of Interest Records, Appointed Officials—COMMERCE/DEPT-3;

(viii) Investigative Records—Contract and Grant Frauds and Employee Criminal Misconduct—COMMERCE/DEPT-12, but only on condition that
the general exemption claimed in §4b.13(b)(3) is held to be invalid;

(ix) Investigative Records—Persons
Within the Investigative Jurisdiction
of the Department—COMMERCE/DEPT-13; and

(x) Litigation, Claims, and Adminis-
trative Proceeding Records—COM-
MERCE/DEPT-14.

The foregoing are exempted from 5
U.S.C. 552a (c)(3), (d), (e)(1), (e)(4) (G), (H), and (I), and (f). The reasons for as-
serting the exemption are to maintain
the ability to obtain candid and nec-
essary information, to fulfill commit-
ments made to sources to protect the
confidentiality of information, to avoid
 endangering these sources and, ulti-
mately, to facilitate proper selection
or continuance of the best applicants
or persons for a given position or con-
tract. Special note is made of the limi-
tation on the extent to which this ex-
emption may be asserted. The exist-
ence and general character of the infor-

APPENDIX A TO PART 4b—OFFICIALS TO RE-
CEIVE INQUIRIES, REQUESTS FOR ACCESS AND
REQUESTS FOR CORRECTION OR AMEND-
MENT—Continued

<table>
<thead>
<tr>
<th>For records in systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>of records located in</td>
</tr>
<tr>
<td>Privacy officer</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
| Office of the Secre-
| tary and all depart-
| mental staff offices |
| Chief, Information Management Division, Room 6622, Herbert C. Hoover Building, Washingdon, D.C. 20230. |
| Office of the Inspect-
| or General          |
| Economic Affairs     |
| Privacy Act Officer, Office of Administration, Economic Affairs, Room 4079, Herbert C. Hoover Building, Washington, D.C. 20230. |
| Bureau of the Census |
| Associate Director for Management Services, Bureau of the Census, Room 2027, Federal Building 3, Washington, D.C. 20233. |

1 If the location of the records within the Department is un-
known, address the inquiry to the Privacy Officer for the Office of
the Secretary.

2 Economic Affairs includes: Office of the Under Secretary for Economic Affairs; Office of Chief Economist; Office of Stra-
tegic Resources; Office of Business Analysis; Bureau of Eco-
nomic Analysis. The Bureau of the Census, and the National
Technical Information Service, which also fall organizationally
under Economic Affairs, are listed separately.
### APPENDIX B TO PART 4b—SYSTEMS OF RECORDS NOTICED BY OTHER FEDERAL AGENCIES AND APPLICABLE TO RECORDS OF THE DEPARTMENT AND APPLICABILITY OF THIS PART THERETO

[See footnotes at end of table]

<table>
<thead>
<tr>
<th>Category of Records</th>
<th>Other Federal agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Employee Compensation Act Program.</td>
<td>Department of Labor.</td>
</tr>
<tr>
<td>Formal Complaints/Appeals of Adverse Personnel Actions.</td>
<td>Merit Systems Protection Board.</td>
</tr>
</tbody>
</table>

1. The provisions of this part do not apply to these records covered by notices of systems of records published by the Office of Personnel Management for all agencies. The regulations of OPM alone apply.

2. The provisions of this part apply only initially to these records covered by notices of systems of records published by the U.S. Department of Labor for all agencies. The regulations of that Department attach at the point of any denial for access or for correction or amendment.

3. The provisions of this part do not apply to these records covered by notices of systems of records published by the Equal Employment Opportunity Commission for all agencies. The regulations of the Commission alone apply.

4. The provisions of this part do not apply to these records covered by notices of systems of records published by the Merit Systems Protection Board for all agencies. The regulations of the Board alone apply.


### APPENDIX C TO PART 4b—FACSIMILE OF OFFICIAL FORM FOR INQUIRIES AND REQUESTS
SPECIAL NOTICE
FALSE STATEMENTS SUBJECT TO CRIMINAL PENALTIES

The Privacy Act of 1974 (Pub. L. 93–579, 5 U.S.C. 552a(i)(3)) states:
"Any person who knowingly and willfully requests or obtains any record concerning an individual from an agency under false pretenses shall be guilty of a misdemeanor and fined not more than $5,000."

PART 5—OPERATION OF VENDING STANDS

Sec.
5.1 Purpose.
5.2 Policy.
5.3 Assignment of functions and authorities.
5.4 Permits.
5.5 Vending machines.
5.6 Appeals.
5.7 Reports.
5.8 Approval of regulations.


SOURCE: 28 FR 7772, July 31, 1963, unless otherwise noted.

§ 5.1 Purpose.
This part prescribes regulations to assure the granting of preference to blind persons licensed under the provisions of the Randolph-Sheppard Vending Stand Act (49 Stat. 1559, as amended by the act of August 3, 1954, 68 Stat. 663; 20 U.S.C. 107) for the operation of vending stands (which term as used in this order includes vending machines).

§ 5.2 Policy.
(a) The Department adopts the Federal policy announced in the Randolph-Sheppard Vending Stand Act, as amended, to provide blind persons with remunerative employment to enlarge the economic opportunities of the blind and to stimulate the blind to greater efforts in striving to make themselves self-supporting.

(b) It shall be the policy of the Department to authorize blind persons licensed under the provisions of the Randolph-Sheppard Vending Stand Act as amended, to operate vending stands without any charge for space or necessary utilities on properties owned and occupied by the Department or on which the Department controls maintenance, operation, and protection.

(c) The Department will cooperate with the Department of Education and State licensing agencies in making surveys to determine whether and where vending stands may be properly and profitably operated by licensed blind persons.

(d) The application of a State licensing agency for a permit may be denied or revoked if it is determined that the interests of the United States would be adversely affected or the Department would be unduly inconvenienced by the issuance of a permit or its continuance.

(e) Disagreements concerning the denial, revocation, or modification of a permit may be appealed by the State licensing agency as set forth in §5.6.


§ 5.3 Assignment of functions and authorities.
(a) The Director, Office of Administrative Services, shall carry out the Department’s responsibility to provide, in accordance with applicable law and regulation, the maximum opportunity for qualified blind persons to operate vending stands.

(b) Subject to instructions issued by the Director, Office of Administrative Services, the head of each primary organization unit shall be responsible for implementing this program within his area.

(c) The Director, Office of Administrative Services for the primary organization units located in the main Commerce building and the head of each other primary organization unit will make determinations with respect to the terms of permits including the location and operation of vending stands and machines in their respective areas.

(d) Unresolved differences and significant violations of the terms of permits shall be reported to the State licensing agency. Where no corrective action is forthcoming, the matter shall be referred to the Office of Vocational Rehabilitation, Department of Education for consideration prior to further action.


§ 5.4 Permits.
(a) No permit, lease, or other arrangement for the operation of a vending stand on property under control of the Department shall be entered into or renewed without first consulting the State licensing agency or equivalent authority.
(b) The permit shall be conditioned upon the vending stand meeting specified standards, including standards relating to appearance, safety, sanitation, maintenance, and efficiency of operation. Due regard shall be given to laws and regulations for the public welfare which are applicable, or would be applicable, if the property involved was not owned or controlled by the Federal Government.

(c) The permit shall specify the types of articles specified in section 2(a)(4) of the Act as amended (newspapers, periodicals, confections, tobacco products, articles dispensed automatically or in containers or wrappings in which they are placed before delivery to the vending stand). Such other related articles as the State licensing agency asks to be included shall be permitted to be sold, unless such factors as inadequacy of available facilities, safety, health, public welfare, or legal requirements demand otherwise.

(d) The permit shall contain a provision that alterations made by other than the United States shall be approved by and conducted under the supervision of an appropriate official of the Department or the primary organization unit concerned.

(e) The permit may contain other reasonable conditions necessary for the protection of the Government and prospective patrons of the stand.

(f) The permit shall describe the location of the stand proper and the location of any vending machines which are operated in conjunction with it.

§ 5.5 Vending machines.

(a) The income from any vending machines which are located within reasonable proximity to and are in direct competition with a vending stand for which a permit has been issued under these regulations shall be assigned to the operator of such stand.

(b) If a vending machine vends articles of a type authorized by the permit and is so located that it attracts customers who would otherwise patronize the vending stand, such machine shall be deemed to be in reasonable proximity to and direct competition with the stand.

§ 5.6 Appeals.

(a) In any instance where the Department of Commerce official as provided in §5.3(c) and the State licensing agency fail to reach agreement concerning the granting, revocation, or modification of a permit, the location, method of operation, assignment of proceeds, or other terms of a permit (including articles which may be sold), the State licensing agency shall be notified in writing by the Commerce official concerned that it has the right to appeal such disagreements, within 30 days of the notice, to the Assistant Secretary for Administration for investigation and final decision.

(b) Upon receipt of a timely appeal the Assistant Secretary for Administration will cause a full investigation to be made. The State licensing agency shall be given an opportunity to present information pertinent to the facts and circumstances of the case. The complete investigation report including the recommendations of the investigating officer shall be submitted to the Assistant Secretary for Administration within 60 days from the date of the appeal.

(c) The Assistant Secretary for Administration will render a final decision on the appeal within 90 days from the date of appeal.

(d) The State licensing agency will be informed of the final decision on its appeal. Copies of the decision will be forwarded to the Department of Commerce official concerned and the Department of Education.


§ 5.7 Reports.

No later than fifteen days following the end of each fiscal year the responsible officials set forth in §5.3(c) shall forward to the Director, Office of Administrative Services a report on activities under this order. The report shall include:

(a) The number of applications, including requests for installations initiated by the Department, for vending stands received from State licensing agencies;

(b) The number of such requests accepted or approved;
§ 5.8

(c) The number denied, on which no appeal was made and the number denied on which an appeal was made; and
(d) The number and status of any requests still pending.

§ 5.8 Approval of regulations.

The provisions of this part have been approved by the Director, Bureau of the Budget, pursuant to Executive Order 10604, of April 22, 1955.

PART 6—CIVIL MONETARY PENALTY INFLATION ADJUSTMENTS

Sec.
6.1 Definitions.
6.2 Purpose and scope.
6.3 Limitation on First Adjustments.
6.4 Adjustments to penalties.
6.5 Effective date of adjustments.
6.6 Subsequent adjustments.


SOURCE: 61 FR 55093, Oct. 24, 1996, unless otherwise noted.

§ 6.1 Definitions.

As used in this part:
(b) Improvement Act means the Debt Collection Improvement Act of 1996 (Public Law 104-134, April 26, 1996).
(c) Amended Section Four means section 4 of the Inflation Adjustment Act, as amended by the Improvement Act.
(d) Section Five means section 5 of the Inflation Adjustment Act.
(e) Department means the Department of Commerce.
(f) Secretary means the Secretary of the Department of Commerce.
(g) First Adjustments means the inflation adjustments made by §6.4 of this part which, as provided in §6.5 of this part, are effective on October 23, 1996.

§ 6.2 Purpose and scope.

The purpose of this part is to make the inflation adjustment, described in Section Five and required by Amended Section Four, of each minimum and maximum civil monetary penalty pro-

vided by law within the jurisdiction of the Department.

§ 6.3 Limitation on First Adjustments.

Each of the First Adjustments may not exceed ten percent (10%) of the respective penalty being adjusted.

§ 6.4 Adjustments to penalties.

The civil monetary penalties provided by law within the jurisdiction of the respective agencies or bureaus of the Department, as set forth below in this section, are hereby adjusted in accordance with the inflation adjustment procedures prescribed in Section Five, from the amounts of such penalties in effect prior to October 23, 1996, to the amounts of such penalties, as thus adjusted.

(a) Bureau of Export Administration.

(1) 50 U.S.C. app. 2410(c), Export Administration Act, Non-national security violation: from $10,000 to $11,000.

(2) 50 U.S.C. app. 2410(c), Export Administration Act and Section 38 Arms Export Control Act, National security violation: from $100,000 to $110,000.

(3) 50 U.S.C. 1705(b), International Emergency Economic Powers Act, as invoked by E.O. 12924 (August 19, 1994) and E.O. 12938 (November 14, 1994), Export Administration Regulation violation: from $10,000 to $11,000.

(b) Economic Development Administration.

(1) 19 U.S.C. 2349, Trade Act of 1974, False statement, etc.: from $5,000 to $5,500.

(2) 42 U.S.C. 3220(a), Public Works and Economic Development Act of 1965, False statement, etc.: from $10,000 to $11,000.

(3) 42 U.S.C. 3220(b), Public Works and Economic Development Act of 1965, Embezzlement, etc.: from $10,000 to $11,000.

(c) Economics and Statistics Administration (ESA)/Census.

(1) 13 U.S.C. 304, Delinquency on delayed filing of export documentation: from $100 per/day (up to $1,000) to $110 per/day (up to $1,100).

(2) 13 U.S.C. 305, Collection of foreign trade statistics violations: from $1,000 to $1,100.

1 See E.O. 12851 (June 11, 1993).
Office of the Secretary, Commerce § 6.4

(d) ESA/Bureau of Economic Analysis.
   (1) 22 U.S.C. 3105(a), International Investment and Trade in Services Act, Failure to furnish information: from a minimum of $2,500 to $2,750, and from a maximum of $25,000 to $27,500.
   (2) [Reserved]

(e) Import Administration.
   (1) 19 U.S.C. 81s, Foreign Trade Zone violation: from $1,000 to $1,100.
   (2) 19 U.S.C. 1677f(f)(4), North American Free Trade Agreement Protective Order violation: from $100,000 to $100,000.

(f) National Oceanic and Atmospheric Administration.
   (4) 16 U.S.C. 783, Sponge Act (1914), Violation involving catching or taking within specific areas: from $500 to $550.
      (i) Violation of §957(a) [Fine at §957(d)]: from $50,000 to $55,000.
      (A) Subsequent violation of §957(a) [Fine at §957(d)]: from $50,000 to $55,000.
      (B) [Reserved]
      (ii) Violation of section 957(b) [Fine at §957(e)]: from $5,000 to $5,500.
      (A) Subsequent violation of §957(b) Fine at §957(e)]: from $5,000 to $5,500.
      (B) [Reserved]
      (iii) Violation of section 957(c) [Fine at section 957(f)]: from $100,000 to $110,000.
   (6) 16 U.S.C. 971(e), Atlantic Tunas Convention Act of 1975 (1995) violation: from $100,000 to $100,000.
   (7) 16 U.S.C. 972(f), Eastern Pacific Tuna Licensing Act of 1984:
      (i) Violation of section 972(f)(a)(1)-(3): from $25,000 to $27,500.
      (A) Subsequent violation of §972f(a)(1)-(3): from $50,000 to $55,000.
      (B) [Reserved]
      (ii) Violation of section 972f(a)(4)-(5): from $5,000 to $5,500.
      (A) Subsequent violation of §972f(a)(4)-(5): from $5,000 to $5,500.
   (8) 16 U.S.C. 973(a), South Pacific Tuna Act of 1988 violation: from $250,000 to $275,000.
   (9) 16 U.S.C. 1375(a)(1), Marine Mammal Protection Act of 1972:
      (i) Violation: from $10,000 to $11,000.
      (ii) Knowing violation (1981): from $20,000 to $22,000.
   (10) 16 U.S.C. 1437(c)(1), National Marine Sanctuaries Act (1992) violation: from $100,000 to $109,000.
      (i) Knowing violations or engaged in business of sections 1538(a)(1)(A), (B), (C), (D), (E), or (F), (a)(2)(A), (B), (C), or (D), (c), (d) (other than recordkeeping or filing reports), (f), or (g) (1988): from $25,000 to $27,500.
      (ii) Other knowing or business-related violations (1988): from $12,000 to $13,200.
   (12) 16 U.S.C. 1851 Note (Sec. 5)(c)(1), Atlantic Striped Bass Conservation Act (1984) violation: from $1,000 to $1,100.
   (13) 16 U.S.C. 1858, Magnuson Fishery Conservation and Management Act (1990): from $100,000 to $110,000.
      (i) Knowing violation: from $10,000 to $11,000.
      (ii) Violation: from $5,000 to $5,500.
   (15) 16 U.S.C. 3373(a), Lacey Act Amendments of 1981:
      (i) Violations involving possession, sale, or transport of fish/plants/wildlife (1981): from $10,000 to $11,000.
      (iii) False labeling/knowingly (1988): from $10,000 to $11,000.
§ 6.5 Effective date of adjustments.

The First Adjustments made by § 6.4 of this part, of the penalties there specified, are effective on October 23, 1996, and said penalties, as thus adjusted by the First Adjustments made by § 6.4 of this part, shall apply only to violations occurring after October 23, 1996, and before the effective date of any future inflation adjustment thereto made subsequent to October 23, 1996, as provided in §6.6 of this part. The penalties specified in §6.4 of this part which became effective prior to October 23, 1996, shall, without any First Adjustments thereto, apply only to violations occurring before October 24, 1996.

§ 6.6 Subsequent adjustments.

The Secretary or his or her designee by regulation shall, at least once every four years after October 23, 1996, make the inflation adjustment, described in Section Five and required by Amended Section Four, of each civil monetary penalty provided by law and within the jurisdiction of the Department.

PART 7—[RESERVED]

PART 8—NONDISCRIMINATION IN FEDERALLY-ASSISTED PROGRAMS OF THE DEPARTMENT OF COMMERCE—EFFECTUATION OF TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

Subpart A—General Provisions; Prohibitions; Nondiscrimination Clause; Applicability to Programs

§ 8.1 Purpose.

The purpose of this part is to effectuate the provisions of title VI of the Civil Rights Act of 1964 (hereafter referred to as the “Act”) to the end that no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program receiving Federal financial assistance from the Department of Commerce. This part is consistent with achievement of the objectives of the statutes authorizing the financial assistance given by the Department of Commerce as provided in section 602 of the Act.

§ 8.2 Application of this part.

(a) This part applies to any program for which Federal financial assistance is authorized under a law administered by the Department, including the federally assisted programs listed in Appendix A to this part and as said Appendix may be amended. It applies to money paid, property transferred, or other Federal financial assistance extended under any such program after January 9, 1965, pursuant to an application approved prior to such effective date.

(b) This part does not apply to (1) any Federal financial assistance by way of insurance or guaranty contracts, (2) money paid, property transferred, or other assistance extended under any such program before January 9, 1965,
Office of the Secretary, Commerce § 8.3

except where such assistance was subject to the title VI regulations of this Department or of any other agency whose responsibilities are now exercised by this Department, (3) any assistance to any individual who is the ultimate beneficiary under any such program, or (4) any employment practice, under any such program, of any employer, employment agency, or labor organization except to the extent described in §8.4(c). The fact that a program is not listed in Appendix A shall not mean, if title VI of the Act is otherwise applicable, that such program is not covered. Other programs under statutes now in force or hereinafter enacted may be added to the list by notice published in the Federal Register.

§ 8.3 Definitions.

(a) Department means the Department of Commerce, and includes each and all of its operating and equivalent other units.

(b) Secretary means the Secretary of Commerce.

(c) United States means the States of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, Wake Island, the Canal Zone, and the territories and possessions of the United States, and the term State means anyone of the foregoing.

(d) Person means an individual in the United States who is or is eligible to be a participant in or an ultimate beneficiary of any program which receives Federal financial assistance, and includes an individual who is an owner or member of a firm, corporation, or other business or organization which is or is eligible to be a participant in or an ultimate beneficiary of such a program. Where a primary objective of the Federal financial assistance to a program is to provide employment, “person” includes employees or applicants for employment of a recipient or other party subject to this part under such program.

(e) Responsible department official with respect to any program receiving Federal financial assistance means the Secretary or other official of the Department who by law or by delegation has the principal authority within the Department for the administration of a law extending such assistance. It also means any officials so designated by due delegation of authority within the Department to act in such capacity with regard to any program under this part.

(f) Federal financial assistance includes (1) grants, loans, or agreements for participation in loans, of Federal funds, (2) the grant or donation of Federal property or interests in property, (3) the sale or lease of, or the permission to use (on other than a casual or transient basis), Federal property or any interest in such property or in property in which the Federal Government has an interest, without consideration, or at a nominal consideration, or at a consideration which is reduced, for the purpose of assisting the recipient, or in recognition of the public interest to be served by such sale or lease to or use by the recipient, (4) waiver of charges which would normally be made for the furnishing of Government services, (5) the detail of Federal personnel, (6) technical assistance, and (7) any Federal agreement, arrangement, contract, or other instrument which has as one of its purposes the provision of assistance.

(g) Program includes any program, project, or activity for the planning or provision of services, financial aid, property, other benefits, or facilities for furnishing services, financial aid, property, or other benefits, whether provided by the recipient or by others through contracts or other arrangements with the recipient, with the aid of Federal financial assistance, or with the aid of any non-Federal funds, property, facilities or other resources which are provided to meet the conditions under which Federal financial assistance is extended or which utilizes federally assisted property, facilities or resources.

(h) Facility includes all or any portion of structures, equipment, vessels, or other real or personal property or interests therein, and the provision of facilities includes the construction, expansion, renovation, remodeling, alteration, contract for use, or acquisition of facilities.
(i) Recipient means any governmental, public or private agency, institution, organization, or other entity, or any individual, who or which is an applicant for Federal financial assistance, or to whom Federal financial assistance is extended directly or through another recipient for or in connection with any program. Recipient further includes a subgrantee, an entity which leases or operates a facility for or on behalf of a recipient, and any successors, assignees, or transferees of any kind of the recipient, but does not include any person who is an ultimate beneficiary under any program.

(j) Primary recipient means any recipient which is authorized or required to extend or distribute Federal financial assistance to another recipient for the purpose of carrying out a program.

(k) Applicant means one who submits an application, request, or plan required to be approved by a responsible Department official, or by a primary recipient, as a condition to eligibility for Federal financial assistance, and "application" means such an application, request, or plan.

(l) Other parties subject to this part includes any governmental, public or private agency, institution, organization, or other entity, or any individual, who or which, like a recipient, is not to engage in discriminatory acts with respect to applicable persons covered by this part, such as a contractor, subcontractor, provider of employment, or user of facilities or services provided under any program.

§ 8.4 Discrimination prohibited.

(a) General. No person in the United States shall, on the ground of race, color, or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under, any program to which this part applies.

(b) Specific discriminatory acts prohibited. (i) A recipient of Federal financial assistance, or other party subject to this part under any program to which this part applies, shall not participate, directly or through contractual or other arrangements, in any act or course of conduct which, on the ground of race, color, or national origin:

(ii) Provides any service, financial aid, or other benefit, to a person which is different, or is provided in a different manner, from that provided to others under the program;

(iii) Subjects a person to segregation or separate or other discriminatory treatment in any matter related to his receipt (or nonreceipt) of any such service, financial aid, property, or other benefit under the program.

(iv) Restricts a person in any way in the enjoyment of services, facilities, or any other advantage, privilege, property, or benefit provided to others under the programs;

(v) Treats a person differently from others in determining whether he satisfies any admission, enrollment, quota, eligibility, membership, or other requirement or condition which persons must meet in order to be provided any service, financial aid, or other benefit provided under the program;

(vi) Denies a person an opportunity to participate in the program through the provision of property or services or otherwise, or affords him an opportunity to do so which is different from that afforded others under the program (including the opportunity to participate in the program as an employee but only to the extent set forth in paragraph (c) of this section);

(vii) Denies a person the same opportunity or consideration given others to be selected or retained or otherwise to participate as a contractor, subcontractor, or subgrantee when a program is applicable thereto;

(viii) Denies a person the opportunity to participate as a member of a planning or advisory body which is an integral part of the program.

(2) A recipient, or other party subject to this part under any program, in determining the types of services, financial aid, or other benefits, or facilities which will be provided under any such program, or the class of persons to whom, or the situations in which, such services, financial aid, other benefits, or facilities will be provided under any such program, or the class of persons

78
Office of the Secretary, Commerce § 8.4

to be afforded an opportunity to participate in any such program, shall not, directly or through contractual or other arrangements, utilize criteria or methods of administration which have the effect of subjecting persons to discrimination because of their race, color, or national origin, or have the effect of defeating or substantially impairing accomplishment of the objectives of the program as respect any persons of a particular race, color, or national origin.

(3) In determining the site or location of facilities, a recipient or other party subject to this part may not make selections with the purpose or effect of excluding persons from, denying them the benefits of, or subjecting them to discrimination under any program to which this part applies, on the grounds of race, color or national origin; or with the purpose or effect of defeating or substantially impairing the accomplishment of the objectives of the Act or this part.

(4) As used in this section, the services, financial aid, or other benefits provided under a program receiving Federal financial assistance shall be deemed to include any service, financial aid, or other benefit provided or made available in or through or utilizing a facility provided with the aid of Federal financial assistance.

(5) The enumeration of specific forms of prohibited discrimination in this paragraph and paragraph (c) of this section does not limit the generality of the prohibition in paragraph (a) of this section.

(6)(i) In administering a program regarding which the recipient has previously discriminated against persons on the grounds of race, color, or national origin, the recipient must take affirmative action to overcome the effects of prior discrimination.

(ii) Even in the absence of such prior discrimination, a recipient in administering a program may take affirmative action to overcome the effects of conditions which resulted in limiting participation by persons of a particular race, color or national origin.

(c) Employment practices. (1) Where a primary objective of the Federal financial assistance to a program to which this part applies is to provide employment, a recipient or other party subject to this part shall not, directly or through contractual or other arrangements, subject a person to discrimination on the ground of race, color, or national origin in its employment practices under such program (including recruitment or recruitment advertising, hiring, firing, upgrading, promotion, demotion, transfer, layoff, termination, rates of pay or other forms of compensation or benefits, selection for training or apprenticeship, use of facilities, and treatment of employees). Such recipients and other parties subject to this part shall, as may be required by supplemental regulations, develop a written affirmative action program. The requirements applicable to construction employment under any such program shall be in addition to those specified in or pursuant to Part III of Executive Order 11246 or any Executive order which supersedes it. Federal financial assistance to programs under laws funded or administered by the Department which has as a primary objective the providing of employment include those set forth in Appendix A II of this part.

(2) Where a primary objective of the Federal financial assistance to a program to which this part applies is not to provide employment, but discrimination on the grounds of race, color, or national origin, in the employment practices of the recipient or other party subject to this part, tends, on the grounds of race, color, or national origin, to exclude persons from participating in, to deny them the benefits of, or to subject them to discrimination under any such program, the provisions of paragraph (c)(1) of this section shall apply to the employment practices of the recipient or other party subject to this part, to the extent necessary to assure equality of opportunity to, and nondiscriminatory treatment of such persons.

[38 FR 17938, July 5, 1973; 38 FR 23777, Sept. 4, 1973]
§ 8.5 Nondiscrimination clause.

(a) Applicability. Every application for, and every grant, loan, or contract authorizing approval of, Federal financial assistance to carry out a program and to provide a facility subject to this part, and every modification or amendment thereof, shall, as a condition to its approval and to the extension of any Federal financial assistance pursuant thereto, contain or be accompanied by an assurance that the program will be conducted in compliance with all requirements imposed by or pursuant to this part. The assurances shall be set forth in a nondiscrimination clause. The responsible Department official shall specify the form and contents of the nondiscrimination clause for each program as appropriate.

(b) Contents. Without limiting its scope or language in any way, a nondiscrimination clause shall contain, where determined to be appropriate, and in an appropriate form, reference to the following assurances, undertakings, and other provisions:

1. That the recipient or other party subject to this part will not participate directly or indirectly in the discrimination prohibited by § 8.4, including employment practices when a program covering such is involved.

2. That when employment practices are covered, the recipient or other party subject to this part will (i) in all solicitations or advertisements for employees placed by or for the recipient, state that qualified applicants will receive consideration for employment without regard to race, color, or national origin; (ii) notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding of the recipient's commitments under this section; (iii) post the nondiscrimination clause and the notice to labor unions in conspicuous places available to employees and applicants for employment; and (iv) otherwise comply with the requirements of § 8.4(c).

3. That in a program involving continuing Federal financial assistance, the recipient thereunder (i) will state that the program is (or, in the case of a new program, will be) conducted in compliance with all requirements imposed by or pursuant to this part, and (ii) will provide for such methods of administration for the program as are found by the responsible Department official to give reasonable assurance that all recipients of Federal financial assistance under such program and any other parties connected therewith subject to this part will comply with all requirements imposed by or pursuant to this part.

4. That the recipient agrees to secure the compliance or to cooperate actively with the Department to secure the compliance by others with this part and the nondiscrimination clause as may be directed under an applicable program. For instance, the recipient may be requested by the responsible Department official to undertake and agree (i) to obtain or enforce or to assist and cooperate actively with the responsible Department official in obtaining or enforcing, the compliance of other recipients or of other parties subject to this part with the nondiscrimination required by this part; (ii) to insert appropriate nondiscrimination clauses in the respective contracts with or grants to such parties; (iii) to obtain and to furnish to the responsible Department official the information as he may require for the supervision or securing of such compliance; (iv) to carry out sanctions for noncompliance with the obligations imposed upon recipients and other parties subject to this part; and (v) to comply with such additional provisions as the responsible Department official deems appropriate to establish and protect the interests of the United States in the enforcement of these obligations. In the event that the cooperating recipient becomes involved in litigation with a noncomplying party as a result of such departmental direction, the cooperating recipient may request the Department to enter into such litigation to protect the interests of the United States.

5. In the case of real property, structures or improvements thereon, or interests therein, which are acquired for a program receiving Federal financial assistance, or in the case where Federal financial assistance is provided in the form of a transfer of real property or interest therein from the Federal...
Government, the instrument effecting or recording the transfer shall contain a covenant running with the land assuring nondiscrimination for the period during which the real property is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits, or for as long as the recipient retains ownership or possession of the property, whichever is longer. Where no transfer of property is involved, but property is improved with Federal financial assistance, the recipient shall agree to include such a covenant in any subsequent transfer of such property. Where the property is obtained from the Federal Government, such covenant may also include a condition coupled with a right to be reserved by the Department to revert title to the property in the event of a breach of the covenant where, in the discretion of the responsible Department official, such a condition and right of reverter is appropriate to the program under which the real property is obtained and to the nature of the grant and the grantee. In such event if a transferee of real property proposes to mortgage or otherwise encumber the real property as security for financing construction of new, or improvement of existing facilities on such property for the purpose for which the property was transferred, the responsible Department official may agree, upon request of the transferee and if necessary to accomplish such financing, and upon such conditions as he deems appropriate to forebear the exercise of such right to revert title for so long as the lien of such mortgage or other encumbrance remains effective.

(6) In programs receiving Federal financial assistance in the form, or for the acquisition, of real property or an interest in real property to the extent that rights to space on, over, or under any such property are included as part of the program receiving such assistance the nondiscrimination requirements of this part shall extend to any facility located wholly or in part in such space.

(7) That a recipient shall not take action that is calculated to bring about indirectly what this part forbids it to accomplish directly.

(8) Provisions specifying the extent to which like assurances will be required of subgrantees, contractors and subcontractors, lessees, transferees, successors in interest, and other participants in the program.

(9) Provisions which give the United States a right to seek judicial enforcement of the assurances.

(10) In the case where any assurances are required from an academic, a medical care, detention or correctional, or any other institution or facility, insofar as the assurances relate to the institution’s practices with respect to the admission, care, or other treatment of persons by the institution or with respect to the opportunity of persons to participate in the receiving or providing of services, treatment, or benefits, such assurances shall be applicable to the entire institution or facility. That requirement may be waived by the responsible Department official if the party furnishing the assurances establishes to the satisfaction of the responsible Department official that the practices in designated parts or programs of the institution or facility will in no way affect its practices in the program of the institution or facility for which Federal financial assistance is or is sought to be provided, or affect the beneficiaries or participants in such program. If in any such case the assistance is or is sought for the construction of a facility or part of a facility, the assurances shall in any event extend to the entire facility and to facilities operated in connection therewith.

(11) In the case where the Federal financial assistance is in the form of or to aid in the acquisition of personal property, or real property or interest therein or structures thereon, the assurance shall obligate the recipients, or, in the case of a subsequent transfer, the transferee, for the period during which the property is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services and benefits, or for as long as the recipient or transferee retains ownership or possession of the property, whichever is longer. In the case of any
§ 8.6

other type or form of assistance, the assurances shall be in effect for the duration of the period during which Federal financial assistance is extended to the program.

[38 FR 17938, July 5, 1973; 38 FR 23777, Sept. 4, 1973]

§ 8.6 Applicability of this part to Department assisted programs.

The following examples illustrate the applicability of this part to programs which receive or may receive Federal financial assistance administered by the Department. The fact that a particular program is not listed does not indicate that it is not covered by this part. The discrimination referred to is that described in §8.4 against persons on the ground of race, color, or national origin.

(a) Assistance to support economic development programs. Discrimination in which recipients and other parties subject to this part shall not engage, directly or indirectly, includes discrimination in (1) the letting of contracts or other arrangements for the planning, designing, engineering, acquisition, construction, rehabilitation, conversion, enlargement, installation, occupancy, use, maintenance, leasing, subleasing, sales, or other utilization or disposition of property or facilities purchased or financed in whole or in part with the aid of Federal financial assistance; (2) the acquisition of goods or services, or the production, preparation, manufacture, marketing, transportation, or distribution of goods or services in connection with a program or its operations; (3) the onsite operation of the project or facilities; (4) services or accommodations offered to the public in connection with the program; and (5) in employment practices in connection with or which affect the program (as defined in §8.4(c)); in the following programs:

(i) Any program receiving Federal financial assistance for the purchase or development of land and facilities (including machinery and equipment) for industrial or commercial usage.

(ii) Any program receiving Federal financial assistance in the form of loans or direct or supplementary grants for the acquisition or development of land and improvements for public works, public service or development facility usage, and the acquisition, construction, rehabilitation, alteration, expansion, or improvement of such facilities, including related machinery and equipment.

(iii) In any program receiving any form of technical assistance designed to alleviate or prevent conditions of excessive employment or underemployment.

(iv) In any program receiving Federal financial assistance in the form of administrative expense grants.

(b) Assistance to support the training of students. A current example of such assistance is that received by State maritime academies or colleges, by contract, of facilities (vessels), related equipment and funds to train merchant marine officers. In this and other student training programs, discrimination which is prohibited by recipients and other parties subject to this part includes discrimination in the selection of persons to be trained and in their treatment by the recipients in any aspect of the educational process and discipline during their training, or in the availability or use of any academic, housing, eating, recreational, or other facilities and services, or in financial assistance to students furnished or controlled by the recipients or incidental to the program. In any case where selection of trainees is made from a predetermined group, such as the students in an institution or area, the group must be selected without discrimination.

(c) Assistance to support mobile or other trade fairs. In programs in which operators of mobile trade fairs using U.S. flag vessels and aircraft and designed to exhibit and sell U.S. products abroad, or in which other trade fairs or exhibitions, receive technical and financial assistance, discrimination which is prohibited by recipients and other parties subject to this part includes discrimination in the selection or retention of any actual or potential exhibitors, or in access to or use of the services or accommodations by, or otherwise with respect to treatment of, exhibitors or their owners, officers, employees, or agents.
(d) Assistance to support business entities eligible for trade adjustment assistance. In programs in which eligible business entities receive any measure or kind of technical, financial or tax adjustment assistance because of or in connection with the impact of U.S. international trade upon such business, discrimination which is prohibited by recipients and other parties subject to this part includes discrimination in their employment practices as defined in §8.4(c).

(e) Assistance to support research and development and related activities. In programs in which individuals, educational or other institutions, public governmental or business entities receive Federal financial assistance in order to encourage or foster research or development activities as such, or to obtain, promote, develop, or protect thereby technical, scientific, environmental, or other information, products, facilities, resources, or services which are to be made available to or used by others; but where such programs do not constitute Government procurement of property or services, discrimination which is prohibited by recipients and other parties subject to this part includes discrimination with respect to (1) the choice, retention or treatment of contractors, subcontractors, subgrantees or of any other person; (2) the provision of services, facilities, or financial aid; (3) the participation of any party in the research activities; (4) the dissemination to or use by any person of the results or benefits of the research or development, whether in the form of information, products, services, facilities, resources, or otherwise. If research is performed within an educational institution under which it is expected that students or others will participate in the research as a part of their experience or training, on a compensated or uncompensated basis, there shall be no discrimination in admission of students to, or in their treatment by, that part of the school from which such students are drawn or in the selection otherwise of trainees or participants. The recipient educational institutions will be required to give the assurances provided in §8.5(b)(10).

(f) Assistance to aid in the operations of vessels engaged in U.S. foreign commerce. In programs in which the operators of American-flag vessels used to furnish shipping services in the foreign commerce of the United States receive Federal financial assistance in the form of operating differential subsidies, discrimination which is prohibited by recipients and other parties subject to this part includes discrimination in soliciting, accepting or serving in any way passengers or shippers of cargo entitled to protection in the United States under the Act.

Subpart B—General Compliance

§8.7 Cooperation, compliance reports and reviews and access to records.

(a) Cooperation and assistance. Each responsible Department official shall to the fullest extent practicable seek the cooperation of recipients and other parties subject to this part in obtaining compliance with this part and shall provide assistance and guidance to recipients and other parties to help them comply voluntarily with this part.

(b) Compliance reports. Each recipient and other party subject to this part shall keep such records and submit to the responsible Department official timely, complete, and accurate compliance reports at such times and in such form and containing such information as the responsible Department official may determine to be necessary to enable him to ascertain whether the recipient or such other party has complied or is complying with this part. In general, recipients should have available for the department racial and ethnic data showing the extent to which members of minority groups are beneficiaries of federally assisted programs. In the case of any program under which a primary recipient extends Federal financial assistance to any other recipient, or under which a recipient is obligated to obtain or to cooperate in obtaining the compliance of other parties subject to this part, such other recipients or other parties shall also submit such compliance reports to the primary recipient or recipients as may be necessary to enable them to carry out their obligations under this part.

(c) Access to sources of information. Each recipient or other party subject to this part shall permit access by the
§ 8.8 Complaints.

(a) Filing complaints. Any person who believes himself or any specific class of persons to be subjected to discrimination prohibited by this part may by himself or by a representative file with the responsible Department official a written complaint. A complaint shall be filed not later than 180 days from the date of the alleged discrimination, unless the time for filing is extended by the responsible Department official.

§ 8.9 Intimidatory or retaliatory acts prohibited.

(a) No recipient or other party subject to this part shall intimidate, threaten, coerce, or discriminate against, any person for the purpose of interfering with any right or privilege secured by section 601 of the Act of this part, or because the person has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under this part.

(b) The identity of complainants shall be kept confidential except to the extent necessary to carry out the purposes of this part, including the conduct of any investigation, hearing, or judicial or other proceeding arising thereunder.

§ 8.10 Investigations.

(a) Making the investigation. The responsible Department official or his designee will make a prompt investigation whenever a compliance review, report, complaint, or any other information indicates a possible failure to comply with this part. The investigation shall include, where appropriate, a review of the pertinent practices and policies of the recipient or other party subject to this part, the circumstances under which the possible noncompliance with this part occurred, and other factors relevant to a determination as to whether there has been a failure to comply with this part.

(b) Resolution of matters. (1) If an investigation pursuant to paragraph (a) of this section indicates a failure to comply with this part, the responsible Department official will so inform the recipient or other party subject to this part and the matter will be resolved by informal means whenever possible. If it has been determined that the matter cannot be resolved by informal means, action will be taken as provided for in §8.11.

(2) If an investigation does not warrant action pursuant to paragraph (b)(1) of this section, the responsible Department official will so inform the recipient or other party subject to this part and the complainant, if any, in writing.

§ 8.11 Procedures for effecting compliance.

(a) General. If there appears to be a failure or threatened failure to comply with this part, and if the noncompliance or threatened noncompliance cannot be corrected by informal means,
Office of the Secretary, Commerce

§ 8.12

compliance with this part may be effected by the suspension or termination of or refusal to grant or to continue Federal financial assistance or by any other means authorized by law. Such other means may include, but are not limited to, (1) a reference to the Department of Justice with a recommendation that appropriate proceedings be brought to enforce any rights of the United States under any law of the United States (including other titles of the Act), or any assurance or other contractual undertaking, and (2) any applicable proceeding under State or local law.

(b) Noncompliance with § 8.5. If a recipient or other party subject to this part fails or refuses to furnish an assurance required under § 8.5 or otherwise fails or refuses to comply with a requirement imposed by or pursuant to that section, Federal financial assistance may be refused in accordance with the procedures of paragraph (c) of this section. The Department shall not be required to provide assistance in such a case during the pendency of the administrative proceedings under said paragraph except that the Department shall continue assistance during the pendency of such proceedings where such assistance is due and payable pursuant to an application or contract therefor approved prior to the effective date of this part.

(c) Termination of or refusal to grant or to continue Federal financial assistance. No order suspending, terminating, or refusing to grant or continue Federal financial assistance shall become effective until (1) the responsible Department official has advised the recipient or other party subject to this part of his failure to comply and has determined that compliance cannot be secured by voluntary means, (2) the recipient or other party has been notified of its failure to comply and of the action to be taken to effect compliance, and (3) the expiration of at least 10 days from the mailing of such notice to the recipient or other party. During this period of at least 10 days additional efforts shall be made to persuade the recipient or other party to comply with this part and to take such corrective action as may be appropriate.

§ 8.12 Hearings.

(a) Opportunity for hearing. Whenever an opportunity for a hearing is required by § 8.11(c), reasonable notice shall be given by registered or certified mail, return receipt requested, to the affected recipient or other party subject to this part. This notice shall advise the recipient or other party of the action proposed to be taken, the specific provision under which the proposed action against it is to be taken, and the matters of fact or law asserted as the basis for this action, and either (1) fix a date not less than 20 days after the date of such notice within which the recipient or other party may request of the responsible Department official that the matter be scheduled for hearing, or (2) advise the recipient or other party that the matter in question has been set down for hearing at a stated place and time. The time and place so fixed shall be reasonable and shall be subject to change for cause. The complainant, if any, shall be advised of the time and place of the hearing. A recipient or other party may
§ 8.13 Decisions and notices.

(a) Decision by person other than the responsible Department official. If the hearing is held by a hearing officer such hearing officer shall either make an initial decision, if so authorized, or certify the entire record including his recommended findings and proposed decision to the responsible Department official for a final decision, and a copy of such initial decision or certification shall be mailed to the recipient or other party subject to this part. Where the initial decision is made by the hearing officer, the recipient or other party may within 30 days of the mailing of such notice of initial decision file with the responsible Department official his exceptions to the initial decision, with his reasons therefor. In the absence of exceptions, the responsible Department official may on his own motion within 45 days after the initial decision serve on the recipient or other party a notice that he will review the decision. Upon the filing of such exceptions or of such notice of review, the
Office of the Secretary, Commerce § 8.13

responsible Department official shall review the initial decision and issue his own decision thereon including the reasons therefor. In the absence of either exceptions or a notice of review the initial decision shall constitute the final decision of the responsible Department official.

(b) Decisions on record or review by the responsible Department official. Whenever a record is certified to the responsible Department official for decision or he reviews the decision of a hearing officer pursuant to paragraph (a) of this section, or whenever the responsible Department official conducts the hearing, the recipient or other party shall be given reasonable opportunity to file with him briefs or other written statements of its contentions, and a copy of the final decision of the responsible Department official shall be given in writing to the recipient or other party and to the complainant, if any.

(c) Decisions on record where a hearing is waived. Whenever a hearing is waived pursuant to § 8.12(a) a decision shall be made by the responsible departmental official on the record and a copy of such decision shall be given in writing to the recipient or other party, and to the complainant, if any.

(d) Ruling required. Each decision of a hearing officer or responsible Department official shall set forth his ruling on each finding, conclusion, or exception presented, and shall identify the requirement or requirements imposed by or pursuant to this part with which it is found that the recipient or other party has failed to comply.

(e) Approval by Secretary. Any final decision of a responsible Department official (other than the Secretary) which provides for the suspension or termination of, or the refusal to grant or continue, Federal financial assistance, or the imposition of any other sanction available under this part of the Act, shall promptly be transmitted to the Secretary, who may approve such decision, may vacate it, or remit or mitigate any sanction imposed.

(f) Content of orders. The final decision may provide for suspension or termination of, or refusal to grant or continue, Federal financial assistance, in whole or in part, under the program involved, and may contain such terms, conditions, and other provisions as are consistent with and will effectuate the purposes of the Act and this part, including provisions designed to assure that no Federal financial assistance will thereafter be extended under such program to the recipient or other party determined by such decision to be in default in its performance of an assurance given by it pursuant to this part, or to have otherwise failed to comply with this part, unless and until it corrects its noncompliance and satisfies the responsible Department official that it will fully comply with this part.

(g) Posttermination proceedings. (1) Any recipient or other party which is adversely affected by an order issued under paragraph (f) of this section shall be restored to full eligibility to receive Federal financial assistance if it satisfies the terms and conditions of that order for such eligibility or if it brings itself into compliance with this part and provides reasonable assurance that it will fully comply with this part.

Any recipient or other party adversely affected by an order entered pursuant to paragraph (f) of this section may at any time request the responsible Department official to restore fully its eligibility to receive Federal financial assistance. Any such request shall be supported by information showing that the recipient or other party has met the requirements of paragraph (g)(1) of this section. If the responsible Department official determines that those requirements have been satisfied, he shall restore such eligibility.

(3) If the responsible Department official denies any such request, the recipient or other party may submit a request for a hearing in writing, specifying why it believes such official to have been in error. It shall thereupon be given an expeditious hearing, with a decision on the record in accordance with rules of procedure issued by the responsible Department official. The recipient or other party will be restored to such eligibility if it proves at such a hearing that it satisfied the requirements of paragraph (g)(1) of this section. While proceedings under this paragraph are pending, the sanctions imposed by the order issued under
§ 8.14 Judicial review.

Action taken pursuant to section 602 of the Act is subject to judicial review as provided in section 603 of the Act.

§ 8.15 Effect on other laws; supplementary instructions; coordination.

(a) Effect on other laws. All regulations, orders, or like directions heretofore issued by any officer of the Department which impose requirements designed to prohibit any discrimination against individuals on the ground of race, color, or national origin under any program to which this part applies, and which authorizes the suspension or termination of or refusal to grant or to continue Federal financial assistance to any recipient or other party subject to this part of such assistance under such program for failure to comply with such requirements, are hereby superseded to the extent that such discrimination is prohibited by this part, except that nothing in this part shall be deemed to relieve any one of any obligations assumed or imposed under any such superseded regulation, order, instruction, or like direction prior to January 9, 1965. Nothing in this part, however, shall be deemed to supersede any of the following (including future amendments thereof):

(1) Executive Order 11246 and regulations issued thereunder, or
(2) Executive Order 11063 and regulations issued thereunder, or any other regulations or instructions, insofar as such order, regulations, or instructions prohibit discrimination on the ground of race, color, or national origin in any program or situation to which this part is inapplicable, or prohibit discrimination on any other ground.

(b) Forms and instructions. Each responsible Department official shall issue and promptly make available to interested parties forms and detailed instructions and procedures for effectuating this part as applied to programs to which this part applies and for which he is responsible.

(c) Supervision and coordination. The Secretary may from time to time assign to officials of the Department, or to officials of other departments or agencies of the Government with the consent of such departments or agencies, responsibilities in connection with the effectuation of the purposes of title VI of the Act and this part (other than responsibility for final decision as provided in §8.13), including the achievement of effective coordination and maximum uniformity within the Department and within the executive branch of the government in the application of title VI and this part to similar programs and in similar situations. Any action taken, determination made, or requirement imposed by an official of another Department or agency acting pursuant to an assignment of responsibility under this paragraph shall have the same effect as though such action had been taken by the responsible official of this Department.

Appendix A to Part 8—Programs Covered by Title VI

I. Federal Financial Assistance to Which Title 15, Subtitle A, Part B Applies

Economic Development Administration

1. Loans, grants, technical and other assistance for public works and development facilities, for supplementing Federal grants-in-aid, for private businesses, and for other purposes, including assistance in connection with designated economic development districts and regions (Public Works and Economic Development Act of 1965, as amended, 42 U.S.C. 3121 et seq.).

2. Financial and technical assistance to firms to aid economic adjustment to the effects of increased imports in direct competition with foreign products (Trade Act of 1974, 19 U.S.C. 2341-2354).

3. Assistance to communities adversely affected by increased imports in direct competition with products manufactured in the community area (Trade Act of 1974, 19 U.S.C. 2371-2374).

4. Assistance to projects involving construction of local and State public facilities in order to reduce unemployment and provide State and local governments with badly needed public facilities (Local Public Works Capital Development and Assistance Act of 1976, 42 U.S.C. 6701-6710).


Maritime Administration


**National Bureau of Standards**


**National Fire Prevention and Control Administration**


2. State fire incident reporting assistance: To assist States in the establishment and operation of a statewide fire incident and casualty reporting system (15 U.S.C. 2203-2219).

3. Public education assistance planning: Publications, audiovisual presentations and demonstrations, research, testing, and experimentation to determine the most effective means for such public education (15 U.S.C. 2205c).


**National Oceanic and Atmospheric Administration**

1. Assistance to States, educational institutions, and the commercial fishing industry for the development of tuna and other latent fisheries (16 U.S.C. 753a).

2. Assistance to States for the development and implementation of programs to protect and study certain species of marine mammals (16 U.S.C. 1379b).

3. Financial assistance to States with agencies which have entered into a cooperative agreement to assist in the preservation of threatened and endangered species (16 U.S.C. 1535).

4. Assistance to coastal States for the development of estuarine sanctuaries to serve as field laboratories and for acquiring access to public beaches (16 U.S.C. 1461).

5. Assistance to coastal States for the development, implementation, and administration of coastal zone management programs (16 U.S.C. 1454-1455).

6. Assistance to coastal States to help communities in dealing with the economic, social, and environmental consequences resulting from expanded coastal energy activity (16 U.S.C. 1456).

7. Authority to enter into cooperative agreements with “colleges and universities, with game and fish departments of the several States, and with nonprofit organizations relating to cooperative research units.” Assistance limited to assignment of personnel, supplies, and incidental expenses (16 U.S.C. 753a and b).


11. Authority to cooperate with and provide assistance to States in controlling jellyfish, etc. (16 U.S.C. 1201, 1202).

12. Authority to cooperate with and provide assistance to certain States and territories in the study and control of “Crown of Thorns” starfish (16 U.S.C. 1211-1213).


14. Fish research and experimentation program cooperation with other agencies in acquisition of lands, construction of buildings, employment of personnel in establishing and maintaining research stations (16 U.S.C. 778a).


16. Assistance to State projects designed for the research and development of commercial fisheries resources of the nation (16 U.S.C. 779a-779f).

17. Assistance to State and other non-Federal interests under cooperative agreements to conserve, develop, and enhance anadromous and Great Lakes Fisheries (16 U.S.C. 757a et seq.).

18. Grants and other assistance under the National Sea Grant College and Program Act of 1966: To support establishment of major university centers for marine research, education, training, and advisory services (33 U.S.C. 1121-1124).

19. Geodetic surveys and services; advisory services; dissemination of technical information (33 U.S.C. 883a).

20. Nautical charts assistance; advisory services; dissemination of technical information (33 U.S.C. 883a).


**National Telecommunications and Information Administration**

1. Grants for the planning and construction of public telecommunications facilities for
the production and distribution of non-commercial educational and cultural radio and television programming and related instructional and informational materials.


Office of Minority Business Enterprise

Regional Action Planning Commissions
1. Supplemental grants to Federal grant-in-aid programs and technical assistance funds for planning, investigations, studies, training programs, and demonstration projects, including demonstrations in energy, transportation, health and nutrition, education and indigenous arts and crafts (title V of the Public Works and Economic Development Act of 1965, as amended, 42 U.S.C. 3181-3196).

United States Travel Service
1. Assistance to strengthen the domestic and foreign commerce of the United States, and to promote friendly understanding and appreciation of the United States by encouraging foreign residents to visit the United States (22 U.S.C. 2121 et seq.).

Departmentwide

II. A PRIMARY OBJECTIVE OF THE FINANCIAL ASSISTANCE AUTHORIZED BY THE FOLLOWING STATUTES, ALREADY LISTED ABOVE IN APPENDIX AI, IS TO PROVIDE EMPLOYMENT


15 CFR Subtitle A (1-1-98 Edition)

PART 8a—[RESERVED]

PART 8b—PROHIBITION OF DISCRIMINATION AGAINST THE HANDICAPPED IN FEDERALLY ASSISTED PROGRAMS OPERATED BY THE DEPARTMENT OF COMMERCE

Subpart A—General Provisions
Sec.
8b.1 Purpose.
8b.2 Application.
8b.3 Definitions.
8b.4 Discrimination prohibited.
8b.5 Assurances required.
8b.6 Remedial action, voluntary action, and self-evaluation.
8b.7 Designation of responsible employee and adoption of grievance procedures.
8b.8 Notice.
8b.9 Administrative requirements for small recipients.
8b.10 Effect of state or local law or other requirements and effect of employment opportunities.

Subpart B—Employment Practices
8b.11 Discrimination prohibited.
8b.12 Reasonable accommodation.
8b.13 Employment criteria.
8b.14 Preemployment inquiries.
8b.15 Employment on ships.

Subpart C—Program Accessibility
8b.16 Discrimination prohibited.
8b.17 Existing facilities.
8b.18 New construction.

Subpart D—Post Secondary Education
8b.19 Application of this subpart.
8b.20 Admission and recruitment.
8b.21 Treatment of students.
8b.22 Academic adjustments.
8b.23 Housing provided by the recipient.
8b.24 Financial and employment assistance to students.
8b.25 Nonacademic services.

Subpart E—Procedures
8b.26 Procedures.


Source: 47 FR 17746, Apr. 23, 1982, unless otherwise noted.
Subpart A—General Provisions

§ 8b.1 Purpose.

Section 504 of the Rehabilitation Act of 1973, as amended, prohibits discrimination on the basis of handicap in any program or activity receiving or benefiting from Federal financial assistance. The purpose of this part is to implement section 504 with respect to programs and activities receiving or benefiting from Federal financial assistance from the Department of Commerce.

§ 8b.2 Application.

This part applies to each recipient of Federal financial assistance from the Department of Commerce and to each program receiving or benefiting from such assistance. The requirements of this part do not apply to the ultimate beneficiaries of Federal financial assistance in the program receiving Federal financial assistance.

§ 8b.3 Definitions.

As used in this part, the term:


(b) Applicant for assistance means one who submits an application, request, or plan required to be approved by a Department official or by a recipient as a condition to becoming a recipient.

(c) Department means the Department of Commerce and any of its constituent units authorized to provide Federal financial assistance.

(d) Facility means all or any portion of buildings, ships, structures, equipment, roads, walks, parking lots, industrial parks, or other real or personal property or interest in such property.

(e) Federal financial assistance means any grant, loan, contract (other than a procurement contract or a contract of insurance or guarantee), or any other arrangement by which the Department provides or otherwise makes available assistance in the form of:

1. Funds;
2. Services of Federal personnel; or
3. Real and personal property or any interest in or use of such property, including:
   (i) Transfers or leases of such property for less than fair market value or for reduced consideration; and
   (ii) Proceeds from a subsequent transfer or lease of such property if the Federal share of its fair market value is not returned to the Federal Government.

(f) Handicap means any condition or characteristic that renders a person a handicapped person as defined in paragraph (g) of this section.

(g) “Handicapped person.”

(1) Handicapped person means any person who:
   (i) Has a physical or mental impairment which substantially limits one or more major life activities;
   (ii) Has a record of such an impairment; or
   (iii) Is regarded as having such an impairment.

(2) For purposes of employment, the term “handicapped person” does not include any person who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents that individual from performing the duties of the job in question, or whose employment, because of current alcohol or drug abuse, would constitute a direct threat to property or to the safety of others.

(3) As used in paragraph (g)(1) of this section, the phrase:
   (i) Physical or mental impairment means:
      (A) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: Neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or
      (B) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities;
   (C) The term “physical or mental impairment” includes, but is not limited...
to, such diseases and conditions as orthopedic, visual speech and hearing impairments, cerebral palsy, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

(ii) Major life activities means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, working, and receiving education or vocational training.

(iii) Has a record of such an impairment means that the individual has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

(iv) Is regarded as having an impairment means that the individual:
   (A) Has a physical or mental impairment that does not substantially limit major life activities, but that is treated by a recipient as constituting such a limitation;
   (B) Has a physical or mental impairment that substantially limits major life activities only as a result of the attitudes of others toward such impairment; or
   (C) Has none of the impairments defined in paragraph (g)(3)(i) of this section, but is treated by a recipient as having such an impairment.

(h) Qualified handicapped person means:
   (1) With respect to employment, a handicapped person who meets the essential eligibility requirements for the receipt of such services.
   (2) With respect to post secondary and vocational education services, a handicapped person who meets the academic and technical standards requisite to admission or participation in the recipient's education program or activity;
   (3) With respect to other services, a handicapped person who meets the essential eligibility requirements for the receipt of such services.

(i) Recipient means any State or its political subdivisions, any instrumentality of a State or its political subdivisions, any public or private agency, institution, organization, or other entity, or any person to which Federal financial assistance is extended directly or indirectly through another recipient, or including any successor, assignee, or transferee of a recipient, but excluding the ultimate beneficiary of the assistance.

(j) Secretary means the Secretary of Commerce, U.S. Department of Commerce.

(k) Section 504 means section 504 of the Act.

(l) Small recipient means a recipient who serves fewer than 15 beneficiaries and who employs fewer than 15 employees at all times during a grant year.

§ 8b.4 Discrimination prohibited.

(a) General. No qualified handicapped individual shall, on the basis of handicap, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity that receives or benefits from Federal financial assistance.

(b) Discriminatory actions prohibited.

(i) A recipient, in providing any aid, benefit, or service, may not, directly or through contractual, licensing, or other arrangements, on the basis of handicap:
   (i) Deny a qualified handicapped individual the opportunity to participate in or benefit from the aid, benefit, or service;
   (ii) Afford a qualified handicapped individual an opportunity to participate in or benefit from the aid, benefit, or service that is not equal to that afforded others;
   (iii) Provide a qualified handicapped individual with any aid, benefit, or service that is not as effective as that provided to others;
   (iv) Provide different or separate aid, benefits, or services to handicapped individuals or to any class of handicapped individuals, unless such action is necessary to provide qualified handicapped individuals with aid, benefits, or services that are as effective as those provided to others;
   (v) Aid or perpetuate discrimination against a qualified handicapped individual by providing significant assistance to an agency, organization, or person that discriminates on the basis...
of handicap in providing any aid, benefit, or service to beneficiaries of the recipient's program;

(vi) Deny a qualified handicapped individual the opportunity to participate as a member of planning or advisory boards; or

(vii) Otherwise limit a qualified handicapped individual in the enjoyment of any right, privilege, advantage, or opportunity enjoyed by others receiving any aid, benefits, or services.

(2) For purposes of this part, aid, benefits, and services must afford handicapped individuals an equal opportunity to obtain the same result, to gain the same benefit, or to reach the same level of achievement as afforded to others, in the most integrated setting appropriate to the individual's needs. However, aid, benefits and services, to be equally effective, need not produce the identical result or level of achievement for handicapped and non-handicapped individuals.

(3) A recipient may not deny a qualified handicapped individual the opportunity to participate in its regular programs or activities, despite the existence of separate or different programs or activities which are established in accordance with this part.

(4) A recipient may not, directly or through contractual or other arrangements, use criteria or methods of administration:

(i) That have the effect of subjecting qualified handicapped individuals to discrimination on the basis of handicap;

(ii) That have the purpose or effect of defeating or substantially impairing accomplishment of the objectives of the recipient's program with respect to handicapped individuals; or

(iii) That perpetuate the discrimination of another recipient if both recipients are subject to common administrative control or are agencies of the same state.

(5) In determining the geographic site or location of a facility, an applicant for assistance or a recipient may not make selections:

(i) That have the effect of excluding handicapped individuals from, denying them the benefit of, or otherwise subjecting them to discrimination under any program or activity that receives or benefits from Federal financial assistance; or

(ii) That have the purpose or effect of defeating or substantially impairing the accomplishment of the objectives of the program or activity with respect to handicapped individuals.

(6) As used in this section, the aid, benefit, or service provided under a program or activity receiving or benefiting from Federal financial assistance includes any aid, benefit, or service provided in or through a facility that has been constructed, expanded, altered, leased, rented or otherwise acquired, in whole or in part, with Federal financial assistance.

(7)(i) In providing services under programs of Federal financial assistance, recipients to which this subpart applies, except small recipients, shall ensure that no handicapped participant is denied the benefits of, excluded from participation in, or otherwise subjected to discrimination under the program or activity operated by the recipient because of the absence of auxiliary aids for participants with impaired sensory, manual or speaking skills. A recipient shall operate each program or activity to which this subpart applies so that, when viewed in its entirety, auxiliary aids are readily available. The Secretary may require small recipients to provide auxiliary aids in order to ensure that no handicapped participant is denied the benefits of, excluded from participation in, or otherwise subjected to discrimination under the program or activity operated by small recipients, when this would not significantly impair the ability of the small recipient to provide benefits or services.

(ii) Auxiliary aids may include brailled and taped materials, interpreters, telecommunications devices, or other equally effective methods of making orally delivered information available to persons with hearing impairments, readers for persons with visual impairments, equipment adapted for use by persons with manual impairments, and other similar devices and actions. Recipients need not provide attendants, individually prescribed devices, readers for personal use or study, or other devices or services of a personal nature.
§ 8b.5

(c) Programs limited by Federal law. The exclusion of non-handicapped persons from the benefits of a program limited by Federal statute or Executive order to handicapped individuals, or the exclusion of a specific class of handicapped individuals from a program limited by Federal statute or Executive order to a different class of handicapped individuals is not prohibited by this part.

(d) Integrated setting. Recipients shall administer programs and activities in the most integrated setting appropriate to the needs of qualified handicapped individuals.

(e) Communications with individuals with impaired vision and hearing. Recipients shall ensure that communications with their applicants, employees and beneficiaries are available to persons with impaired vision or hearing. Appropriate modes of communication may include braille, enlarged type, sign language and telecommunications devices.

§ 8b.5 Assurances required.

(a) Assurances. An applicant for Federal financial assistance for a program or activity to which this part applies shall submit an assurance, on a form specified by the Secretary, that the program will be operated in compliance with this part. An applicant may incorporate these assurances by reference in subsequent applications to the Department.

(b) Duration of obligation. (1) In the case of Federal financial assistance extended in the form of real property or structures on the property, the assurance will obligate the recipient or, in the case of a subsequent transfer, the transferee, for the period during which the real property or structures are used for the purpose for which Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits.

(2) Where no transfer or property is involved but property is purchased or improved with Federal financial assistance, the recipient shall agree to include the covenant described in paragraph (c)(1) of this section in the instrument effecting or recording any subsequent transferee of the property.

(3) Where Federal financial assistance is provided in the form of real property or interest in the property from the Department, the instrument effecting or recording this transfer shall contain a covenant running with the land to assure non-discrimination for the period during which the real property is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.

(c) Covenants. (1) Where Federal financial assistance is provided in the form of real property or interest in the property from the Department, the instrument effecting or recording this transfer shall contain a covenant running with the land to assure non-discrimination for the period during which the real property is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.

(2) Where no transfer or property is involved but property is purchased or improved with Federal financial assistance, the recipient shall agree to include the covenant described in paragraph (c)(1) of this section in the instrument effecting or recording any subsequent transferee of the property.

(3) Where Federal financial assistance is provided in the form of real property or interest in the property from the Department, the covenant shall include a condition coupled with a right to be reserved by the Department to revert title to the property in the event of a breach of the covenant. If a transferee of real property proposed to mortgage or otherwise encumber the real property as security to finance construction of new, or improvement of existing, facilities on the property for the purposes for which the property was transferred, the Secretary may enter into only upon the request of the transferee (recipient) if it is necessary to accomplish such financing and upon such terms and conditions as the Secretary deems appropriate.

(d) Interagency agreements. Where funds are granted by the Department to another Federal agency to carry out a program under a law administered by the Department, and where the grant obligates the recipient agency to comply with the rules and regulations of the Department applicable to that grant the provisions of this part shall
apply to programs and activities operated with such funds.

§ 8b.6 Remedial action, voluntary action, and self-evaluation.

(a) Remedial action. (1) If the Secretary finds that a recipient has discriminated against persons on the basis of handicap in violation of section 504 or this part, the recipient shall take such remedial action as the Secretary deems necessary to overcome the effects of the discrimination.

(2) Where a recipient is found to have discriminated against persons on the basis of handicap in violation of section 504 or this part and where another recipient exercises control over the recipient that has discriminated, the Secretary, where appropriate, may require either or both recipients to take remedial action.

(3) The Secretary may, where necessary to overcome the effects of discrimination in violation of section 504 or this part, require a recipient to take remedial action:

(i) With respect to handicapped individuals who would have been participants in the program had the discrimination not occurred; and

(ii) With respect to handicapped persons who are no longer participants in the recipient’s program, but who were participants in the program when the discrimination occurred; and

(iii) with respect to employees and applicants for employment.

(b) Voluntary action. A recipient may take steps, in addition to any action that is required by this part, to overcome the effects of conditions that resulted in limited participation in the recipient’s program or activity by qualified handicapped individuals.

(c) Self-evaluation. (1) A recipient shall, within one year of the effective date of this part:

(i) Evaluate, with the assistance of interested persons, including handicapped individuals or organizations representing handicapped individuals, its current policies and practices and the effects thereof that do not or may not meet the requirements of this part; and

(ii) Modify, after consultation with interested persons, including handicapped individuals or organizations representing handicapped individuals, any policies and practices that do not meet the requirements of this part; and

(iii) Take, after consultation with interested persons, including handicapped individuals or organizations representing handicapped individuals, appropriate remedial steps to eliminate the effects of any discrimination that resulted from adherence to these policies and practices.

(2) A recipient, other than a small recipient, shall for at least three years following completion of the evaluation required under paragraph (c)(1) of this section, maintain on file, make available for public inspection, and provide to the Secretary upon request:

(i) A list of the interested persons consulted;

(ii) A description of areas examined and any problems identified; and

(iii) A description of any modifications made and of any remedial steps taken.

(3) The Secretary may, as he or she deems necessary, direct recipients to conduct additional self-evaluations, in accordance with the requirements of paragraph (c)(1) of this section.

(Approved by the Office of Management and Budget under control number 0605–0006)

[47 FR 17746, Apr. 23, 1982, as amended at 47 FR 35472, Aug. 16, 1982]

§ 8b.7 Designation of responsible employee and adoption of grievance procedures.

(a) Designation of responsible employee. A recipient, other than a small recipient, shall designate at least one person to coordinate its efforts to comply with this part.

(b) Adoption of grievance procedures. A recipient, other than a small recipient, shall adopt grievance procedures that incorporate appropriate due process standards and that provide for the prompt and equitable resolution of complaints alleging any action prohibited by this part. Such procedures need not be established with respect to complaints from applicants for employment or from applicants for admission to post secondary educational institutions.
§ 8b.8 Notice.

(a) A recipient, other than a small recipient, shall take appropriate initial and continuing steps to notify participants, beneficiaries, applicants and employees, including those with impaired vision or hearing, and unions or professional organizations holding collective bargaining or professional agreements with the recipient, that it does not discriminate on the basis of handicap in violation of Section 504 and of this part. The notification shall state, where appropriate, that the recipient does not discriminate in the admission or access to, or treatment or employment in, its programs and activities. The notification shall also include an identification of the responsible employee designated pursuant to §8b.7(a).

A recipient shall make the initial notification required by this paragraph within 90 days of the effective date of this part. Methods of initial and continuing notification may include the posting of notices, publications in newspapers and magazines, placement of notices in recipient's publications, and distribution of memoranda or other written communication. A recipient shall take appropriate steps to ensure that notice is available to persons with impaired vision or hearing.

(b) If a recipient publishes or uses recruitment materials or publications containing general information made available to participants, beneficiaries, applicants, or employees, it shall include in those materials or publications a statement of the policy described in paragraph (a) of this section. A recipient may meet the requirement of this paragraph either by including appropriate inserts in existing materials and publications, or by revising and reprinting the materials and publications.

§ 8b.9 Administrative requirements for small recipients.

The Secretary may require small recipients to comply with §§8b.7 and 8b.8, in whole or in part, when the Secretary finds a violation of this part or finds that such compliance will not significantly impair the ability of the small recipient to provide benefits or services.

§ 8b.10 Effect of state or local law or other requirements and effect of employment opportunities.

(a) The obligation to comply with this part is not obviated or alleviated by the existence of any state or local law or other requirement that, on the basis of handicap, imposes prohibitions or limits upon the eligibility of qualified handicapped individuals to receive services, participate in programs, or practice any occupation or profession.

(b) The obligation to comply with this part is not obviated or alleviated because employment opportunities in any occupation or profession are or may be more limited for handicapped individuals than for nonhandicapped persons.

Subpart B—Employment Practices

§ 8b.11 Discrimination prohibited.

(a) General. (1) No qualified handicapped individual shall, on the basis of handicap, be subjected to discrimination in employment under any program or activity that receives or benefits from Federal financial assistance.

(2) A recipient shall make all decisions concerning employment under any program or activity to which this part applies in a manner which ensures that discrimination on the basis of handicap does not occur and may not limit, segregate, or classify applicants or employees in any way that adversely affects their opportunities or status because of handicap.

(3) A recipient may not participate in a contractual or other relationship that has the effect of subjecting qualified handicapped applicants or employees to discrimination prohibited by this subpart. The relationships referred to in this subparagraph include relationships with employment and referral agencies, with labor unions, with organizations providing or administering fringe benefits to employees of the recipient, and with organizations providing training and apprenticeship programs.

(b) Specific activities. The prohibition against discrimination in employment applies to the following activities:

(1) Recruitment, advertising and the processing of applicants for employment;
Office of the Secretary, Commerce

§ 8b.12 Reasonable accommodation.
(a) A recipient shall make reasonable accommodation to the known physical or mental limitations of an otherwise qualified handicapped applicant or employee unless the recipient can demonstrate that the accommodation would impose an undue hardship on the operation of its program.
(b) Reasonable accommodation may include:
(1) Making the facilities used by the employees in the area where the program is conducted, including common areas used by all employees such as hallways, restrooms, cafeterias and lounges, readily accessible to and usable by handicapped persons; and
(2) Job restructuring, part-time or modified work schedules, acquisition or modification of equipment or devices, the provision of readers or interpreters, and other similar actions.
(c) In determining pursuant to paragraph (a) of this section whether an accommodation would impose an undue hardship on the operation of a recipient’s program, factors to be considered include:
(1) The overall size of the recipient’s program with respect to number of employees, number of participants, number and type of facilities, and size of budget;
(2) The type of the recipient’s operation, including the composition and structure of the recipient’s workforce; and
(3) The nature and cost of the accommodation needed.
(d) A recipient may not deny any employment opportunity to a qualified handicapped employee or applicant if the basis for the denial is the need to make reasonable accommodation to the physical or mental limitations of the employee or applicant.
(e) Nothing in this paragraph shall relieve a recipient of its obligation to make its program accessible as required in subpart C of this part, or to provide auxiliary aids, as required by §8b.4(b)(7).

§ 8b.13 Employment criteria.
(a) A recipient may not make use of any employment test or other selection criterion that screens out or tends to screen out handicapped individuals or any class of handicapped individuals unless:
(1) The test score or other selection criterion, as used by the recipient, is shown to be job-related for the position in question; and
(2) Alternative job-related tests or criteria that do not screen out or tend to screen out as many handicapped individuals are not shown by the Secretary to be available.
(b) A recipient shall select and administer tests concerning employment so as best to ensure that, when administered to an applicant or employee who has a handicap that impairs sensory, manual, or speaking skills, the test results accurately reflect the applicant’s or employee’s job skills aptitude, or whatever factor the test purports to measure, rather than reflecting the applicant’s or employee’s impaired sensory, manual, or speaking skills (except where those skills are the factors that the test purports to measure).

§ 8b.14 Preemployment inquiries.
(a) Except as provided in paragraphs (b) and (c) of this section, a recipient may not conduct preemployment inquiry of an applicant for employment as to whether the applicant is a handicapped individual, or as to the nature or severity of a handicap. A recipient may, however, make preemployment inquiry into an applicant’s ability to perform job-related functions.
(b) When a recipient is taking remedial action to correct the effects of past discrimination pursuant to §8b.6(a), when a recipient is taking voluntary action to overcome the effects of conditions that resulted in limited participation in this federally assisted program or activity pursuant to §8b.6(b), or when a recipient is taking affirmative action pursuant to section 503 of the Act, the recipient may invite
§ 8b.15 Employment on ships.

No qualified handicapped individual possessing an appropriate license or certificate obtained from the United States Coast Guard pursuant to the requirements of 46 CFR 10.01-1 et seq. and 12.01-1 et seq. shall, on the basis of handicap, be subjected to discrimination in employment on ships under any program or activity to which this part applies.

Subpart C—Program Accessibility

§ 8b.16 Discrimination prohibited.

No qualified handicapped individual shall, because a recipient's facilities are inaccessible to or unusable by handicapped individuals, be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination under any program or activity to which this part applies.

§ 8b.17 Existing facilities.

(a) Program accessibility. A recipient shall operate each program or activity to which this part applies so that the program or activity, when viewed in its entirety, is readily accessible to qualified handicapped individuals. This paragraph does not require a recipient to make each of its existing facilities or every part of a facility accessible to and usable by qualified handicapped individuals. However, if a particular program is available in only one location, that site must be made accessible or the program must be made available at an alternative accessible site or sites. Program accessibility requires nonpersonal aids to make the program accessible to mobility impaired persons.

(b) Methods. A recipient may comply with the requirements of paragraph (a) of this section through such means as redesign of equipment, reassignment of classes or other services to accessible buildings, assignment of aides to beneficiaries, home visits, delivery of services at alternate accessible sites, alteration of existing facilities and construction of new facilities in conformance with the requirement of §8b.19, or any other method that results in making its program or activity accessible to handicapped individuals. A recipient is not required to make structural
changes in existing facilities where other methods are effective in achieving compliance with paragraph (a) of this section. In choosing among available methods for meeting the requirement of paragraph (a) of this section, a recipient shall give priority to those methods that offer programs and activities to handicapped individuals in the most integrated setting appropriate.

(c) If a small recipient finds, after consultation with a qualified handicapped individual seeking its services, that there is no method of complying with paragraph (a) of this section other than making a significant alteration in its existing facilities or facility, the small recipient may, as an alternative, refer the qualified handicapped individual to other providers of those services that are accessible at no additional cost to the handicapped.

(d) Time period. A recipient shall comply with the requirement of paragraph (a) of this section within 60 days of the effective date of this part. Where structural changes in facilities are necessary, such changes shall be made within three years of the effective date of this part, but in any event as expeditiously as possible.

(e) Transition plan. In the event that structural changes to facilities are necessary to meet the requirement of paragraph (a) of this section, a recipient shall develop, within six months of the effective date of this part, a transition plan setting forth the steps necessary to complete such changes. The plan shall be developed with the assistance of interested persons, including handicapped persons or organizations representing handicapped persons. A copy of the transition plan shall be made available for public inspection. The plan shall, at a minimum:

(1) Identify physical obstacles in the recipient's facilities that limit the accessibility of its program or activity to qualified handicapped individuals;

(2) Describe in detail the methods that will be used to make the facilities accessible;

(3) Specify the schedule for taking the steps necessary to achieve full program accessibility and, if the time period of the transition plan is longer than one year, identify the steps that will be taken during each year of the transition period; and

(4) Indicate the person responsible for implementation of the plan.

(f) Notice. The recipient shall adopt and implement procedures to ensure that interested persons, including persons with impaired vision or hearing, can obtain information as to the existence and location of services, activities and facilities that are accessible to and usable by qualified handicapped individuals.

(Approved by the Office of Management and Budget under control number 0605-0006)

[47 FR 17746, Apr. 23, 1982, as amended at 47 FR 35472, Aug. 16, 1982]

§ 8b.18 New construction.

(a) Design and construction. Each facility or part of a facility constructed by, on behalf of, or for the use of a recipient shall be designed and constructed in such manner that the facility or part of the facility is readily accessible to and usable by qualified handicapped individuals, if the construction was commenced after the effective date of this part.

(b) Alteration. Each facility or part of a facility which is altered by, on behalf of, or for the use of a recipient after the effective date of this part shall, to the maximum extent feasible, be altered in such manner that the altered portion of the facility is readily accessible to and usable by qualified handicapped individuals.

(c) Conformance with Uniform Federal Accessibility Standards. (1) Effective as of August 17, 1990, design, construction, or alteration of buildings in conformance with sections 3-8 of the Uniform Federal Accessibility Standards (UFAS) (Appendix A to 41 CFR subpart 101-19.6) shall be deemed to comply with the requirements of this section with respect to those buildings. Departures from particular technical and scoping requirements of UFAS by the use of other methods are permitted where substantially equivalent or greater access to and usability of the building is provided.

(2) For purposes of this section, section 4.1.6(1)(g) of UFAS shall be interpreted to exempt from the requirements of UFAS only mechanical rooms...
and other spaces that, because of their intended use, will not require accessibility to the public or beneficiaries or result in the employment or residence therein of persons with physical handicaps.

This section does not require recipients to make building alterations that have little likelihood of being accomplished without removing or altering a load-bearing structural member.

This section does not require recipients to make building alterations that have little likelihood of being accomplished without removing or altering a load-bearing structural member.


Subpart D—Post Secondary Education

§ 8b.19 Application of this subpart.

Subpart D applies to post secondary education programs and activities, including post secondary vocational education programs and activities, that receive or benefit from Federal financial assistance for the operation of, such programs or activities.

§ 8b.20 Admission and recruitment.

(a) General. Qualified handicapped may not, on the basis of handicap, be denied admission or be subjected to discrimination in admission or recruitment by a recipient to which this subpart applies.

(b) Admissions. In administering its admission policies, a recipient to which this subpart applies:

(1) May not apply limitations upon the number or proportion of handicapped individuals who may be admitted; and

(2) May not make use of any test or criterion for admission that has a disproportionate, adverse effect on handicapped individuals or any class of handicapped individuals unless:

(i) The test or criterion, as used by the recipient, has been validated as a predictor of success in the education program or activity in question; and

(ii) Alternate tests or criteria that have a less disproportionate, adverse effect are not shown by the Secretary to be available.

(3) Shall assure itself that (i) admissions tests are selected and administered so as best to ensure that, when a test is administered to an applicant who has a handicap that impairs sensory, manual, or speaking skills, the test results accurately reflect the applicant’s aptitude or achievement level of whatever other factor the test purports to measure, rather than reflecting the applicant’s impaired sensory, manual, or speaking skills (except where those skills are the factors that the test purports to measure); (ii) admissions tests that are designed for persons with impaired sensory, manual, or speaking skills are offered as often and in as timely a manner as are other admissions tests; and (iii) admissions tests are administered in facilities that, on the whole, are accessible to handicapped individuals; and

(4) Except as provided in paragraph (c) of this section, may not make pre-admission inquiry as to whether an applicant for admission is a handicapped individual but, after admission, may make inquiries on a confidential basis as to handicaps that may require accommodation.

(c) Pre-admission inquiry exception. When a recipient is taking remedial action to correct the effects of past discrimination pursuant to §8b.6(a) or when a recipient is taking voluntary action to overcome the effects of conditions that resulted in limited participation in its federally assisted program or activity pursuant to §8b.6(b), the recipient may invite applicants for admission to indicate whether and to what extent they are handicapped, Provided, That:

(1) The recipient states clearly on any written questionnaire used for this purpose or makes clear orally, if no written questionnaire is used, that the information requested is intended for use solely in connection with its remedial action obligations or its voluntary action efforts; and

(2) The recipient states clearly that the information is being requested on a voluntary basis, that refusal to provide it will not subject the applicant to any adverse treatment, and that it will be used only in accordance with this part.

(d) Validity studies. For the purpose of paragraph (b)(2) of this section, a recipient may base prediction equations on first year grades, but shall conduct periodic validity studies against the
criterion of overall success in the education program or activity in question in order to monitor the general validity of the test scores.

§ 8b.21 Treatment of students.

(a) General. No qualified handicapped student shall, on the basis of handicap, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any academic research, occupational training, housing, health insurance, counseling, financial aid, physical education, athletics, recreation, transportation, other extracurricular, or other post secondary education program or activity to which this subpart applies.

(b) A recipient to which this subpart applies that considers participation by students in education programs or activities not operated wholly by the recipient as part of, or equivalent to, education programs or activities operated by the recipient shall assure itself that the other education program or activity, as a whole, provides an equal opportunity for the participation of qualified handicapped persons.

(c) A recipient to which this subpart applies may not, on the basis of handicap exclude any qualified handicapped student from any course or study, or other part of its education program or activity.

(d) A recipient to which this subpart applies shall operate its programs and activities in the most integrated setting appropriate.

§ 8b.22 Academic adjustments.

(a) Academic requirements. A recipient to which this subpart applies shall make such modifications to its academic requirements as are necessary to ensure that such requirements do not discriminate or have the effect of discriminating, on the basis of handicap, against a qualified handicapped student from any course or study, or other part of its education program or activity.

(b) A recipient to which this subpart applies shall operate its programs and activities in the most integrated setting appropriate.

(c) Course examinations. In its course examinations or other procedures for evaluating student's academic achievement in its program, a recipient to which this subpart applies shall provide such methods for evaluating the achievement of students who have a handicap that impairs sensory, manual, or speaking skills as will best ensure that the results of the evaluation represents the student's achievement in the course, rather than reflecting the student's impaired sensory, manual, or speaking skills (except where such skills are the factors that the test purports to measure).

(d) Auxiliary aids. (1) A recipient to which this subpart applies shall ensure that no handicapped student is denied the benefits of, excluded from participation in, or otherwise subjected to discrimination under the education program or activity operated by the recipient because of the absence of educational auxiliary aids for students with impaired sensory, manual, or speaking skills. A recipient shall operate each program or activity to which this subpart applies so that, when viewed in its entirety, auxiliary aids are readily available.

(2) Auxiliary aids may include taped text, interpreters or other effective methods of making orally delivered materials available to students with hearing impairments, readers in libraries for students with visual impairments, classroom equipment adapted for use by students with manual impairments, and other similar services and actions. Recipients need not provide attendants, individually prescribed devices, readers for personal use or study, or other devices or services of a personal nature.
§ 8b.23 Housing provided by the recipient.

(a) A recipient that provides housing to its nonhandicapped students shall provide comparable, convenient, and accessible housing to handicapped students at the same cost as to others. At the end of the transition period provided for in subpart C, such housing shall be available in sufficient quantity and variety so that the scope of handicapped students' choice of living accommodations is, as a whole, comparable to that of nonhandicapped students.

(b) Other housing. A recipient that assists any agency, organization, or person in making housing available to any of its students shall take such action as may be necessary to assure itself that such housing is, as a whole, made available in a manner that does not result in discrimination on the basis of handicap.

§ 8b.24 Financial and employment assistance to students.

(a) Provision of financial assistance. (1) In providing financial assistance to qualified handicapped individuals, a recipient to which this subpart applies may not (i) on the basis of handicap, provide less assistance than is provided to nonhandicapped persons, limit eligibility for assistance, or otherwise discriminate or (ii) assist any entity or person that provides assistance to any of the recipient's students in a manner that discriminates against qualified handicapped individuals. (2) A recipient may offer to handicapped students physical education and athletic activities that are separate or different only if separation of differentiation is consistent with the requirements of §8b.22(d) and only if no qualified handicapped student is denied the opportunity to compete for teams or to participate in courses that are not separate or different.

(b) Counseling and placement services. A recipient to which this subpart applies that provides personal, academic, or vocational counseling guidance, or placement services to its students shall provide these services without discrimination on the basis of handicap. The recipient shall ensure that qualified handicapped students are not counseled toward more restrictive career objectives than are nonhandicapped students with similar interests and abilities. This requirement does not preclude a recipient from providing factual information about licensing and certification requirements that may present obstacles to handicapped persons in their pursuit of particular careers.

(c) Social organizations. A recipient that provides significant assistance to fraternities, sororities, or similar organizations shall assure itself that the membership practices of such organizations do not permit discrimination otherwise prohibited by this subpart.

§ 8b.25 Nonacademic services.

(a) Physical education and athletics. (1) In providing physical education courses and athletics and similar programs and activities to any of its students, a recipient to which this subpart applies may not discriminate on the basis of handicap. A recipient that offers physical education courses or that operates or sponsors intercollegiate, club, or intramural athletics shall provide to qualified handicapped students an equal opportunity for participation in these activities. (2) A recipient may offer to handicapped students physical education and athletic activities that are separate or different only if separation of differentiation is consistent with the requirements of §8b.22(d) and only if no qualified handicapped student is denied the opportunity to compete for teams or to participate in courses that are not separate or different.

(b) Assistance in making available outside employment. A recipient that assists any agency, organization, or person in providing employment opportunities to any of its students shall assure itself that such employment opportunities, as a whole, are made available in a manner that would not violate subpart B if they were provided by the recipient.

(c) Employment of student by recipients. A recipient that employs any of its students may not do so in a manner that violates subpart B.
Office of the Secretary, Commerce

Subpart E—Procedures

§ 8b.26 Procedures.

The enforcement provisions applicable to Title VI of the Civil Rights Act of 1964 found at §§ 8.7 through 8.15 of this subtitle shall apply to this part.

PART 8c—ENFORCEMENT OF NON-DISCRIMINATION ON THE BASIS OF HANDICAP IN PROGRAMS OR ACTIVITIES CONDUCTED BY THE DEPARTMENT OF COMMERCE

§ 8c.1 Purpose.

This part effectuates section 119 of the Rehabilitation, Comprehensive Services, and Developmental Disabilities Amendments of 1978, which amended section 504 of the Rehabilitation Act of 1973 to prohibit discrimination on the basis of handicap in programs or activities conducted by Executive agencies or the United States Postal Service.

§ 8c.2 Application.

This part applies to all programs or activities conducted by the agency except for programs or activities conducted outside the United States that do not involve individuals with handicaps in the United States.

§ 8c.3 Definitions.

For purposes of this part, the term—Agency means the Department of Commerce.

Assistant Attorney General means the Assistant Attorney General, Civil Rights Division, United States Department of Justice.

Auxiliary aids means services or devices that enable persons with impaired sensory, manual, or speaking skills to have an equal opportunity to participate in, and enjoy the benefits of, programs or activities conducted by the agency. For example, auxiliary aids useful for persons with impaired vision include readers, Braille materials, audio recordings, and other similar services and devices. Auxiliary aids useful for persons with impaired hearing include telephone handset amplifiers, telephones compatible with hearing aids, telecommunication devices for deaf persons (TDD's), interpreters, notetakers, written materials, and other similar services and devices.

Complete complaint means a written statement that contains the complainant's name and address and describes the agency's alleged discriminatory action in sufficient detail to inform the agency of the nature and date of the alleged violation of section 504. It shall be signed by the complainant or by someone authorized to do so on his or her behalf. Complaints filed on behalf of classes or third parties shall describe or identify (by name, if possible) the alleged victims of discrimination.

Facility means all or any portion of buildings, structures, equipment, roads, walks, parking lots, rolling stock or other conveyances, or other real or personal property.

Individual with handicaps means any person who has a physical or mental impairment that substantially limits one or more major life activities, has a record of such an impairment, or is regarded as having such an impairment. As used in this definition, the phrase:

(1) "Physical or mental impairment" includes—

(i) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of...
the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genitourinary; hemic and lymphatic; skin; and endocrine; or

(ii) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term “physical or mental impairment” includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech, and hearing impairments, cerebral palsy, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, and drug addiction and alcoholism.

(2) “Major life activities” includes functions such as caring for one’s self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working.

(3) “Has a record of such an impairment” means a history of, or has been classified as having, a mental or physical impairment that substantially limits one or more major life activities.

(4) “Is regarded as having an impairment” means—

(i) Has a physical or mental impairment that does not substantially limit major life activities but is treated by the agency as constituting such a limitation;

(ii) Has a physical or mental impairment that substantially limits major life activities only as a result of the attitudes of others towards such impairment; or

(iii) Has none of the impairments defined in subparagraph (1) of this definition but is treated by the agency as having such an impairment.

Qualified individual with handicaps means—

(i) With respect to any agency program or activity under which a person is required to perform services or to achieve a level of accomplishment, an individual with handicaps who meets the essential eligibility requirements and who can achieve the purpose of the program or activity without modifications in the program or activity that the agency can demonstrate would result in a fundamental alteration in its nature;

(ii) With respect to any other program or activity, an individual with handicaps who meets the essential eligibility requirements for participation in, or receipt of benefits from, that program or activity; and

(iii) “Qualified handicapped person” as that term is defined for purposes of employment in 29 CFR 1613.702(f), which is made applicable to this part by §8c.40.


§§ 8c.4–8c.9 [Reserved]

§8c.10 Self-evaluation.

(a) The agency shall, by July 26, 1989, evaluate its current policies and practices, and the effects thereof, that do not or may not meet the requirements of this part, and, to the extent modification of any such policies and practices is required, the agency shall proceed to make the necessary modifications.

(b) The agency shall provide an opportunity to interested persons, including individuals with handicaps or organizations representing individuals with handicaps, to participate in the self-evaluation process by submitting comments (both oral and written).

(c) The agency shall, until three years following the completion of the self-evaluation, maintain on file and make available for public inspection:

(1) A description of areas examined and any problems identified, and

(2) A description of any modifications made.
§ 8c.11 Notice.

The agency shall make available to employees, applicants, participants, beneficiaries, and other interested persons such information regarding the provisions of this part and its applicability to the programs or activities conducted by the agency, and make such information available to them in such manner as the Secretary of Commerce or the Secretary's designee finds necessary to apprise such persons of the protections against discrimination assured them by section 504 and this regulation.

§§ 8c.12–8c.29 [Reserved]

§ 8c.30 General prohibitions against discrimination.

(a) No qualified individual with handicaps shall, on the basis of handicap, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity conducted by the agency.

(b)(1) The agency, in providing any aid, benefit, or service, may not, directly or through contractual, licensing, or other arrangements, on the basis of handicap—

(i) Deny a qualified individual with handicaps the opportunity to participate in or benefit from the aid, benefit, or service;

(ii) Afford a qualified individual with handicaps an opportunity to participate in or benefit from the aid, benefit, or service that is not equal to that afforded others;

(iii) Provide a qualified individual with handicaps with an aid, benefit, or service that is not as effective in affording equal opportunity to obtain the same result, to gain the same benefit, or to reach the same level of achievement as that provided to others;

(iv) Provide different or separate aid, benefits, or services to individuals with handicaps or to any class of individuals with handicaps than is provided to others unless such action is necessary to provide qualified individuals with handicaps with aid, benefits, or services that are as effective as those provided to others;

(v) Deny a qualified individual with handicaps the opportunity to participate as a member of a planning or advisory board; or

(vi) Otherwise limit a qualified individual with handicaps in the enjoyment of any right, privilege, advantage, or opportunity enjoyed by others receiving the aid, benefit, or service.

(2) The agency may not deny a qualified individual with handicaps the opportunity to participate in programs or activities that are not separate or different, despite the existence of permissibly separate or different programs or activities.

(3) The agency may not, directly or through contractual or other arrangements, utilize criteria or methods of administration the purpose or effect of which would—

(i) Subject qualified individuals with handicaps to discrimination on the basis of handicaps; or

(ii) Defeat or substantially impair accomplishment of the objectives of a program or activity with respect to individuals with handicaps.

(4) The agency may not, in determining the site or location of a facility, make selections the purpose or effect of which would—

(i) Exclude individuals with handicaps from, deny them the benefits of, or otherwise subject them to discrimination under any program or activity conducted by the agency; or

(ii) Defeat or substantially impair the accomplishment of the objectives of a program with respect to individuals with handicaps.

(5) The agency, in the selection of procurement contractors, may not use criteria that subject qualified individuals with handicaps to discrimination on the basis of handicap.

(6) The agency may not administer a licensing or certification program in a manner that subjects qualified individuals with handicaps to discrimination on the basis of handicap.
(c) The exclusion of nonhandicapped persons from the benefits of a program limited by Federal statute or Executive order to individuals with handicaps or the exclusion of a specific class of individuals with handicaps from a program limited by Federal statute or Executive order to a different class of individuals with handicaps is not prohibited by this part.

(d) The agency shall administer programs and activities in the most integrated setting appropriate to the needs of qualified individuals with handicaps.

§§ 8c.31–8c.39 [Reserved]

§ 8c.40 Employment.

No qualified individual with handicaps shall, on the basis of handicap, be subjected to discrimination in employment under any program or activity conducted by the agency. The definitions, requirements, and procedures of section 501 of the Rehabilitation Act of 1973 (29 U.S.C. 791), as established by the Equal Employment Opportunity Commission in 29 CFR Part 1613, shall apply to employment in federally conducted programs or activities.

§§ 8c.41–8c.48 [Reserved]

§ 8c.49 Program accessibility: Discrimination prohibited.

Except as otherwise provided in §8c.50, no qualified individual with handicaps shall, because the agency’s facilities are inaccessible to or unusable by individuals with handicaps, be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination under any program or activity conducted by the agency.

§ 8c.50 Program accessibility: Existing facilities.

(a) General. The agency shall operate each program or activity so that the program or activity, when viewed in its entirety, is readily accessible to and usable by individuals with handicaps. This paragraph does not—

(1) Necessarily require the agency to make each of its existing facilities accessible to and usable by individuals with handicaps; or

(2) Require the agency to take any action that it can demonstrate would result in a fundamental alteration in the nature of a program or activity or in undue financial and administrative burdens. In those circumstances where agency personnel believe that the proposed action would fundamentally alter the program or activity or would result in undue financial and administrative burdens, the agency has the burden of proving that compliance with section §8c.50(a) would result in such alteration or burdens. The decision that compliance would result in such alteration or burdens must be made by the Secretary of Commerce or the Secretary’s designee after considering all agency resources available for use in the funding and operation of the conducted program or activity, and must be accompanied by a written statement of the reasons for reaching that conclusion. If an action would result in such an alteration or such burdens, the agency shall take any other action that would not result in such an alteration or such burdens but would nevertheless ensure that individuals with handicaps receive the benefits and services of the program or activity.

(b) Methods. The agency may comply with the requirements of this section through such means as redesign of equipment, reassignment of services to accessible buildings, assignment of aides to beneficiaries, home visits, delivery of services at alternate accessible sites, alteration of existing facilities and construction of new facilities, use of accessible rolling stock, or any other methods that result in making its programs or activities readily accessible to and usable by individuals with handicaps. The agency is not required to make structural changes in existing facilities where other methods are effective in achieving compliance with this section. The agency, in making alterations to existing buildings, shall meet accessibility requirements to the extent compelled by the Architectural Barriers Act of 1968, as amended (42 U.S.C. 4151-4157), and any regulations implementing it. In choosing among available methods for meeting the requirements of this section, the agency shall give priority to those methods that offer programs and activities to qualified individuals with handicaps.
handicaps in the most integrated setting appropriate.

(c) Time period for compliance. The agency shall comply with the obligations established under this section by September 26, 1988, except that where structural changes in facilities are undertaken, such changes shall be made by July 26, 1991, but in any event as expeditiously as possible.

(d) Transition plan. In the event that structural changes to facilities will be undertaken to achieve program accessibility, the agency shall develop, by January 26, 1989, a transition plan setting forth the steps necessary to complete such changes. The agency shall provide an opportunity to interested persons, including individuals with handicaps or organizations representing individuals with handicaps, to participate in the development of the transition plan by submitting comments (both oral and written). A copy of the transition plan shall be made available for public inspection. The plan shall, at a minimum—

1. Identify physical obstacles in the agency’s facilities that limit the accessibility of its program or activities to individuals with handicaps;
2. Describe in detail the methods that will be used to make the facilities accessible;
3. Specify the schedule for taking the steps necessary to achieve compliance with this section and, if the time period of the transition plan is longer than one year, identify steps that will be taken during each year of the transition period; and
4. Indicate the official responsible for implementation of the plan.

§ 8c.51 Program accessibility: New construction and alterations.

Each building or part of a building that is constructed or altered by, on behalf of, or for the use of the agency shall be designed, constructed, or altered so as to be readily accessible to and usable by individuals with handicaps. The definitions, requirements, and standards of the Architectural Barriers Act (42 U.S.C. 4151–4157), as established in 41 CFR 101–19.600 to 101–19.607, apply to buildings covered by this section.
made by the Secretary of Commerce or the Secretary’s designee after considering all agency resources available for use in the funding and operation of the conducted program or activity, and must be accompanied by a written statement of the reasons for reaching that conclusion. If an action required to comply with this section would result in such an alteration or such burdens, the agency shall take any other action that would not result in such an alteration or such burdens but would nevertheless ensure that, to the maximum extent possible, individuals with handicaps receive the benefits and services of the program or activity.

§§ 8c.61—8.69 [Reserved]

§ 8c.70 Compliance procedures

(a) Except as provided in paragraph (b) of this section, this section applies to all allegations of discrimination on the basis of handicap in programs or activities conducted by the agency.

(b) The agency shall process complaints alleging violations of section 504 with respect to employment according to the procedures established by the Equal Employment Opportunity Commission in 29 CFR Part 1613 pursuant to section 501 of the Rehabilitation Act of 1973 (29 U.S.C. 791).

(c) The Chief of the Compliance Division shall be responsible for coordinating implementation of this section. Complaints may be sent to Chief, Compliance Division, Office of Civil Rights, Room 6012, Herbert C. Hoover Building, 14th and Constitution Avenue, Washington, DC, 20230.

(d) The agency shall accept and investigate all complete complaints for which it has jurisdiction. All complete complaints must be filed within 180 days of the alleged act of discrimination. The agency may extend this time period for good cause.

(e) If the agency receives a complaint over which it does not have jurisdiction, it shall promptly notify the complainant and shall make reasonable efforts to refer the complaint to the appropriate government entity.

(f) The agency shall notify the Architectural and Transportation Barriers Compliance Board upon receipt of any complaint alleging that a building or facility that is subject to the Architectural Barriers Act of 1968, as amended (42 U.S.C. 4151-4157), is not readily accessible to and usable by individuals with handicaps.

(g) Within 180 days of the receipt of a complete complaint for which it has jurisdiction, the agency shall notify the complainant of the results of the investigation in a letter containing—

(1) Findings of fact and conclusions of law;

(2) A description of a remedy for each violation found; and

(3) A notice of the right to appeal.

(h) Appeals of the findings of fact and conclusions of law or remedies must be filed by the complainant within 90 days of receipt from the agency of the letter required by §8c.70(g). The agency may extend this time for good cause.

(i) Timely appeals shall be accepted and processed by the Assistant Secretary for Administration.

(j) The Assistant Secretary for Administration shall notify the complainant of the results of the appeal within 60 days of the receipt of the request. If the Assistant Secretary for Administration determines that additional information is needed from the complainant, he or she shall have 60 days from the date of receipt of the additional information to make his or her determination on the appeal.

(k) The time limits cited in paragraphs (g) and (j) of the section may be extended with the permission of the Assistant Attorney General.

(l) The agency may delegate its authority for conducting complaint investigations to other Federal agencies, except that the authority for making the final determination may not be delegated to another agency.

[53 FR 19277, May 27, 1988; 53 FR 25722, July 8, 1988]

PART 9—PROCEDURES FOR A VOLUNTARY LABELING PROGRAM FOR HOUSEHOLD APPLIANCES AND EQUIPMENT TO EFFECT ENERGY CONSERVATION

Sec.
9.0 Purpose.
9.1 Goal of program.
9.2 Definitions.
9.3 Appliances and equipment included in
Office of the Secretary, Commerce § 9.3

program.

9.4 Development of voluntary energy conservation specifications.

9.5 Participation of manufacturers.

9.6 Termination of participation.

9.7 Department of Commerce energy conservation mark.

9.8 Amendment or revision of voluntary energy conservation specifications.

9.9 Consumer education.

9.10 Coordination with State and local programs.

9.11 Annual report.


Source: 38 FR 29574, Oct. 26, 1973, unless otherwise noted.

§ 9.0 Purpose.

The purpose of this part is to establish procedures relating to the Department's voluntary labeling program for household appliances and equipment to promote and effect energy conservation.

§ 9.1 Goal of program.

(a) This program was initiated in response to the direction of President Nixon in his 1973 Energy Message that the Department of Commerce in cooperation with the Council on Environmental Quality and the Environmental Protection Agency develop a voluntary labeling program which would apply to energy-consuming home appliances.

(b) The goal of this program is to encourage manufacturers to provide consumers, at the point of sale, with information on the energy consumption and energy efficiency of household appliances and equipment. Such information, presented in a uniform manner readily understandable to consumers, would be displayed on labels attached to or otherwise provided with the appliances or equipment. The labels will include a system intended to make it possible for consumers to compare by cost or otherwise the energy consumption and energy efficiency characteristics when purchasing household appliances and equipment and to select those that can effect savings in energy consumption.

§ 9.2 Definitions.

(a) The term Secretary means the Secretary of Commerce.

(b) The term manufacturer means any person engaged in the manufacturing or assembling of new appliances or equipment in the United States, or in the importing of such products for sale or resale, or any person whose brand or trademark appears on such products who owns such brand or trademark and has authorized its use on such products, if the brand or trademark of the person actually manufacturing or assembling the products does not appear on the products.

(c) The term energy consumption means the energy resources used by appliances or equipment under conditions of use approximating actual operating conditions insofar as practical as determined through test procedures contained or identified in a final Voluntary Energy Conservation Specification published under §9.4(e).

(d) The term energy efficiency means the energy use of appliances or equipment relative to their output of services, as determined through test procedures contained or identified in a final Voluntary Energy Conservation Specification published under §9.4(e).

(e) The term consumer means the first person who purchases a new appliance or item of equipment for purposes other than resale.

(f) The term class of appliance or equipment means a group of appliances or equipment whose functions or features are similar, and whose functional output covers a range that may be of interest to consumers.

(g) The term Specification means a Voluntary Energy Conservation Specification developed under §9.4.

(h) The term Label means printed matter affixed to or otherwise provided with appliances or equipment and meeting all the requirements called for in a Voluntary Energy Conservation Specification published under §9.4(e).


§ 9.3 Appliances and equipment included in program.

The appliances and equipment included in this program are room and
§ 9.4 Development of voluntary energy conservation specifications.

(a) The Secretary in cooperation with appropriate Federal agencies and in cooperation with affected manufacturers, distributors, retailers, consumers, environmentalists, and other interested parties shall develop proposed Specifications for the specific classes of appliances and equipment covered under § 9.3.

(b) Each Specification shall as a minimum include:

(1) A description of the class of appliance or equipment covered by the Specification, listing the distribution of energy efficiencies for that class of appliance or equipment.

(2) Listings or descriptions of test methods to be used in measuring the energy consumption and/or energy efficiency characteristics of the class of appliance or equipment.

(3) A prototype Label and directions for displaying the Label on or with appliances or equipment of that class. The Label shall be prominent, readable, and visible and shall include information that will assist the consumer in comparing by cost or otherwise the energy consumption and/or energy efficiency characteristics of a particular appliance or item of equipment with all others in its class. The Label shall also include the Department of Commerce Energy Conservation Mark specified in § 9.7.

(4) Conditions for the participation of manufacturers in the program.

(c) The test methods listed or described in the Specification pursuant to § 9.4(b)(2) shall be those described in existing nationally-recognized voluntary standards where such methods are appropriate. Where appropriate test methods do not so exist, they will be developed by the Department of Commerce in cooperation with interested parties.

(d) The Secretary upon development of a proposed Specification shall publish in the Federal Register a notice giving the complete text of the proposed Specification, and any other pertinent information, and inviting any interested person to submit written comments on the proposed Specification within 30 days after its publication in the Federal Register, unless another time limit is provided by the Secretary. Interested persons wanting to express their views in an informal hearing may do so if, within 15 days after the proposed Specification is published in the Federal Register, they request the Secretary to hold a hearing. Such informal hearings shall be held so as to give all interested persons opportunity for the oral presentation of data, views, or arguments in addition to the opportunity to make written submissions. Notice of such hearings shall be published in the Federal Register. A transcript shall be kept of any oral presentations.

(e) The Secretary, after consideration of all written and oral comments and other materials received in accordance with paragraph (d) of this section, shall publish in the Federal Register within 30 days after the final date for receipt of comments, or as soon as practicable thereafter, a notice either:

(1) Giving the complete text of a final Specification, including conditions of use, and stating that any manufacturer of appliances or equipment in the class concerned desiring voluntarily to use the Label and Energy Conservation Mark with such appliances or equipment must advise the Department of Commerce; or

(2) Stating that the proposed Specification will be further developed before final publication; or

(3) Withdrawing the proposed Specification from further consideration.

§ 9.5 Participation of manufacturers.

(a) Manufacturers desiring to participate in this program will so notify the
§ 9.9 Consumer education.

The Department of Commerce, in close cooperation and coordination with interested Government agencies, appropriate industry trade associations and industry members, and interested consumers and environmentalists shall complete with all information required to be displayed at the point of retail sale, is shown legibly.

§ 9.6 Termination of participation.

(a) The Department of Commerce upon finding that a manufacturer is not complying with the conditions of participation set out in these procedures or in a Specification may terminate upon 30 days notice the manufacturer’s participation in the program; Provided, That the manufacturer shall first be given an opportunity to show cause why the participation should not be terminated. Upon receipt of a notice of termination, a manufacturer may request within 30 days a hearing under the provisions of 5 U.S.C. 558.

(b) A manufacturer may at any time terminate his participation and responsibilities under this program with regard to a specific class of products by giving written notice to the Secretary that he has discontinued use of the Label and Energy Conservation Mark for all appliances or equipment within that class.

§ 9.7 Department of Commerce energy conservation mark.

The Department of Commerce shall develop an Energy Conservation Mark which shall be registered in the U.S. Patent Office under 15 U.S.C. 1054 for use on each Label described in a Specification.

§ 9.8 Amendment or revision of voluntary energy conservation specifications.

The Secretary may by order amend or revise any Specification published under § 9.4. The procedure applicable to the establishment of a Specification under § 9.4 shall be followed in amending or revising such Specification. Such amendment or revision shall not apply to appliances or equipment manufactured prior to the effective date of the amendment or revision.

§ 9.9 Consumer education.

The Department of Commerce, in close cooperation and coordination with interested Government agencies, appropriate industry trade associations and industry members, and interested consumers and environmentalists shall
§ 9.10

carry out a program to educate consumers relative to the significance of the labeling program. Some elements of this program shall also be directed toward informing retailers and other interested groups about the program.

§ 9.10 Coordination with State and local programs.

The Department of Commerce will establish and maintain an active program of communication with appropriate state and local government offices and agencies and will furnish and make available information and assistance that will promote to the greatest practical extent uniformity in State, local, and Federal programs for the labeling of household appliances and equipment to effect energy conservation.

§ 9.11 Annual report.

The Secretary will prepare an annual report of activities under the program, including an evaluation of the program and a list of participating manufacturers and classes of appliances and equipment.

PART 10—PROCEDURES FOR THE DEVELOPMENT OF VOLUNTARY PRODUCT STANDARDS

Sec.
10.0 General.
10.1 Initiating development of a new standard.
10.2 Funding.
10.3 Development of a proposed standard.
10.4 Establishment of the Standard Review Committee.
10.5 Development of a recommended standard.
10.6 Procedures for acceptance of a recommended standard.
10.7 Procedure when a recommended standard is not supported by a consensus.
10.8 Standing Committee.
10.9 Publication of a standard.
10.10 Review of published standards.
10.11 Revision or amendment of a standard.
10.12 Editorial changes.
10.13 Withdrawal of a published standard.
10.14 Appeals.
10.15 Interpretations.
10.16 Effect of procedures.

(5) The proposed standard is not appropriate for development and maintenance by a private standards-writing organization; and
(6) The proposed standard will be funded by a proponent organization or government agency to cover costs for administrative and technical support services provided by the Department.
(c) Role of the Department. The Department assists in the establishment of a Voluntary Product Standard as follows:
(1) Acts as an unbiased coordinator in the development of the standard;
(2) Provides editorial assistance in the preparation of the standard;
(3) Supplies such assistance and review as is required to assure the technical soundness of the standard;
(4) Seeks satisfactory adjustment of valid points of disagreement;
(5) Determines the compliance with the criteria established in these procedures for such voluntary standards;
(6) Provides secretarial functions for each committee appointed by the Department under these procedures;
(7) Publishes the standard as a public document;
(8) Administers the funds for administrative and technical support services; and
(9) Seeks listing for standards developed under these procedures as American National Standards through the American National Standards Institute, when deemed appropriate by the Department.
(d) Role of producers, distributors, users, and consumers. Producers, distributors, users, consumers, and other interested groups may contribute to the development of a Voluntary Product Standard as follows:
(1) Initiate and participate in the development of the standard;
(2) Provide technical or other relevant counsel, as appropriate, relating to the standard;
(3) Promote the use of, and support for, the standard; and
(4) Assist in keeping the standard current with respect to advancing technology and marketing practices.
(e) Role of the National Institute of Standards & Technology. The National Institute of Standards & Technology (NIST) administers these procedures for the Department. Any communications concerning these procedures (e.g., questions, clarifications, appeals) should be addressed to the Office of Product Standards Policy, National Institute of Standards & Technology, Gaithersburg, Maryland 20899.

§ 10.1 Initiating development of a new standard.
(a) Any group or association of producers, distributors, users, or consumers, or a testing laboratory, or a State or Federal agency, may request the Department to initiate the development and publication of a Voluntary Product Standard under these procedures. Requests shall be in writing, signed by a representative of the group or agency, and forwarded to the Department. The initial request may be accompanied by a copy of a draft of the suggested standard.
(b) The request shall include a commitment to provide sufficient funding to cover all costs associated with the development and maintenance of the proposed Voluntary Product Standard.
(c) The Department may require additional information such as technical, marketing, or other appropriate data essential to discussion and development of the proposed standard, including, but not limited to, physical, mechanical, chemical, or performance characteristics, and production figures.
(d) Upon receipt of an appropriate request and after a determination by the Department that the development of a Voluntary Product Standard is justified, the Department may initiate the development by requesting that a draft of the suggested standard be prepared by an appropriate committee, provided such a draft has not previously been submitted under paragraph (a) of this section.
(e) The Department may initiate the development of a Voluntary Product Standard, if such action is deemed by the Department to be in the public interest, notwithstanding the absence of a request from an outside source. A voluntary standard initiated by the Department shall be processed in accordance with all requirements of these procedures and shall be developed in
§ 10.2 Funding.

Groups who represent producers, distributors, consumers or users, or others that wish to act or continue to act as proponent organizations for the development or maintenance of a Voluntary Product Standard will be required to pay for administrative and technical support services provided by the National Institute of Standards & Technology and such other direct or indirect costs associated with the development or maintenance of that standard as may be deemed appropriate by the Department, including costs to the Department in connection with the operation of the Standard Review Committee and the Standing Committee. Funds may also be provided by a government agency at the request of a proponent organization or when acting on its own behalf for the development or maintenance of a Voluntary Product Standard. Proponents of standards that meet sponsorship criteria established in these procedures shall furnish an initial deposit of funds sufficient to cover the first year's costs and other costs. Estimated annual costs will be based on an hourly rate for salary and overhead established by the Department for the National Institute of Standards & Technology's administrative and technical support services plus estimates of direct costs to provide funds for such items as the travel of consumer representatives unable to otherwise attend committee meetings, travel for Department staff, and printing costs. Project funds will be reviewed annually. Excess funds may be refunded or applied to the next accounting period. Should funds from deposits be inadequate during an accounting period, work on the project will continue only if funds are restored to a level estimated adequate to complete the 12-month period.

§ 10.3 Development of a proposed standard.

(a) A proposed standard as submitted to the Department:

1. Shall be based on adequate technical information, or, in the case of size standards (including standards covering the quantities for packaged consumer commodities), on adequate marketing information, or both, as determined to be appropriate by the Department;

2. Shall not be contrary to the public interest;

3. Shall be technically appropriate and such that conformance or non-conformance with the standard can be determined either during or after the manufacturing process by inspection or other procedures which may be utilized by either an individual or a testing facility competent in the particular field;

4. Shall follow the format prescribed by the National Institute of Standards & Technology. (Copies of the recommended format may be obtained from the Office of Product Standards Policy, National Institute of Standards & Technology, Gaithersburg, Maryland 20899.);

5. Shall include performance requirements if such are deemed by the Department to be technically sound, feasible, and practical, and the inclusion of such is deemed to be appropriate;

6. May include dimensions, sizes, material specifications, product requirements, design stipulations, component requirements, test methods, testing equipment descriptions, and installation procedures. The appropriateness of the inclusion in a standard of any particular item listed in this subparagraph shall be determined by the Department; and

7. Shall be accompanied by rational statements pertaining to the requirements and test methods contained in the standard, if deemed necessary by the Department.

(b) A proposed standard that is determined by the Department to meet the
Office of the Secretary, Commerce

§ 10.5 Development of a recommended standard.

(a) The Standard Review Committee, with the guidance and assistance of the Department and, if appropriate, the reviewer designated under §10.3(b), shall review a proposed standard promptly. If the committee finds that the proposal meets the requirements set forth in §10.3(a), it may recommend to the Department that the proposal be circulated for acceptance under §10.6. If, however, the committee finds that the proposal being reviewed does not meet the requirements set forth in §10.3(a), the committee shall change the proposal, after consulting with the proponent group, so that these requirements are met, before recommending such proposal to the Department.

(b) The recommendation of a standard by the Standard Review Committee shall be approved by at least three-quarters, or rejected by more than one-quarter, of all of the members of the committee eligible to vote. The voting on the recommendation of a standard shall be conducted by the Department if conducted by letter ballot. If such voting is accomplished at a meeting of the committee, the balloting shall be either by roll call or by signed written

criteria set forth in paragraph (a) of this section may be subjected to further review by an appropriate individual, committee, organization, or agency (either government or nongovernment, but not associated with the proponent group).

(c) A proposed standard may be circulated by the Department to appropriate producers, distributors, users, consumers, and other interested groups for consideration and comment as well as to others requesting the opportunity to comment.

(d) The proponent group or appropriate committee which drafted the initial proposal under §10.1(d) shall consider all comments and suggestions submitted by the reviewer designated under paragraph (b) of this section, and those received by the Department as a result of any circulation under paragraph (c) of this section, and may make such adjustments in the proposal as are technically sound and as are believed to cause the standard to be generally acceptable to producers, distributors, users, consumers, and other interested parties. The proposal will then be submitted to the Department for further processing.

[51 FR 22497, June 20, 1986, as amended at 55 FR 38315, Sept. 18, 1990]
§ 10.6 Procedures for acceptance of a recommended standard.

(a) Upon receipt from the Standard Review Committee of a recommended standard and report, the Department shall give appropriate public notice and distribute the recommended standard for acceptance unless:

(i) Upon a showing by any member of the committee who has voted to oppose the recommended standard on the basis of an unresolved objection, the Department determines that if such objection were not resolved, the recommended standard:

(ii) Would be contrary to the public interest, if published;

(iii) Would be technically inadequate;

or

(iv) Would be inconsistent with law or established public policy; or

(b) The Department determines that all criteria and procedures set forth herein have not been met satisfactorily or that there is a legal impediment to the recommended standard.

(b) Distribution for acceptance or rejection for the purpose of determining general concurrence will be made to a list compiled by the Department, which, in the judgment of the Department, shall be representative of producers, distributors, and users and consumers.

(c) Distribution for comment will be made to any party filing a written request with the Department, and to such other parties as the Department may deem appropriate, including testing laboratories and interested State and Federal agencies.

(d) The Department shall analyze the recommended standard and the responses received under paragraphs (b) and (c) of this section. If such analysis indicates that the recommended standard is supported by a consensus, it shall be published as a Voluntary Product Standard by the Department: Provided, That all other requirements listed in these procedures have been satisfied.

(e) The following definitions shall apply to the term used in this section:

(1) “Consensus” means general concurrence and, in addition, no substantive objection deemed valid by the Department.

(2) “General concurrence” means acceptance among those responding to the distribution made under paragraph (b) of this section in accordance with the conditions set forth in paragraph (f) of this section.

(3) “Substantive objection” means a documented objection based on grounds that one or more of the criteria set forth in these procedures has not been satisfied.

(4) “Average industry acceptance” means a percentage equal to the sum of the percentages of acceptance obtained
from responses to distribution of the recommended standard in the producer segment, the distributor segment, and the user and consumer segment, divided by three. No consideration will be given to volume of production or volume of distribution in determining average industry acceptance.

(5) "Producer segment" means those persons who manufacture or produce the product covered by the standard.

(6) "Distributor segment" means those persons who distribute at wholesale or retail the product covered by the standard.

(7) "User and consumer segment" means those persons who use or consume the product covered by the standard.

(8) "Acceptance by volume of production" means the weighted percentage of acceptance of those responding to the distribution in the producer segment. The weighting of each response will be made in accordance with the volume of production represented by each respondent.

(9) "Acceptance by volume of distribution" means the weighted percentage of acceptance of those responding to the distribution in the distributor segment. The weighting of each response will be made in accordance with the volume of distribution represented by each respondent.

(f) A recommended standard shall be deemed to be supported by general concurrence whenever:

(1) An analysis of the responses to the distribution under paragraph (b) of this section indicates:
   (i) An average industry acceptance of not less than 75 percent;
   (ii) Acceptance of not less than 70 percent by the producer segment, the distributor segment, and the user and consumer segment, each segment being considered separately; and
   (iii) Acceptance by volume of production and acceptance by volume of distribution of not less than 70 percent in each case: Provided, That the Department shall disregard acceptance by volume of production or acceptance by volume of distribution or both unless, in the judgment of the Department, accurate figures for the volume of production or distribution are reasonably available and an evaluation of either or both of such acceptances is deemed necessary by the Department; or

   (2) The Department determines that publication of the standard is appropriate under the procedures set forth in paragraph (g) of this section and, in addition, an analysis of the responses to the distribution under paragraph (b) of this section indicates:
      (i) An average industry acceptance of not less than 66 2/3 percent;
      (ii) Acceptance of not less than 60 percent by the producer segment, the distributor segment, and the user and consumer segment, each segment being considered separately; and
      (iii) Acceptance by volume of production and acceptance by volume of distribution of not less than 60 percent in each case: Provided, That the Department shall disregard acceptance by volume of production or acceptance by volume of distribution or both unless, in the judgment of the Department, accurate figures for the volume of production or distribution are reasonably available and an evaluation of either or both of such acceptances is deemed necessary by the Department.

(g) A recommended standard which fails to achieve the acceptance requirements of paragraph (f)(1) of this section, but which satisfies the acceptance criteria of paragraph (f)(2) of this section, shall be returned to the Standard Review Committee for reconsideration. The committee, by the affirmative vote of not less than three-quarters of all members eligible to vote, may resubmit the recommended standard without change to the Department with a recommendation that the standard be published as a Voluntary Product Standard. The Department shall then conduct a public rulemaking hearing in accordance with the requirements of law as set forth in section 553 of Title 5, United States Code, to assist it in determining whether publication of the standard is in the public interest. If the Department determines that publication of the standard is in the public interest, the standard shall be published as a Voluntary Product Standard.
§ 10.7 Procedure when a recommended standard is not supported by a consensus.

If the Department determines that a recommended standard is not supported by a consensus, the Department may:
(a) Return the recommended standard to the Standard Review Committee for further action, with or without suggestions;
(b) Terminate the development of the recommended standard under these procedures; or
(c) Take such other action as it may deem necessary or appropriate under the circumstances.

§ 10.8 Standing Committee.

(a) The Department shall establish and appoint the members of a Standing Committee prior to the publication of a standard. The committee may include members from the Standard Review Committee, and shall consist of qualified representatives of producers, distributors, and users or consumers of the product covered by the standard, and representatives of appropriate general interest groups such as municipal, State, and Federal agencies. When requested by the Standing Committee, the Department shall appoint one voting member from among the representatives of the Federal agencies, other than the Department of Commerce. When requested by the Standing Committee for PS 20-70, "American Softwood Lumber Standard," the Department shall appoint two voting members from among the representatives of the Federal agencies, other than the Department of Commerce. All other representatives of Federal agencies shall be advisory nonvoting members of Standing Committees. (Alternates to committee members may be designated by the Department.) When deemed appropriate by the Department, project funds under §10.2 may be made available to assure participation by consumer interests on the committee at required meetings.
(b) Appointments to a Standing Committee may not exceed a term of 5 years. However, the committee may be reconstituted by the Department whenever appropriate, and members may be reappointed by the Department to succeeding terms. Appointments to the committee will be terminated upon the withdrawal of the standard.
(c) The Department shall be responsible for the organization of the committee. Any formal operating procedures developed by the committee shall be subject to approval by the Department. The committee may conduct business either in a meeting or through correspondence, but only if a quorum participates. A quorum shall consist of two-thirds of all voting members of the committee. A majority of the voting members of the committee participating shall be required to approve any actions taken by the committee except for the approval of revisions of the standard which shall be governed by the provisions of §10.5 (b), (c), and (d).
(d) The members of a Standing Committee should be knowledgeable about:
(1) The product or products covered by the standard;
(2) The standard itself; and
(3) Industry and trade practices relating to the standard.
(e) The committee shall:
(1) Keep itself informed of any advancing technology that might affect the standard;
(2) Provide the Department with interpretations of provisions of the standard upon request;
(3) Make recommendations to the Department concerning the desirability or necessity of revising or amending the standard;
(4) Receive and consider proposals to revise or amend the standard; and
(5) Recommend to the Department the revision or amendment of a standard.

§ 10.9 Publication of a standard.

A Voluntary Product Standard published by the department under these procedures shall be assigned an appropriate number for purposes of identification and reference. Public notice shall be given regarding the publication and identification of the standard. A voluntary standard by itself has no mandatory or legally binding effect. Any person may choose to use or not to use such a standard. Appropriate reference in contracts, codes, advertising, invoices, announcements, product labels, and the like may be made to a
Office of the Secretary, Commerce

Voluntary Product Standard published under these procedures. Such reference shall be in accordance with such policies as the Department may establish, but no product may be advertised or represented in any manner which would imply or tend to imply approval or endorsement of that product by the Department or by the Federal Government.

§ 10.10 Review of published standards.

(a) Each standard published under these or previous procedures shall be reviewed regularly to determine the feasibility of transferring sponsorship to a private standards-writing organization. While the Department encourages the development of standards to replace Voluntary Product Standards by private standards-writing organizations, withdrawal of a Voluntary Product Standard, which meets the requirements of § 10.0(b), shall not be considered until a replacement standard is published.

(b) Each standard published under these or previous procedures shall be reviewed by the Department, with such assistance of the Standing Committee or others as may be deemed appropriate by the Department, within 5 years after initial issuance or last revision and at least every 5 years thereafter. The purpose of this review shall be to determine whether the standard has become obsolete, technically inadequate, or no longer generally acceptable to or used by the industry, or inconsistent with law or established public policy.

(c) If any of the above conditions is found to exist, the Department shall initiate action to amend, revise, or withdraw the standard in accordance with § 10.11 or § 10.13. If none is found to exist, the standard shall be kept in effect provided adequate funding is maintained.

§ 10.11 Revision or amendment of a standard.

(a) A published standard shall be subject to revision or amendment when it is determined to be inadequate by its Standing Committee or by the Department of one or more of the following reasons or for any other appropriate reasons:

(1) Any portion of the standard is obsolete, technically inadequate, or no longer generally acceptable to or used by the industry;

(2) The standard or any part of it is inconsistent with law or established public policy;

(3) The standard or any part of it is being used to mislead users or consumers or is determined to be against the interest of users, consumers, or the public in general.

(b) A revision of a standard shall be considered by the Department to include changes which are comprehensive in nature, which have a substantive effect on the standards, which change the level of performance or safety or the design characteristics of the product being standardized, or which cannot reasonably be injected into a standard without disturbing the general applicability of the standard. Each suggestion for revision shall be submitted to the Department to the Standing Committee for appropriate consideration. The Standing Committee shall serve the same functions in the revision of a standard as the Standard Review Committee serves in the development of a new standard. The processing of a revision of a standard shall be dependent upon the age of the standard as computed from its effective date and shall be accomplished as follows:

(1) A proposed revision of a standard older than 5 years at the time such proposed revision is submitted to the Standing Committee by the Department shall be processed as a new standard under these procedures and, when approved for publication, the standard shall be republished and reidentified to indicate the year in which the revision became effective. The revised standard shall supersede the previously published standard.

(2) A proposed revision of a standard less than 5 years at the time such proposed revision is submitted to the Standing Committee by the Department shall be processed as a new standard except that:

(i) Distribution for acceptance or rejection shall be made to an appropriate list of producers, distributors, and users and consumers compiled by the Department;
§ 10.12 Editorial changes.

The Department may, without prior notice, make such editorial or other minor changes as it deems necessary to reduce ambiguity or to improve clarity in any proposed, recommended, or published standard, or revision or amendment thereof.

§ 10.13 Withdrawal of a published standard.

(a) Standards published under these and previous procedures may be withdrawn by the Director of the National Institute of Standards & Technology at any time. Such action will be taken if, after consultation with the Standing Committee as provided in paragraph (a)(1) of this section and after public notice, the Director determines that the standard is: Obsolete; technically inadequate; no longer generally acceptable to and used by the industry; inconsistent with law or established public policy; not in the public interest; or otherwise inappropriate; and revision or amendment is not feasible or would serve no useful purpose. Additionally, a standard may be withdrawn if it cannot be demonstrated that a particular standard has substantial public impact, that it does not duplicate a standard published by a private standards-writing organization, or that lack of government sponsorship would result in significant public disadvantage for legal reasons or for reasons of domestic and international trade. The Director may withdraw a standard if costs to maintain such a standard are not reimbursed by the proponent or other government agencies.

(1) Before withdrawing a standard published under these procedures, the Director will review the relative advantages and disadvantages of amendment, revision, development of a new standard, or withdrawal with the members of the Standing Committee, if such committee was appointed or reappointed within the previous five years.

(2) Public notice of intent to withdraw an existing standard published under these procedures shall be given and a 30-day period will be provided for the filing with the Director or written objections to the withdrawal. Such objections will be considered and analyzed by the Director before a determination is made to withdraw the standard. If the Director determines that a particular standard does not meet the criteria set out in §10.0(b), the standard will be withdrawn.

(b) The filing under paragraph (a) of this section of a request to retain a standard or standards shall operate to stay the withdrawal of such standard or standards until the Director’s determination has been made. If the Director determines that the requested standard or standards shall be withdrawn, the stay will remain in effect, if an appeal is filed in accordance with the requirements of §10.14, until the decision of the Director is announced in
§ 10.14 Appeals.

(a) Any person directly affected by a procedural action taken by NIST or the Standard Review Committee under §§10.5, 10.6 or 10.7 regarding the development of a standard, or by the Standing Committee under §10.10 regarding the review of a published standard, or under §10.11 regarding the revision of a standard, or under §10.13 regarding the withdrawal of a standard, may appeal such action.

(b) Such appeal shall be filed in written form with the body taking the action complained of (NIST, the Standard Review Committee, or the Standing Committee) within 30 days after the date of announcement of the action.

(c) If appeal is filed with the Standard Review Committee or the Standing Committee, the Committee shall attempt to resolve the appeal informally. If the appeal is filed with NIST, NIST with the consultation and advice of the Standard Review Committee or the Standing Committee, whichever is appropriate, shall attempt to resolve the appeal informally.

(d) If the appeal is to the Standard Review Committee or the Standing Committee and the Committee is unable to resolve such an appeal informally, the Committee shall hold a hearing regarding the appeal. Announcement of the hearing shall be made to members of the Standard Review Committee or the Standing Committee and all acceptors of record, when appropriate, as well as other known interests. Notice of the hearing shall be published in the FEDERAL REGISTER. The hearing will be an informal, nonadversary proceeding at which there will be no formal pleadings or adverse parties. Written statements will be furnished by witnesses prior to the hearing. A record of the hearing will be made. Copies of the written statements and the record of the hearing will be available at cost.

(e) Those members of the Committee hearing the appeal will develop a recommendation to the Committee concerning the resolution of the appeal. NIST will review the recommendation and if found acceptable will subject it to a letter ballot of the Committee. Approval by three-fourths of the members of the Committee eligible to vote will constitute acceptance by the Committee and by NIST. Notice of the Committee decision will be published in the FEDERAL REGISTER.

(f) If the appeal is to NIST and the attempt to resolve the appeal informally under paragraph (c) of this section is not successful, the Deputy Director of NIST will schedule a hearing with an appeals panel at an appropriate location. Announcement of the hearing shall be made to members of the Standard Review Committee or Standing Committee and all acceptors of record, when appropriate, as well as to other known interests. Notice of the hearing shall be published in the FEDERAL REGISTER.

(g) The Deputy Director of NIST will name two other persons, who have not been directly involved in the matter in dispute and who will not be directly or materially affected by any decision made or to be made in the dispute, to sit on the panel with the Deputy Director, who will act as presiding officer. The presiding officer will have the right to exercise such authority as necessary to ensure the equitable and efficient conduct of the hearing and to maintain an orderly proceeding.

(h) The hearing will be an informal, nonadversary proceeding at which there will be no formal pleadings or adverse parties. The hearing will be open to the public. Witnesses shall submit a written presentation for the record seven days prior to the hearing. A record will be made of the hearing. Copies of the written statements and the record of the hearing will be available at cost.

(i) The appeals panel will make a recommendation to the Director of NIST. The Director’s decision on the appeal
§ 10.15 Interpretations.

(a) An interpretation of a Voluntary Product Standard may be obtained through the submission of a written request. The request shall identify the specific section of the standard involved.

(b) In the case of PS 20–70, the “American Softwood Lumber Standard,” interpretations shall be made by the American Lumber Standards Committee (ALSC) under the procedures developed by the ALSC and found acceptable to NIST.

(c) In the case of the other Voluntary Product Standards, interpretations shall be made by the appropriate Standing Committees under procedures developed by those committees and found acceptable to NIST.

§ 10.16 Effect of procedures.

Nothing contained in these procedures shall be deemed to apply to the development, publication, revision, amendment, or withdrawal of any standard which is not identified as a “Voluntary Product Standard” by the Department. The authority of the Department with respect to engineering standards activities generally, including the authority to publish appropriate recommendations not identified as “Voluntary Product Standards,” is not limited in any way by these procedures.

PART 11—UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION FOR FEDERAL AND FEDERALLY ASSISTED PROGRAMS


§ 11.1 Uniform relocation and real property acquisition.


PART 12—FAIR PACKAGING AND LABELING

Sec.
12.1 Introduction.
12.2 Undue proliferation.
12.3 Development of voluntary product standards.
12.4 Report to the Congress.


Source: 32 FR 11074, July 29, 1967, unless otherwise noted.

§ 12.1 Introduction.

(a) These procedures apply to the discharge of the responsibility given to the Secretary of Commerce by sections 5(d) and 5(e) of the Fair Packaging and Labeling Act (Pub. L. 89–755, 80 Stat. 1299), hereinafter called the “Act.” The word “Secretary”, as used hereinafter, shall refer to the Secretary of Commerce or his authorized delegate.

(b) The Secretary does not have the responsibility or the authority under the Act to issue any regulations governing the packaging or labeling practices of private industry.

(c) The Secretary does have the responsibility and authority to:

(1) Determine whether the reasonable ability of consumers to make value
comparisons with respect to any consumer commodity or reasonably comparable consumer commodities is impaired by undue proliferation of the weights, measures, or quantities in which such commodity or commodities are being distributed in packages for sale at retail.

(2) Request manufacturers, packers, and distributors, where a determination of undue proliferation has been made, to participate in the development of a voluntary product standard under the procedures governing the Department’s voluntary standards program.

(3) Report to Congress with a recommendation as to whether legislation providing regulatory authority should be enacted, when after 1 year following the date private industry has been requested to participate in the development of a voluntary product standard it is determined that such a standard will not be published, or when following the publication of such a standard it is determined that the standard has not been observed.

(d) The Act does not furnish a detailed, definitive explanation of “undue proliferation”. It does, however, point out that the condition of “undue proliferation” must be one which “impairs the reasonable ability of consumers to make value comparisons” with respect to consumer commodities. Generally, therefore, the Department will determine “undue proliferation” on a case-by-case basis, and, accordingly, is establishing by these procedures an orderly process for such determinations.

(e) As used hereinafter the term “undue proliferation” shall refer to such undue proliferation—of the weights, measures or quantities in which any consumer commodity or reasonably comparable consumer commodities are being distributed for sale at retail—as impairs the reasonable ability of consumers to make value comparisons with respect to such consumer commodity or commodities, as set out in section 5(d) of the Act.

§ 12.2 Undue proliferation.

(a) Information as to possible undue proliferation. Any person or group, including a State or local governmental entity, is invited to communicate information to the Secretary concerning the possible existence of undue proliferation. Such communications should be in writing and include supporting information and explanations.

(b) Initiation of inquiry as to undue proliferation. Upon receipt of information regarding the possible existence of undue proliferation, the Secretary will determine whether there has been a showing of good cause warranting an inquiry. If the Secretary determines that good cause exists, he shall initiate an inquiry for the purpose of finding facts concerning the existence of undue proliferation.

(c) Procedures for inquiry.—(1) Cooperation with State and local officials. Any inquiry initiated under paragraph (b) of this section may be conducted in cooperation with State and local weights and measures officials.

(2) Participation by interested persons. The Secretary may, during the course of the inquiry, afford interested persons or groups an opportunity to submit in writing comments, data, arguments, views, or other information relevant to the inquiry.

(d) Proposed determination as to existence of undue proliferation. (1) If, after consideration of all relevant information, the Secretary concludes that undue proliferation appears to exist, he shall publish a proposed determination to this effect. The proposed determination shall identify the particular consumer commodity or commodities involved and shall be accompanied by a concise statement of the facts upon which it is based.

(2) Within 60 days after publication of the proposed determination, any interested party may submit in writing comments, data, arguments, views, or other information relevant to the proposed determination. All written submissions shall be made a part of the public record.

(3) Within 30 days after the proposed determination has been published, any interested party may request in writing an oral hearing to present his views. The granting of such a hearing shall be at the discretion of the Secretary. Any such hearing shall be public and notice thereof shall be published at least 15 days in advance. A
§ 12.3 Development of voluntary product standards.

(a) Invitation to participate in the development of a voluntary product standard. Whenever the Secretary publishes a final determination of undue proliferation under §12.2(e), he shall invite manufacturers, packers, and distributors of the commodity or commodities involved to participate in the development of a voluntary product standard in accordance with the terms of the Act and the Department's published procedures for voluntary product standards. The term “Voluntary Product Standard” as used in this section means a standard for weights, measures or quantities in which the commodity or commodities are being distributed in packages for sale at retail.

(b) Determination that voluntary product standard will not be published.

(1) If a voluntary product standard has not been developed within one year from the date on which participation was invited, the Secretary may conclude that a voluntary product standard will not likely be published. Upon reaching such a conclusion, the Secretary will publish a proposed determination that a voluntary product standard will not be published.

(2) Within 60 days after publication of the proposed determination, any interested party may submit in writing comments, data, arguments, views, or other information relevant to the proposed determination. All written submissions shall be made a part of the public record.

(3) Within 30 days after the proposed determination has been published, any interested party may request in writing an oral hearing to present his views. The granting of such a hearing shall be at the discretion of the Secretary. Any such hearing shall be public and notice thereof shall be published at least 15 days in advance. A transcript of the hearing shall be made part of the public record.

(4) As soon as practicable following the conclusion of the proceedings described in paragraphs (b)(2) and (3) of this section, the Secretary shall either publish a final determination that a voluntary product standard will not be published, or he shall publish a notice withdrawing his proposed determination under paragraph (b)(1) of this section. In no event shall the withdrawal of a proposed determination operate to preclude the publication of another proposed determination under paragraph (b)(1) of this section with respect to the same or similar subject matter.

(c) Determination that a published voluntary product standard has not been observed.

(1) Whenever the Secretary has reason to believe that a voluntary product standard published under these procedures is not being observed he shall initiate an inquiry to determine such fact.

(2) If, on the basis of the information developed during the inquiry, the Secretary concludes that the voluntary product standard is not being observed, he shall publish a proposed determination to this effect. The proposed determination shall identify the particular standard involved and shall be accompanied by a concise statement of the facts upon which it is based.

(3) Within 60 days after publication of the proposed determination, any interested party may submit in writing comments, data, arguments, views, or other information relevant to the proposed determination. All written submissions shall be made a part of the public record.

(4) Within 30 days after the proposed determination has been published, any interested party may request in writing an oral hearing to present his views. The granting of such a hearing shall be at the discretion of the Secretary. Any such hearing shall be public and notice thereof shall be published at least 15 days in advance. A transcript of the hearing shall be made part of the public record.
transcript of the hearing shall be made part of the public record.

(5) As soon as practicable following the conclusion of the proceedings described in paragraphs (c)(3) and (4) of this section, and upon consideration of all relevant information, the Secretary shall either publish a final determination that the voluntary product standard is not being observed, or he shall publish a notice withdrawing his proposed determination under paragraph (c)(2) of this section. In no event shall the withdrawal of a proposed determination operate to preclude the initiation of another inquiry regarding the same standard under paragraph (c)(1) of this section.

§ 13.2 Definitions.

Department means the U.S. Department of Commerce.


Secretary means the Secretary of the U.S. Department of Commerce or an official or employee of the Department acting for the Secretary under a delegation of authority.

State means any of the 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, American Samoa, the U.S. Virgin Islands, or the Trust Territory of the Pacific Islands.

PART 13—INTERGOVERNMENTAL REVIEW OF DEPARTMENT OF COMMERCE PROGRAMS AND ACTIVITIES

Sec.
13.1 Purpose.
13.2 Definitions.
13.3 Programs and activities of the Department subject to the regulations.
13.4 General responsibilities under the Order.
13.5 Obligations with respect to Federal interagency coordination.
13.6 State selection of programs and activities.
13.7 Communication with state and local officials concerning the Department’s programs and activities.
13.8 Opportunity to comment on proposed Federal financial assistance and direct Federal development.
13.9 Receipt of and response to comments.
13.10 Accommodation of intergovernmental concerns.
13.11 Obligations in interstate situations.

Authority: Executive Order 12372, July 14, 1982, 47 FR 3059, as amended April 8, 1983, 48 FR 15587, sec. 401. Intergovernmental Co-


Source: 48 FR 29934, June 24, 1983, unless otherwise noted.

Editorial Note: For additional information, see related documents published at 47 FR 57369, December 23, 1982, 48 FR 17101, April 21, 1983, and 48 FR 29996, June 24, 1983.
§ 13.3 Programs and activities of the Department subject to the regulations.

The Secretary publishes in the Federal Register a list of the Department’s programs and activities that are subject to these regulations and identifies which of these are subject to the requirements of section 204 of the Demonstration Cities and Metropolitan Development Act.

§ 13.4 General responsibilities under the Order.

(a) The Secretary provides opportunities for consultation by elected officials of those state and local governments that would provide the non-Federal funds for, or that would be directly affected by, proposed Federal financial assistance from, or direct Federal development by, the Department.

(b) If a state adopts a process under the Order to review and coordinate proposed Federal financial assistance and direct Federal development, the Secretary, to the extent permitted by law:

1. Uses the state process to determine official views of state and local elected officials;

2. Communicates with state and local elected officials as early in a program planning cycle as is reasonably feasible to explain specific plans and actions;

3. Makes efforts to accommodate state and local elected officials’ concerns with proposed Federal financial assistance and direct Federal development that are communicated through the state process;

4. Allows the states to simplify and consolidate existing federally required state plan submissions;

5. Where state planning and budgeting systems are sufficient and where permitted by law, encourages the substitution of state plans for federally required state plans;

6. Seeks the coordination of views of affected state and local elected officials in one state with those of another state when proposed Federal financial assistance or direct Federal development has an impact on interstate metropolitan urban centers or other interstate areas; and

7. Supports state and local governments by discouraging the reauthorization or creation of any planning organization which is federally-funded, which has a limited purpose, and which is not adequately representative of, or accountable to, state or local elected officials.

§ 13.5 Obligations with respect to Federal interagency coordination.

The Secretary, to the extent practicable, consults with and seeks advice from all other substantially affected Federal departments and agencies in an effort to assure full coordination between such agencies and the Department regarding programs and activities covered under these regulations.

§ 13.6 State selection of programs and activities.

(a) A state may select any program or activity published in the Federal Register in accordance with § 13.3 of this part for intergovernmental review under these regulations. Each state, before selecting programs and activities, shall consult with local elected officials.

(b) Each state that adopts a process shall notify the Secretary of the Department’s programs and activities selected for that process.

(c) A state may notify the Secretary of changes in its selections at any time. For each change, the state shall submit to the Secretary an assurance that the state has consulted with elected local elected officials regarding the change. The Department may establish deadlines by which states are required to inform the Secretary of changes in their program selections.

(d) The Secretary uses a state’s process as soon as feasible, depending on individual programs and activities, after the Secretary is notified of its selections.

§ 13.7 Communication with state and local officials concerning the Department’s programs and activities.

(a) For those programs and activities covered by a state process under § 13.6, the Secretary, to the extent permitted by law:

1. Uses the state process to determine views of state and local elected officials; and,
(2) Communicates with state and local elected officials, through the state process, as early in a program planning cycle as is reasonably feasible to explain specific plans and actions.

(b) The Secretary provides notice to directly affected state, areawide, regional, and local entities in a state of proposed Federal financial assistance or direct Federal development if:

(1) The state has not adopted a process under the Order; or

(2) The assistance or development involves a program or activity not selected for the state process. This notice may be made by publication in the Federal Register or other appropriate means, which the Department in its discretion deems appropriate.

§ 13.8 Opportunity to comment on proposed Federal financial assistance and direct Federal development.

(a) Except in unusual circumstances, the Secretary gives state processes or directly affected state, areawide, regional and local officials and entities at least:

(1) 30 days from the date established by the Secretary to comment on proposed Federal financial assistance in the form of noncompeting continuation awards; and

(2) 60 days from the date established by the Secretary to comment on proposed direct Federal development or Federal financial assistance other than noncompeting continuation awards.

(b) This section also applies to comments in cases in which the review, coordination, and communication with the Department have been delegated.

(c) Applicants for programs and activities subject to section 204 of the Demonstration Cities and Metropolitan Act shall allow areawide agencies a 60-day opportunity for review and comment.

§ 13.9 Receipt of and response to comments.

(a) The Secretary follows the procedures in § 13.10 if:

(1) A state office or official is designated to act as a single point of contact between a state process and all Federal agencies; and

(2) That office or official transmits a state process recommendation for a program selected under §13.6.

(b)(1) The single point of contact is not obligated to transmit comments from state, areawide, regional or local officials and entities where there is no state process recommendation.

(2) If a state process recommendation is transmitted by a single point of contact, all comments from state, areawide, regional, and local officials and entities that differ from it must also be transmitted.

(c) If a state has not established a process, or is unable to submit a state process recommendation, state, areawide, regional and local officials and entities may submit comments either to the applicant or to the Department.

(d) If a program or activity is not selected for a state process, state, areawide, regional and local officials and entities may submit comments either to the Department by the single point of contact, the Secretary follows the procedures of §13.10 of this part.

(e) The Secretary considers comments which do not constitute a state process recommendation submitted under these regulations and for which the Secretary is not required to apply the procedures of §13.10 of this part, when such comments are provided by a single point of contact, by the applicant, or directly to the Department by a commenting party.

§ 13.10 Accommodation of intergovernmental concerns.

(a) If a state process provides a state process recommendation to the Department through its single point of contact, the Secretary either:

(1) Accepts the recommendation;

(2) Reaches a mutually agreeable solution with the state process; or

(3) Provides the single point of contact with a written explanation of the decision in such form as the Secretary in his or her discretion deems appropriate. The Secretary may also supplement the written explanation by providing the explanation to the single
§ 13.11
point of contact by telephone, other telecommunication, or other means.

(b) In any explanation under paragraph (a)(3) of this section, the Secretary informs the single point of contact that:

(1) The Department will not implement its decision for at least ten days after the single point of contact receives the explanation; or

(2) The Secretary has reviewed the decision and determined that, because of unusual circumstances, the waiting period of at least ten days is not feasible.

(c) For purposes of computing the waiting period under paragraph (b)(1) of this section, a single point of contact is presumed to have received written notification 5 days after the date of mailing of such notification.

§ 13.11 Obligations in interstate situations.

(a) The Secretary is responsible for:

(1) Identifying proposed Federal financial assistance and direct Federal development that have an impact on interstate areas;

(2) Notifying appropriate officials and entities in states which have adopted a process and which select the Department’s program or activity.

(3) Making efforts to identify and notify the affected state, areawide, regional, and local officials and entities in those states that have not adopted a process under the Order or do not select the Department’s program or activity;

(4) Responding pursuant to §13.10 of this part if the Secretary receives a recommendation from a designated areawide agency transmitted by a single point of contact, in cases in which the review, coordination, and communication with the Department have been delegated.

(b) The Secretary uses the procedures in §13.10 if a state process provides a state process recommendation to the Department through a single point of contact.

15 CFR Subtitle A (1-1-98 Edition)

PART 14—[RESERVED]

PART 15—LEGAL PROCEEDINGS

Sec.
15.1 Scope and purpose.
15.2 Definitions.
15.3 Acceptance of service of process.

Subpart B—Testimony by Employees and the Production of Documents in Legal Proceedings

15.11 Scope.
15.12 Definitions.
15.13 Demand for testimony or production of documents: Department policy.
15.14 Demand for testimony or production of documents: Department procedures.
15.15 Procedures when a Department employee receives a subpoena.
15.16 Legal proceedings between private litigants: Expert or opinion testimony.
15.17 Demands or requests in legal proceedings for records protected by confidentiality statutes.
15.18 Testimony of Department employees in proceedings involving the United States.

Subpart C—Involuntary Child and Spousal Support Allotments of NOAA Corps Officers

15.21 Purpose.
15.22 Applicability and scope.
15.23 Definitions.
15.24 Policy.
15.25 Procedures.

Subpart D—Statement of Policy and Procedures Regarding Indemnification of Department of Commerce Employees

15.31 Policy.
15.32 Procedures for the handling of lawsuits against Department employees arising within the scope of their office or employment.


Subpart A—Service of Process

§ 15.1 Scope and purpose.
(a) This subpart sets forth the procedures to be followed when a summons or complaint is served on the Department, a component, or the Secretary or a Department employee in his or her official capacity.
(b) This subpart is intended to ensure the orderly execution of the affairs of the Department and not to impede any legal proceeding.
(c) This subpart does not apply to subpoenas. The procedures to be followed with respect to subpoenas are set out in subpart B.
(d) This subpart does not apply to service of process made on a Department employee personally on matters not related to official business of the Department or to the official responsibilities of the Department employee.

§ 15.2 Definitions.
For the purpose of this subpart:
(a) General Counsel means the General Counsel of the United States Department of Commerce or other Department employee to whom the General Counsel has delegated authority to act under this subpart, or the chief legal officer (or designee) of the Department of Commerce component concerned.
(b) Component means Office of the Secretary or an operating unit of the Department as defined in Department Organization Order 1-1.
(c) Department means the Department of Commerce.
(d) Department employee means any officer or employee of the Department, including commissioned officers of the National Oceanic and Atmospheric Administration.
(e) Legal proceeding means a proceeding before a tribunal constituted by law, including a court, an administrative body or commission, or an administrative law judge or hearing officer.
(f) Official business means the authorized business of the Department.

§ 15.3 Acceptance of service of process.
(a) Except as otherwise provided in this subpart, any summons or complaint to be served in person or by registered or certified mail or as otherwise authorized by law on the Department, a component or the Secretary or a Department employee in their official capacity, shall be served on the General Counsel of the United States Department of Commerce, Washington, DC 20230.
(b) Any summons or complaint to be served in person or by registered or certified mail or as otherwise authorized by law on the Patent and Trademark Office or the Commissioner of Patents and Trademarks or an employee of the Patent and Trademark Office in his or her official capacity, shall be served on the Solicitor for the Patent and Trademark Office or a Department employee designated by the Solicitor.
(c) Except as otherwise provided in this subpart, any component or Department employee served with a summons or complaint shall immediately notify and deliver the summons or complaint shall immediately notify and deliver the summons or complaint to the office of the General Counsel. Any employee of the Patent and Trademark Office served with a summons or complaint shall immediately notify and deliver the summons or complaint to the office of the Solicitor.
(d) Any Department employee receiving a summons or complaint shall note on the summons or complaint the date, hour, and place of service and whether service was by personal delivery or by mail.
(e) When a legal proceeding is brought to hold a Department employee personally liable in connection with an action taken in the conduct of official business, rather than liable in an official capacity, the Department employee by law is to be served personally with process. Service of process in this case is inadequate when made upon the General Counsel or the Solicitor or their designees. Except as otherwise provided in this subpart, a Department employee sued personally for an action taken in the conduct of official business shall immediately notify and
§ 15.11  
Deliver a copy of the summons or complaint to the office of the General Counsel. Any employee of the Patent and Trademark Office sued personally for an action taken in the conduct of official business shall immediately notify and deliver a copy of the summons or complaint to the Office of the Solicitor.

(f) A Department employee sued personally in connection with official business may be represented by the Department of Justice at its discretion. See 28 CFR 50.15 and 50.16 (1987).

(g) The General Counsel or Solicitor or Department employee designated by either, when accepting service of process for a Department employee in an official capacity, shall endorse on the Marshal’s or server’s return of service form or receipt for registered or certified mail the following statement: “Service accepted in official capacity only.” The statement may be placed on the form or receipt with a rubber stamp.

(h) Upon acceptance of service or receiving notification of service, as provided in this section, the General Counsel and Solicitor shall take appropriate steps to protect the rights of the Department, component, the Secretary or Department employee involved.

Subpart B—Testimony by Employees and the Production of Documents in Legal Proceedings


§ 15.12 Definitions.

For the purpose of this subpart:

(a) Agency counsel means the chief legal officer (or his/her designee) of an agency within the Department of Commerce.

(b) Component means Office of the Secretary or an operating unit of the Department as defined in Department Organization Order 1–1.

(c) Demand means a request, order, or subpoena for testimony or documents for use in a legal proceeding.

(d) Department means the United States Department of Commerce and its constituent agencies.

(e) Document means any record, paper and other property held by the Department, including without limitation, official letters, telegrams, memoranda, reports, studies, calendar and diary entries, maps, graphs, pamphlets, notes, charts, tabulations, analyses, statistical or informational accumulations, any kind of summaries of meetings and conversations, film impressions, magnetic tapes and sound or mechanical reproductions.

(f) Employee means all current or former employees or officers of the Department, including commissioned officers of the National Oceanic and Atmospheric Administration and any other individual who has been appointed by, or subject to the supervision, jurisdiction or control of the Secretary of the Department of Commerce.

(g) General Counsel means the General Counsel of the Department or other Department employee to whom the General Counsel has delegated authority to act under this subpart.

(h) Legal proceeding means all pre-trial, trial and post trial stages of all
Office of the Secretary, Commerce § 15.14

existing or reasonably anticipated judicial or administrative actions, hearings, investigations, or similar proceedings before courts, commissions, boards or other tribunals, foreign or domestic. This phrase includes all phases of discovery as well as responses to formal or informal requests by attorneys or others involved in legal proceedings.

(i) Official business means the authorized business of the Department.

(j) Secretary means the Secretary of the Department of Commerce.

(k) Solicitor means the Solicitor of the Patent and Trademark Office.

(l) Testimony means a statement in any form, including personal appearances before a court or other legal tribunal, interviews, depositions, telephonic, televised, or videotaped statements or any responses given during discovery or similar proceedings, which response would involve more than the production of documents.

(m) United States means the Federal Government, its departments and agencies, and individuals acting on behalf of the Federal Government.

§ 15.13 Demand for testimony or production of documents: Department policy.

No employee shall in response to a demand, produce any documents, or provide testimony regarding any information relating to, or based upon Department of Commerce documents, or disclose any information or produce materials acquired as part of the performance of that employee’s official duties, or because of that employee’s official status without the prior authorization of the General Counsel, or the Solicitor, or the appropriate agency counsel. The reasons for this policy are as follows:

(a) To conserve the time of Department employees for conducting official business;

(b) To minimize the possibility of involving the Department in controversial issues that are not related to the Department’s mission;

(c) To prevent the possibility that the public will misconstrue variances between personal opinions of Department employees and Department policy;

(d) To avoid spending the time and money of the United States for private purposes;

(e) To preserve the integrity of the administrative process; and

(f) To protect confidential, sensitive information and the deliberative process of the Department.

§ 15.14 Demand for testimony or production of documents: Department procedures.

(a) Whenever a demand for testimony or for the production of documents is made upon an employee, the employee shall immediately notify the General Counsel (Room 5890, U. S. Department of Commerce, Washington, DC 20230, (202) 482–1067) or appropriate agency counsel. When a demand for testimony or for the production of documents is made upon an employee of the Patent and Trademark Office, the employee should immediately notify the Solicitor, by phone, (703) 305–9035; by mailed addressed Solicitor, Box 8, Patent and Trademark Office, Washington, DC 20231; or in person to 2121 Crystal Drive, Crystal Park 2, Suite 918, Arlington, Virginia 22215.

(b) A Department employee may not give testimony, produce documents, or answer inquiries from a person not employed by the Department regarding testimony or documents subject to a demand or a potential demand under the provisions of this subpart without the approval of the General Counsel, or the Solicitor, or the appropriate agency counsel. A Department employee shall immediately refer all inquiries and Demands to the General Counsel, or the Solicitor, or appropriate agency counsel. Where appropriate, the General Counsel, or the Solicitor, or appropriate agency counsel, may instruct the Department employee, orally or in writing, not to give testimony or produce documents.

(c)(1) Demand for testimony or documents. A demand for the testimony of a Department employee shall be addressed to the General Counsel, Room 5890, Department of Commerce, Washington, DC 20230 or appropriate agency counsel. A demand for testimony of an employee of the Patent and Trademark Office shall be mail addressed to the Solicitor, Box 8, Patent and Trademark
§ 15.15 Procedures when a Department employee receives a subpoena.

(a) A Department employee who receives a subpoena shall immediately forward the subpoena to the General Counsel, or the appropriate agency counsel. In the case of an employee of the Patent and Trademark Office, the subpoena shall immediately be forwarded to the Solicitor. The General Counsel, or the Solicitor, or appropriate agency counsel will determine the extent to which a Department employee will comply with the subpoena.

(b) If an employee is served with a subpoena that the General Counsel, or the Solicitor, or appropriate agency counsel determines should not be complied with, the General Counsel, Solicitor or appropriate agency counsel will attempt to have the subpoena withdrawn or modified. If this cannot be done, the General Counsel, Solicitor or appropriate agency counsel will attempt to obtain Department of Justice representation for the employee and move to have the subpoena modified or quashed. If, because of time constraints, this is not possible prior to the compliance date specified in the subpoena, the employee should appear at the time and place set forth in the

Office, Washington, DC 20231; or in person to 2121 Crystal Drive, Crystal Park 2, Suite 918, Arlington, Virginia 22215.

(2) Subpoenas. A subpoena for testimony by a Department employee or a document shall be served in accordance with the Federal Rules of Civil or Criminal Procedure or applicable state procedure and a copy of the subpoena shall be sent to the General Counsel, or the Solicitor, or appropriate agency counsel.

(3) Affidavit. Except when the United States is a party, every demand shall be accompanied by an affidavit or declaration under 28 U.S.C. 1746 or, if an affidavit is not feasible, a statement setting forth the title of the legal proceeding, the forum, the requesting party’s interest in the legal proceeding, the reason for the demand, a showing that the desired testimony or document is not reasonably available from any other source, and if testimony is requested, the intended use of the testimony, a general summary of the desired testimony, and a showing that no document could be provided and used in lieu of testimony. The purpose of this requirement is to assist the General Counsel, or the Solicitor, or appropriate agency counsel in making an informed decision regarding whether testimony or the production of a document(s) should be authorized.

(d) A certified copy of a document for use in a legal proceeding may be provided upon written request and payment of applicable fees. Written requests for certification shall be addressed to the agency counsel for the component having possession, custody, or control of the document. Unless governed by another applicable provision of law or component regulation, the applicable fee includes charges for certification and reproduction as set out in 15 CFR part 4.9. Other reproduction costs and postage fees, as appropriate, must also be borne by the requester.

(e) The Secretary retains the authority to authorize and direct testimony in those cases where a statute or Presidential order mandates a personal decision by the Secretary.

(f) The General Counsel, or the Solicitor, or appropriate agency counsel may consult or negotiate with an attorney for a party or the party if not represented by an attorney, to refine or limit a demand so that compliance is less burdensome or obtain information necessary to make the determination required by paragraph (b) of this section. Failure of the attorney to cooperate in good faith to enable the General Counsel, or the Solicitor, or the Secretary, or the appropriate agency counsel to make an informed determination under this subpart may serve, where appropriate, as a basis for a determination not to comply with the demand.

(g) A determination under this subpart to comply or not to comply with a demand is not an assertion or waiver of privilege, lack of relevance, technical deficiency or any other ground for non-compliance.

(h) The General Counsel, or the Solicitor, or appropriate agency counsel may waive any requirements set forth under this section when circumstances warrant.
Office of the Secretary, Commerce

§ 15.17

Demands or requests in legal proceedings for records protected by confidentiality statutes.

Demands in legal proceedings for the production of records, or for the testimony of Department employees regarding information protected by the Privacy Act, 5 U.S.C. 552a, the Trade Secrets Act, 18 U.S.C. 1905 or other confidentiality statutes, must satisfy the requirements for disclosure set forth in those statutes before the records may be provided or testimony given. The General Counsel, or the Solicitor, or appropriate agency counsel should first determine if there is a legal basis to provide the testimony or records sought under applicable confidentiality statutes before applying §15.11.

(i) Respectfully decline to answer on the grounds that such expert or opinion testimony is forbidden by the regulations in this subpart;

(ii) Request an opportunity to consult with the General Counsel, or the Solicitor, or appropriate agency counsel before giving such testimony; and

(iii) Explain that upon such consultation, approval for such testimony may be provided.

(2) If the witness is then ordered by the body conducting the proceeding to provide expert or opinion testimony regarding official DOC information, subjects or activities without the opportunity to consult with either the General Counsel, or the Solicitor, or appropriate agency counsel, the witness shall respectfully refuse to provide such testimony. See United States ex rel. Touhy v. Ragen, 340 U.S. 462 (1951).

(c) If an employee is unaware of the regulations in this subpart and provides expert or opinion testimony regarding official DOC information, subjects or activities in a legal proceeding without the aforementioned consultation, the witness shall, as soon after testifying as possible, inform the General Counsel, or the Solicitor, or appropriate agency counsel that such testimony was given and provide a written summary of the expert or opinion testimony provided.

§ 15.18
through 15.18. Where an applicable confidentiality statute mandates disclosure, §§ 15.11 through 15.18 will not apply.


§ 15.18 Testimony of Department employees in proceedings involving the United States.

The following applies in legal proceedings in which the United States is a party:

(a) A Department employee may not testify as an expert or opinion witness for any other party other than the United States.

(b) Whenever, in any legal proceeding involving the United States, a request is made by an attorney representing or acting under the authority of the United States, the General Counsel, or the Solicitor, or appropriate agency counsel will make all necessary arrangements for the Department employee to give testimony on behalf of the United States. Where appropriate, the General Counsel, or the Solicitor, or appropriate agency counsel may require reimbursement to the Department of the expenses associated with a Department employee giving testimony on behalf of the United States.

Subpart C—Involuntary Child and Spousal Support Allocations of NOAA Corps Officers


§ 15.21 Purpose.

This subpart provides implementing policies governing involuntary child or child and spousal support allotments for officers of the uniformed service of the National Oceanic and Atmospheric Administration (NOAA), and prescribes applicable procedures.

§ 15.22 Applicability and scope.

This subpart applies to Commissioned Officers of the NOAA Corps on active duty.

§ 15.23 Definitions.

(a) Active duty. Full-time duty in the NOAA Corps.

(b) Authorized person. Any agent or attorney of any state having in effect a plan approved under part D of title IV of the Social Security Act (42 U.S.C. 651-664), who has the duty or authority to seek recovery of any amounts owed as child or child and spousal support (including, when authorized under the state plan, any official of a political subdivision); and the court that has authority to issue an order against a member for the support and maintenance of a child or any agent of such court.

(c) Child support. Periodic payments for the support and maintenance of a child or children, subject to and in accordance with state or local law. This includes but is not limited to, payments to provide for health, education, recreation, and clothing or to meet other specific needs of such a child or children.

(d) Designated official. The official who is designated to receive notices of failure to make payments from an authorized person (as defined in paragraph (b) of this section). For the Department of Commerce this official is the Assistant General Counsel for Administration.

(e) Notice. A court order, letter, or similar documentation issued by an authorized person providing notification that a member has failed to make periodic support payments under a support order.

(f) Spousal support. Periodic payments for the support and maintenance of a spouse or former spouse, in accordance with state and local law. It includes, but is not limited to, separate maintenance, alimony while litigation continues, and maintenance. Spousal support does not include any payment for transfer of property or its value by an individual to his or her spouse or former spouse in compliance with any community property settlement, equitable division of property, or other division of property between spouses or former spouses.

(g) Support order. Any order for the support of any person issued by a court of competent jurisdiction or by administrative procedures established under
Office of the Secretary, Commerce § 15.25

state law that affords substantial due process and is subject to judicial review. A court of competent jurisdiction includes: (1) Indian tribal courts within any state, territory, or possession of the United States and the District of Columbia; and (2) a court in any foreign country with which the United States has entered into an agreement that requires the United States to honor the notice.

§ 15.24 Policy.

(a) It is the policy of the Department of Commerce to require Commissioned Officers of the NOAA Corps on active duty to make involuntary allotments from pay and allowances as payment of child, or child and spousal, support payments when the officer has failed to make periodic payments under a support order in a total amount equal to the support payable for two months or longer. Failure to make such payments shall be established by notice from an authorized person to the designated official. Such notice shall specify the name and address of the person to whom the allotment is payable. The amount of the allotment shall be the amount necessary to comply with the support order. If requested, the allotment may include arrearages as well as amounts for current support, except that the amount of the allotment, together with any other amounts withheld for support from the officer as a percentage of pay, shall not exceed the limits prescribed in section 303 (b) and (c) of the Consumer Credit Protection Act (15 U.S.C. 1673). An allotment under this subpart shall be adjusted or discontinued upon notice from an authorized person.

(b) Notwithstanding the above, no action shall be taken to require an allotment from the pay and allowances of any officer until such officer has had a consultation with an attorney from the Office of the Assistant General Counsel for Administration, in person, to discuss the legal and other factors involved with respect to the officer's support obligation and his/her failure to make payments. Where it has not been possible, despite continuing good faith efforts to arrange such a consultation, the allotment shall start the first pay period beginning after 30 days have elapsed since the notice required in paragraph (d)(1) of § 15.25 is given to the affected officer.


§ 15.25 Procedures.

(a) Service of notice (1) An authorized person shall send to the designated official a signed notice that includes:

(i) A statement that delinquent support payments equal or exceed the amount of support payable for 2 months under a support order, and a request that an allotment be initiated pursuant to 42 U.S.C. 665.

(ii) A certified copy of the support order.

(iii) The amount of the monthly support payment. Such amount may include arrearages, if a support order specifies the payment of such arrearages. The notice shall indicate how much of the amount payable shall be applied toward liquidation of the arrearages.

(iv) Sufficient information identifying the officer to enable processing by the designated official. The following information is requested:

(A) Full name;

(B) Social Security Number;

(C) Date of birth; and

(D) Duty station location.

(v) The full name and address of the allottee. The allottee shall be an authorized person, the authorized person's designee, or the recipient named in the support order.

(vi) Any limitations on the duration of the support allotment.

(vii) A certificate that the official sending the notice is an authorized person.

(viii) A statement that delinquent support payments are more than 12 weeks in arrears, if appropriate.

(2) The notice shall be accomplished by certified or registered mail, return receipt requested, or by personal service, upon the appropriate designated official, who shall note the date and time of receipt on the notice.

(3) The notice is effective when it is received in the office of the designated official.

(4) When the information submitted is not sufficient to identify the officer, the notice shall be returned directly to
§ 15.25  

15 CFR Subtitle A (1–1–98 Edition)

the authorized person with an explanation of the deficiency. However, prior to returning the notice if there is sufficient time, an attempt should be made to inform the authorized person who caused the notice to be served, that it will not be honored unless adequate information is supplied.

(5) Upon receipt of effective notice of delinquent support payments, together with all required supplementary documents and information, the designated official shall identify the officer from whom moneys are due and payable. The allotment shall be established in the amount necessary to comply with the support order and to liquidate arrearages if provided by a support order when the maximum amount to be allotted under this provision, together with any other moneys withheld for support from the officer, does not exceed:

(i) 50 percent of the officer’s disposable earnings for any month where the officer asserts by affidavit or other acceptable evidence, that he/she is supporting a spouse and/or dependent child, other than a party in the support order. When the officer submits evidence, copies shall be sent to the authorized person, together with notification that the officer’s support claim will be honored.

If the support claim is contested by the authorized person, that authorized person may refer this matter to the appropriate court or other authority for resolution.

(ii) 60 percent of the officer’s disposable earnings for any month where the officer fails to assert by affidavit or other acceptable evidence that he/she is supporting a spouse and/or dependent child.

(iii) Regardless of the limitations above, an additional 5 percent of the officer’s disposable earnings shall be withheld when it is stated in the notice that the officer is in arrears in an amount equivalent to 12 or more weeks’ support.

(b) Disposable earnings. The following moneys are subject to inclusion in computation of the officer’s disposable earnings:

(1) Basic pay.

(2) Special pay (including enlistment and reenlistment bonuses).

(3) Accrued leave payments (basic pay portions only).

(4) Aviation career incentive pay.

(5) Incentive pay for Hazardous Duty.

(6) Readjustment pay.

(7) Diving pay.

(8) Sea pay.

(9) Severance pay (including disability severance pay).

(10) Retired pay (including disability retired pay).

(c) Exclusions. In determining the amount of any moneys due from or payable by the United States to any individual, there shall be excluded amounts which are:

(1) Owed by the officer to the United States.

(2) Required by law to be deducted from the remuneration or other payment involved, including, but not limited to:

(i) Amounts withheld from benefits payable under Title II of the Social Security Act where the withholding is required by law.

(ii) Federal employment taxes.

(3) Properly withheld for federal and state income tax purposes if the withholding of the amounts is authorized by law and if amounts withheld are not greater than would be the case if the individual claimed all dependents to which he/she was entitled. The withholding of additional amounts pursuant to section 3402(i) of Title 26 of the United States Code may be permitted only when the officer presents evidence of a tax obligation which supports the additional withholding.

(4) Deducted for servicemen’s Group Life Insurance coverage.

(5) Advances of pay that may be due and payable by the officer at some future date.

(d) Officer notification. (1) As soon as possible, but not later than 15 calendar days after the date of receipt of notice, the designated official shall send to the officer, at his/her duty station or last known address, written notice:

(i) That notice has been received from an authorized person, including a copy of the documents submitted;

(ii) Of the maximum limitations set forth, with a request that the officer submit supporting affidavits or other
Office of the Secretary, Commerce § 15.25

documentation necessary for determining the applicable percentage limitation;

(iii) That the officer may submit supporting affidavits or other documentation as evidence that the information contained in the notice is in error;

(iv) That by submitting supporting affidavits or other necessary documentation, the officer consents to the disclosure of such information to the party requesting the support allotment;

(v) Of the amount or percentage that will be deducted if the officer fails to submit the documentation necessary to enable the designated official to respond to the notice within the prescribed time limits;

(vi) That legal counsel will be provided by the Office of the Assistant General Counsel for Administration; and

(vii) Of the date that the allotment is scheduled to begin.

(2) The officer shall be provided with the following:

(i) A consultation in person with an attorney from the Office of the Assistant General Counsel for Administration, to discuss the legal and other factors involved with the officer's support obligation and his/her failures to make payment.

(ii) Copies of any other documents submitted with the notice.

(3) The Office of the Assistant General Counsel for Administration will make every effort to see that the officer receives a consultation concerning the support obligation and the consequences of failure to make payments within 30 days of the notice required in paragraph (d)(1). In the event such consultation is not possible, despite continuing good faith efforts to arrange a consultation, no action shall be taken to require an allotment from the pay and allowances of any NOAA Corps Officer until 30 days have elapsed after the notice described in paragraph (d)(1) is given to the affected officer.

(4) If, within 30 days of the date of the notice, the officer has furnished the designated official affidavits or other documentation showing the information in the notice to be in error, the designated official shall consider the officer's response. The designated official may return to the authorized person, without action, the notice for a statutorily required support allotment together with the member's affidavit and other documentation, if the member submits substantial proof of error, such as:

(i) The support payments are not delinquent.

(ii) The underlying support order in the notice has been amended, superseded, or set aside.

(e) Absence of funds. (1) When notice is served and the identified officer is found not to be entitled to moneys due from or payable by NOAA, the designated official shall return the notice to the authorized person, and advise that no moneys are due from or payable by NOAA to the named individual.

(2) Where it appears that moneys are only temporarily exhausted or otherwise unavailable, the authorized person shall be fully advised as to why, and for how long, the money will be unavailable.

(3) In instances where the officer separates from active duty service, the authorized person shall be informed by the Office of Commissioned Personnel, NOAA Corps that the allotment is discontinued.

(4) Payment of statutorily required allotments shall be enforced over other voluntary deductions and allotments when the gross amount of pay and allowances is not sufficient to permit all authorized deductions and collections.

(f) Allotment of funds. (1) The authorized person or allottee shall notify the designated official promptly if the operative court order upon which the allotment is based is vacated, modified, or set aside. The designated official shall also be notified of any events affecting the allottee's eligibility to receive the allotment, such as the former spouse's remarriage, if a part of the payment is for spousal support, and notice of a change in eligibility for child support payments under circumstances of death, emancipation, adoption, or attainment of majority of a child whose support is provided through the allotment.

(2) An allotment established under this Directive shall be adjusted or discontinued upon notice from the authorized person.
§ 15.31 Policy.

(a) The Department of Commerce may indemnify a present or former Department employee who is personally named as a defendant in any civil suit in state or federal court, or other legal proceeding seeking damages against a present or former Department employee personally, for any verdict, judgment or other monetary award which is rendered against such employee, provided that the conduct giving rise to the verdict, judgment or award was taken within the scope of his/her employment and that such indemnification is in the interest of the Department as determined by the Secretary or his/her designee.

(b) The Department may settle or compromise a personal damage claim against a present or former employee by the payment of available funds at any time provided the alleged conduct giving rise to the personal property claim was taken within the employee's scope of employment and such settlement is in the interest of the Department as determined by the Secretary or his/her designee.

(c) Absent exceptional circumstances, as determined by the Secretary or his/her designee, the Department will not consider a request either to indemnify or to settle a personal damage claim before entry of an adverse verdict, judgment or award.

(d) Any payment under this section either to indemnify a present or former Department employee or to settle a personal damage claim shall be contingent upon the availability of appropriated funds of the Department of Commerce.

§ 15.32 Procedures for the handling of lawsuits against Department employees arising within the scope of their office or employment.

The following procedures shall be followed in the event that a civil action or proceeding is brought, in any court, against a present or former employee of the Department (or against his/her estate) for personal injury, loss of property or death, resulting from the Department employee's activities while acting within the scope of his/her office or employment:

(a) After being served with process or pleadings in such an action or proceeding, the employee (or the executor(rix) or administrator(rix)) of the estate shall within five (5) calendar days of receipt, deliver all such process and pleadings or an attested true copy thereof, together with a fully detailed report of the circumstances of the incident giving rise to the court action or proceeding to the General Counsel. Where appropriate, the General Counsel, or his/her designee, may request...
that the Department of Justice provide legal representation for the present or former Department employee.

(b)(1) Only if a present or former employee of the Department has satisfied the requirements of paragraph (a) of this section in a timely fashion, may the employee subsequently request indemnification to satisfy a verdict, judgment, or award entered against that employee.

(2) No request for indemnification will be considered unless the employee has submitted a written request, with appropriate documentation, including copies of the verdict, judgment, appeal bond, award, or settlement proposal through the employee's supervisory chain to the head of the employee's component. The written request will include an explanation by the employee of how the employee was working within the scope of employment and whether the employee has insurance or any other source of indemnification.

(3) The head of the component or his/her designee will forward the employee's request with a recommendation to the General Counsel for review. The request for indemnification shall include a detailed analysis of the basis for the recommendation. The head of the component will also certify to the General Counsel that the component has funds available to pay the indemnification.

(c) The General Counsel or his/her designee will review the circumstances of the incident giving rise to the action or proceeding, and all data bearing upon the question of whether the employee was acting within the scope of his/her employment. Where appropriate, the agency shall seek the views of the Department of Justice and/or the U.S. Attorney for the district embracing the place where the action or proceeding is brought.

(d) The General Counsel shall forward the request, the accompanying documentation, and the General Counsel's recommendation to the Secretary or his/her designee for decision.

PART 16—PROCEDURES FOR A VOLUNTARY CONSUMER PRODUCT INFORMATION LABELING PROGRAM

Sec.
16.1 Purpose.
16.2 Description and goal of program.
16.3 Definitions.
16.4 Finding of need to establish a specification for labeling a consumer product.
16.5 Development of performance information labeling specifications.
16.6 Establishment of fees and charges.
16.7 Participation in program.
16.8 Termination of participation.
16.9 Rules governing designated agents.
16.10 The Department of Commerce Mark.
16.11 Amendment or revision of a performance information labeling specification.
16.12 Consumer education.
16.13 Coordination with State and local programs.
16.14 Annual report.

AUTHORITY: Sec. 2, 31 Stat. 1449, as amended; sec. 1, 64 Stat. 371, (15 U.S.C. 272); Reorganization Plan No. 3 of 1946, Part VI.

SOURCE: 42 FR 26648, May 25, 1977, unless otherwise noted.

§ 16.1 Purpose.

The purpose of this part is to establish procedures under which a voluntary consumer product information labeling program administered by the Department of Commerce will function.

§ 16.2 Description and goal of program.

(a) The Department's Voluntary Consumer Product Information Labeling Program makes available to consumers, at the point of sale, information on consumer product performance in an understandable and useful form so as to facilitate accurate consumer purchasing decisions and enhance consumer satisfaction. It also educates consumers, distributors and retailers in the use of the product performance information displayed and provides manufacturers and other persons who participate in the program with an opportunity to convey to the public the
§ 16.3 Definitions.

(a) The term Secretary means the Secretary of Commerce or her designee.

(b) The term consumer means the first person who purchases a consumer product for purposes other than resale.

(c) The term participant means a manufacturer, assembler or private brand labeler of consumer products or an importer of such products for resale and who participates in the program.

(d) The term consumer product means any article produced or distributed for sale to a consumer for the use, consumption, or enjoyment of such consumer. The term does not include products customarily intended primarily for business, commercial, or industrial use.

(e) The term person means an individual; a manufacturer; distributor; retailer; importer; private brand labeler; government agency at the Federal (including any agency of the Department of Commerce), State and local level; consumer organization; trade association; standards writing body; professional society; testing laboratory; or educational institution.

(f) The term performance characteristic means a performance characteristic of a consumer product that can be measured in an objective manner with respect to a given consumer product.

(g) The term Specification means a Performance Information Labeling Specification developed under §16.5.

(h) The term label means printed matter affixed to or otherwise provided with a consumer product and containing all of the performance characteristics as prescribed by the Specification applicable to that product.

(i) The term designated agent means a person as defined in paragraph (e) of this section, who has been designated by the Secretary to carry out appropriate operational procedures on behalf of more than one participant in this program in accordance with rules set out under §16.9.
§ 16.4 Finding of need to establish a specification for labeling a consumer product.

(a) Any person may request the Secretary to find that there is a need to label a particular consumer product with information concerning one or more specific performance characteristics of that product.

(b) Such a request shall be in writing and will, to the extent practicable, include the following information:

(1) Identification of the consumer product;
(2) Extent that the product identified in paragraph (b)(1) of this section is used by the public and, if known, what the production or sales volume is of such product;
(3) Nature and extent of difficulty experienced by consumers in making informed purchase decisions because of a lack of knowledge regarding the performance characteristics of the identified consumer product;
(4) Potential or actual loss to consumers as a result of an incorrect decision based on an inadequate understanding of the performance characteristics of the identified consumer product;
(5) Extent of incidence of consumer complaints arising from or reasonably traceable to lack of knowledge regarding the performance characteristics of the identified consumer product;
(6) If known, whether there currently exist test methods which could be used to test the performance characteristics of the identified consumer product and an identification of those test methods;
(7) Reasons why it is felt, in cases where existing test methods are identified in responding to paragraph (b)(6) of this section, that such test methods are suitable for making objective measurements of the performance characteristics of the identified consumer product; and
(8) Estimated cost to participants to test and label the product.

(c) The Secretary may ask for more information to support a request made under paragraph (a) of this section if she feels it is necessary to do so, or, if she deems it to be in the public interest, may develop such information herself as by consultation on a one-time basis with consumers, consumer organizations, and others. The Secretary shall act expeditiously on all requests and shall notify the requester of her decision in writing. If the Secretary determines that there is no need to establish a Specification for labeling the requested consumer product performance characteristics, or because of a lack of resources, she will decline to act further on the request. In those instances where the Secretary declines a request, she shall state the reasons for so declining.

(d) If the Secretary finds that a need exists to establish a Specification for labeling a consumer product under this program, she shall publish a notice in the Federal Register setting out such finding and its basis and stating that she is developing a proposed Specification in accordance with §16.5.

§ 16.5 Development of performance information labeling specifications.

(a) If the Secretary makes a finding of need pursuant to §16.4, she will publish a proposed Performance Information Labeling Specification in the Federal Register with a notice giving the complete text of the proposed Specification and any other pertinent information. The notice will invite any interested person to submit written comments on the proposed Specification within 45 days after its publication in the Federal Register, unless another time limit is provided by the Secretary. Interested persons wanting to express their views in an informal hearing may do so, if within 15 days after the proposed Specification is published in the Federal Register, they request the Secretary to hold a hearing. Such informal hearings shall be held so as to give all interested persons an opportunity for the oral presentation of data, views, or arguments in addition to the opportunity to make written submissions. Notice of such hearings shall be published in the Federal Register. A transcript shall be kept of any oral presentations.

(b) Each Specification shall as a minimum include:

(1) A description of the performance characteristics of the consumer product covered;
§ 16.6 Establishment of fees and charges.

(a) The Secretary in conjunction with the use of the Working Capital Fund of the National Institute of Standards & Technology, as authorized under section 12 of the Act of March 3, 1901, as amended (15 U.S.C. 270b), for this program, shall establish fees and charges for use of the Department of Commerce Label and Mark on each product. Such fees and charges shall be related to the number of units of products labeled, where appropriate. The fees and charges established by the Secretary, which may be revised by her when she deems it appropriate to do so, shall be in amounts calculated to make the operation of this program as self-sufficient as reasonable. A separate notice will be published in the Federal Register simultaneously with the notice of each proposed Specification referred to in §16.5(a). Such notice will set out a schedule of estimated fees and charges the Secretary proposes to establish. The notice would be furnished for informational and guidance purposes only in order that the public may evaluate the proposed Specification in light of the expected fees to be charged.

(b) At such time as the Secretary publishes the notice announcing the final Specification referred to in §16.5(c)(1), she shall simultaneously publish a separate notice in the Federal Register setting forth the final schedule of fees that will be charged participants in the program. The effective date of such final schedule of fees shall be the same as the date on which the final Specification takes effect.

(c) Revisions, if any, to the fees and charges established by the Secretary under paragraph (b) of this section shall be published in subsequent Federal Register notices and shall take effect not less than thirty (30) days after the date of publication of such notice.

(d) The establishment of fees and charges under this section may, at any time, be suspended by the Secretary for any length of time.


§ 16.7 Participation in program.

(a) Any manufacturer, assembler, or private brand labeler of consumer products or importer of such products for resale, desiring to participate in this program will so notify the Secretary. The notification will identify the particular Specification to be used and the prospective participant’s identification and model numbers for the products to be labeled. The notification must include a statement that if accepted as a participant in the program by the Secretary, the prospective participant will:

(1) Abide by all conditions imposed by these procedures:
(2) Abide by the conditions contained in the Specification, as prescribed in paragraph (d) of this section;

(3) Pay the fees and charges established by the Secretary; and

(4) Desist from using the Department of Commerce label and Mark if his participation is terminated under §16.8.

(b) The Secretary shall act expeditiously on all requests to participate in the program and shall notify each prospective participant of her decision in writing. In those instances where the Secretary declines a request, she shall state the reasons for so declining.

(c) If a prospective participant seeking to participate in the program is notified by the Secretary that she proposes to deny that prospective participant the right to participate, that prospective participant shall have thirty (30) days from the receipt of such notification to request a hearing under the provisions of 5 U.S.C. 556. The Secretary's proposed denial shall become final through the issuance of a written decision to such prospective participant in the event that he does not appeal such notification by the end of the thirty (30) day period. If however, such prospective participant requests a hearing within that thirty (30) day period, the Secretary's proposed denial shall be stayed pending the outcome of the hearing held pursuant to 5 U.S.C. 556.

(d) The conditions set out in each Specification will include, but not be limited to, the following:

(1) Prior to the use of a Label, the participant will make or have made the measurements to obtain the information required for inclusion on the Label and, if requested, will forward within 30 days such measurement data to the Secretary. Such measurement data will be kept on file by the participant or his agent for two years after that product is no longer manufactured unless otherwise provided in the Specification.

(2) The participant will describe the test results on the Label as prescribed in the Specification.

(3) The participant will display or arrange to display, in accordance with the appropriate Specification, the Label on or with each individual product of the type covered except for units exported from the U.S. Participants who utilized more than one brand name may participate by labeling some or all of the brand names. All models with the same brand name must be included in the program unless they are for export only.

(4) The participant agrees at his expense to comply with any reasonable request of the Secretary to have consumer products manufactured, assembled, imported, or privately brand labeled by him tested to determine that testing has been done according to the relevant Specification.

(5) Participants may reproduce the Department of Commerce Label and Mark in advertising: Provided, That the entire Label, complete with all information required to be displayed at the point of retail sale, is shown legibly and is not combined or associated directly with any other mark or logo.

§ 16.8 Termination of participation.

(a) The Secretary upon finding that a participant is not complying with the conditions set out in these procedures or in a Specification may terminate upon 30 days notice the participant's right to continue his participation in the program: Provided, That the participant shall first be given an opportunity to show cause why the participation should not be terminated.

(b) Upon receipt of a notice from the Secretary of the proposed termination, which notice shall set forth the reasons for such proposed termination, the participant shall have thirty (30) days from the date of receipt of such notification to request a hearing under the provisions of 5 U.S.C. 556. The Secretary's proposed termination shall become final through the issuance of a written decision to the participant in the event such participant does not appeal the proposed termination within the thirty (30) day period. If, however, the participant requests a hearing within the thirty (30) day period, the Secretary's proposed termination shall be stayed pending the outcome of the hearing held pursuant to 5 U.S.C. 556.

(c) A participant may at any time terminate his participation and responsibilities under this program with regard to a specific type of product by giving written notice to the Secretary.
§ 16.9 Rules governing designated agents.

(a) The following rules, requirements and tasks shall be applicable with respect to the seeking of designated agent status and the performance of that role after such status has been obtained. Each person desiring to be designated as a designated agent under this program shall:

(1) Make written application to the Secretary;

(2) Provide appropriate information showing his qualifications to represent members within a given product area and that more than one prospective participant in that product area is agreeable to such representation; and

(3) Agree to service any participant in this program in the agent’s cognizant product area whether or not such participant is a member of the organization or body which that agent represents.

(b) The Secretary may require a person seeking designated agent status to supply further information before granting such status to that person. The Secretary will notify each person seeking designated agent status, in writing, as expeditiously as possible after evaluating such person’s application.

(c) Each person granted designated agent status shall:

(1) Provide the Secretary with a list of the participants that the designated agent services under the program. The Secretary shall also be provided an updated list as soon thereafter as may be practicable whenever there are any changes in the list;

(2) Collect fees and charges from the participants serviced under this program, consolidate such sums, and transmit those fees and charges required under §16.6 to the Secretary;

(3) Distribute Department of Commerce Marks developed under §16.10 or instructions for the printing of such Marks to the participants that the designated agent services under this program;

(4) Gather and consolidate such statistical information as may be required by the Secretary from individual participants serviced;

(5) Provide the Secretary with reports, including the consolidate statistical information referred to in paragraph (c)(4) of this section, as may be called for by her, relative to the activities of the participants the designated agent is servicing; and

(6) Perform any additional tasks mutually agreed upon by the designated agent and the Secretary.

(d) If a person seeking designated agent status is notified by the Secretary that she proposes to deny that person such status, that person shall have thirty (30) days from the date of receipt of such notification to request a hearing under the provisions of 5 U.S.C. 556. The Secretary’s proposed denial shall become final through the issuance of a written decision to such person in the event that he does not appeal such notification by the end of that thirty (30) day period. If, however, such person requests a hearing within that thirty (30) day period, the Secretary proposed denial shall be stayed pending the outcome of the hearing held pursuant to 5 U.S.C. 556.

(e) If the Secretary finds that a designated agent has violated the terms of paragraph (c) of this section, she may, after consultations with such designated agent, notify such person that she proposes to revoke his status as a designated agent.

(f) Upon receipt of a notice from the Secretary of the proposed revocation, which notice shall set forth the reasons for such proposed revocation, the designated agent shall have thirty (30) days from the date of receipt of such notification to request a hearing under the provisions of U.S.C. 556. The Secretary’s proposed revocation shall become final through the issuance of a written decision to the designated agent in the event such designated agent does not appeal the proposed revocation within that thirty (30) day period. If, however, the designated agent requires a hearing within that thirty (30) day period, the Secretary’s proposed revocation shall be stayed pending the outcome of the hearing held pursuant to 5 U.S.C. 556.
§ 16.10 The Department of Commerce Mark.

The Department of Commerce shall develop a Mark which shall be registered in the U.S. Patent and Trademark Office under 15 U.S.C. 1054 for use on each label described in a specification.

§ 16.11 Amendment or revision of a performance information labeling specification.

The Secretary may by order amend or revise any Specification published under §16.5. The procedure applicable to the establishment of a Specification under §16.5 shall be followed in amending or revising such Specification. Such amendment or revision shall not apply to consumer products manufactured prior to the effective date of the amendment or revision.

§ 16.12 Consumer education.

The Secretary, in close cooperation and coordination with interested Government agencies, appropriate trade associations and industry members, consumer organizations, and other interested persons shall carry out a program to educate consumers relative to the significance of the labeling program. Some elements of this program shall also be directed toward informing retailers and other interested groups about the program.

§ 16.13 Coordination with State and local programs.

The Secretary will establish and maintain an active program of communication with appropriate State and local government offices and agencies and will furnish and make available information and assistance that will promote uniformity in State and local programs for the labeling of performance characteristics of consumer products.

§ 16.14 Annual report.

The Secretary will prepare an annual report of activities under the program, including an evaluation of the program and a list of participants, designated agents, and types of consumer products covered.

PART 17—LICENSING OF GOVERNMENT-OWNED INVENTIONS IN THE CUSTODY OF THE DEPARTMENT OF COMMERCE

Subpart A—Licensing of Rights in Domestic Patents and Patent Applications

Sec. 17.1 Licensing rules.

Subpart B—Licensing of Rights in Foreign Patents and Patent Applications—[Reserved]

Subpart C—Appeal Procedures for Licensing Department of Commerce Patents

§ 17.21 Purpose.
§ 17.22 Definitions.
§ 17.23 Authority to grant licenses.
§ 17.24 Persons who may appeal.
§ 17.25 Procedures.
§ 17.26 Adjudicatory.

Authority: Sec. 205(c), 63 Stat. 390 (40 U.S.C. 486(c)).

Editorial Note: 41 CFR Part 101-4 referred to in this part was removed at 50 FR 28402, July 12, 1985.

Subpart A—Licensing of Rights in Domestic Patents and Patent Applications

§ 17.1 Licensing rules.

(a) The Government-wide rules for the licensing of rights in domestic patents and patent applications vested in the United States of America, found at 41 CFR 101-4.1, are applicable to all such licensing activities of the Department of Commerce, subject to the following minor clarifications:

(1) The term “Government agency” as defined at 41 CFR 101-4.102(c) means the United States Department of Commerce or a designated operating unit within the Department.

(2) The term “The head of the Government agency”, as defined at 41 CFR 101-4.102(d), means the Secretary of Commerce or a designee.

[42 FR 54415, Oct. 6, 1977]
§ 17.21 Purpose.

This subpart describes the terms, conditions and procedures under which a party may appeal from a decision of the Director of the National Technical Information Service concerning the grant, denial, interpretation, modification or termination of a license of any patent in the custody of the Department of Commerce.

§ 17.22 Definitions.

(a) 41 CFR Part 101-4 shall mean the General Services Administration Final Rule concerning "Patents: Licensing of Federally Owned Inventions" which was originally published in the Federal Register, volume 47, number 152, Friday, August 6, 1982 at pages 34148 through 34151.

(b) Director shall mean the Director of the National Technical Information Service, and operating agency within the U.S. Department of Commerce.

(c) Under Secretary means the Under Secretary for Technology who is an officer appointed by the President and confirmed by the Senate and is an official to whom the Director reports within the Department of Commerce.

§ 17.23 Authority to grant licenses.

The Director has been duly delegated authority to make any decision or determination concerning the granting, denial, interpretation, modification or termination of any license of any patent in the custody and control of the U.S. Department of Commerce. The decision and determination of the Director is final and conclusive on behalf of this Department unless the procedures for appeal set forth below are initiated.

§ 17.24 Persons who may appeal.

The following person(s) may appeal to the Under Secretary any decision or determination concerning the grant, denial, interpretation, modification or termination of a license:

(a) A person whose application for a license has been denied;

(b) A licensee whose license has been modified or terminated in whole or in part; or

(c) A person who has timely filed a written objection in response to the notice published in the Federal Register as required by 41 CFR 101-4.104-3(a)(1)(c)(i) or 101-4.104-3(b)(1)(i) and who can demonstrate to the satisfaction of the Under Secretary that such person may be damaged by the Director's determination.

§ 17.25 Procedures.

(a) Any appellant party(ies) who was denied a license by the Director under §17.24(a) shall not be entitled to an adversary hearing. Such party(ies) shall file appropriate documents no later than 30 days from the receipt of the Director's decision unless the Under Secretary grants for good cause an extension of time. The notice, in concise and brief terms, should state the grounds for appeal and include copies of all pertinent documents. Accompanying the notice should be concise arguments as to why the Director's decision should be rejected or modified.

(b) The Under Secretary shall render a written opinion within 30 days of receiving all required documentation in a non-adversary appeal.

(c) Judicial review is available as the law permits.

§ 17.26 Adjudicatory.

(a) Any appellant party who seeks review of the Director's decision based upon a modification or termination of a license by the Director under §17.24(b), or who has filed a timely objection and can demonstrate damages as provided in §17.24(c), shall be entitled to an adversary hearing in accord
A party may waive an adversary hearing by filing a written waiver with the Under Secretary.

(b) When an adversary hearing is required under §17.24 (b) or (c) the Under Secretary shall appoint as promptly as possible an Administrative Law Judge who shall hold hearings no later than 45 days from the date of the appointment. The hearings will be conducted in conformity with the objectives of the Administrative Procedure Act. The Administrative Law Judge shall submit a written recommendation to the Under Secretary no later than 30 days subsequent to the hearing and/or the filing of any required written arguments or documentation.

(c) The Under Secretary shall render a final written decision on behalf of the Department based upon the appeal file which shall include the hearing record, exhibits, written submissions of the party(ies), and the recommendation of the Administrative Law Judge. The Under Secretary’s decision shall include the reasons which form the basis of the determination. The final decision may uphold, overrule, or modify the Director’s decision or take any action deemed appropriate.

(d) Judicial review is available as the law permits.

PART 18—ATTORNEY’S FEES AND OTHER EXPENSES

§ 18.2 Definitions.

(a) Adversary adjudication means an adjudication under 5 U.S.C. 554 in which the position of the United States is represented by counsel or otherwise, but excludes an adjudication for the purpose of establishing or fixing a rate or for the purpose of granting or renewing a license.

(b) Adjudicative officer means the official, without regard to whether the official is designated as an administrative law judge, a hearing officer or examiner, or otherwise, who presided at the adversary adjudication.
§ 18.3 When the Act applies.

The Act applies to any adversary adjudication pending or commenced before the Department on or after August 5, 1985. It also applies to any adversary adjudication commenced on or after October 1, 1984, and finally disposed of before August 5, 1985, provided that an application for fees and expenses, as described in §§ 18.11 through 18.14 of this part, has been filed with the Department within 30 days after August 5, 1985, and to any adversary adjudication pending on or commenced on or after October 1, 1981, in which an application for fees and other expenses was timely filed and was dismissed for lack of jurisdiction.

[53 FR 6798, Mar. 3, 1988]

§ 18.4 Proceedings covered.

(a) The Act applies to adversary adjudications conducted by the Department and to appeals of decisions of contracting officers of the Department made pursuant to section 6 of the Contract Disputes Act of 1978 (41 U.S.C. 605) before agency boards of contract appeals as provided in section 8 of that Act (41 U.S.C. 607). Adversary adjudications conducted by the Department are adjudications under 5 U.S.C. 554 in which the position of this or any other agency of the United States, or any component of an agency, is presented by an attorney or other representative who enters an appearance and participates in the proceeding. Pursuant to section 8(c) of the Contract Disputes Act (41 U.S.C. 607(c)), the Department has arranged for appeals from decisions by contracting officers of the Department to be decided by the General Services Administration Board of Contract Appeals. This Board, in accordance with its own procedures, shall be responsible for making determinations on applications pursuant to the Act relating to appeals to the Board from decisions of contracting officers of the Department. Such determinations are final, subject to appeal under § 18.23. Any proceeding in which the Department may prescribe a lawful present or future rate is not covered by the Act. Proceedings to grant or renew licenses are also excluded, but proceedings to modify, suspend, or revoke licenses are covered if they are otherwise “adversary adjudications.” The Department proceedings covered are:

(1) Department-wide. (i) Title VI Civil Rights hearings conducted by the Department under 42 U.S.C. 2000d-1 and 15 CFR 8.12(d).

(ii) Handicap discrimination hearings conducted by the Department under 29 U.S.C. 794(a) and 15 CFR 8.12(d).

(2) National Oceanic and Atmospheric Administration (“NOAA”)

(i) Proceedings concerning suspension, revocation, or modification of a permit or license issued by NOAA.

(ii) Proceedings to assess civil penalties under any of the statutes administered by NOAA.


(b) The Department may also designate a proceeding not listed in paragraph (a) of this section as an adversary adjudication for purposes of the Act by so stating in an order initiating the proceeding or designating the matter for hearing. The Department’s failure to designate a proceeding as an adversary adjudication shall not preclude the filing of an application by a party who believes the proceeding is covered by the Act; whether the proceeding is covered will then be an issue for resolution in proceedings on the application.

(c) If a proceeding includes both matters covered by the Act and matters specifically excluded from coverage, any award made will include only fees and expenses related to covered issues.


§ 18.5 Eligibility of applicants.

(a) To be eligible for an award of attorney fees and other expenses under the Act, the applicant must be a party to the adversary adjudication for which it seeks an award. The term “party” is defined in 5 U.S.C. 551(3). The applicant must show that it meets all conditions of eligibility set out in this part.

(b) The types of eligible applicants are as follows:
(1) An individual with a net worth of not more than $2 million;
(2) The sole owner of an unincorporated business who has a net worth of not more than $7 million, including both personal and business interests, and not more than 500 employees;
(3) A charitable or other tax-exempt organization described in section 501(c)(3) of the Internal Revenue Code (26 U.S.C. 501(c)(3)) with not more than 500 employees;
(4) A cooperative association as defined in section 15(a) of the Agricultural Marketing Act (12 U.S.C. 1141j(a)) with not more than 500 employees;
(5) Any other partnership, corporation, association, unit of local government, or organization with a net worth of not more than $7 million and not more than 500 employees;
(c) For the purpose of eligibility, the net worth and number of employees of an applicant shall be determined as of the date the proceeding was initiated.
(d) An applicant who owns an unincorporated business will be considered as an “individual” rather than a “sole owner of an unincorporated business” if the issues on which the applicant prevails are related primarily to personal interests rather than to business interests.
(e) The employees of an applicant include all persons who regularly perform services for remuneration for the applicant, under the applicant’s direction and control. Part-time employees shall be included on a proportional basis.
(f) The net worth and number of employees of the applicant and all of its affiliates shall be aggregated to determine eligibility. Any individual, corporation or other entity that directly or indirectly controls or owns a majority of the voting shares or other interest of the applicant, or any corporation or other entity of which the applicant directly or indirectly owns or controls a majority of the voting shares or other interest, will be considered an affiliate for purposes of this part, unless the adjudicative officer determines that such treatment would be unjust and contrary to the purposes of the Act in light of the actual relationship between the affiliated entities. In addition, the adjudicative officer may determine that financial relationships of the applicant other than those described in this paragraph constitute special circumstances that would make an award unjust.
(g) An applicant that participates in a proceeding primarily on behalf of one or more other persons or entities that would be ineligible is not itself eligible for an award.


§ 18.6 Standards for awards.
(a) A prevailing applicant may receive an award for fees and expenses incurred in connection with a proceeding, or in a significant and discrete substantive portion of the proceedings, unless the position of the Department over which the applicant has prevailed was substantially justified. The position of the Department includes, in addition to the position taken by the Department in the adversary adjudication, the action or failure to act by the Department upon which the adversary adjudication is based. The burden of proof that an award should not be made to an eligible prevailing applicant because the Department’s position was substantially justified is on the agency counsel.
(b) An award will be reduced or denied if the applicant has unduly or unreasonably protracted the proceeding or if special circumstances make the award sought unjust.


§ 18.7 Allowable fees and expenses.
(a) Awards will be based on rates customarily charged by persons engaged in the business of acting as attorneys, agents and expert witnesses, even if the services were made available without charge or at a reduced rate to the applicant.
(b) No award for the fee of an attorney or agent under this rule may exceed $75.00 per hour. No award to compensate an expert witness may exceed the highest rate at which the Department pays expert witnesses. However, an award may also include the reasonable expenses of the attorney, agent, or
§ 18.8 Rulemaking on maximum rates for attorney fees.

(a) If warranted by an increase in the cost of living or by special circumstances (such as limited availability of attorneys qualified to handle certain types of proceedings), the Department may adopt regulations providing that attorney fees may be awarded at a rate higher than the ceiling set forth in §18.7(b) in some or all of the types of proceedings covered by this part. The Department will conduct any rulemaking proceedings for this purpose under the informal rulemaking procedures of the Administrative Procedure Act.

(b) Any person may file with the Department a petition for rulemaking to increase the maximum rate for attorney fees. The petition should be sent to the General Counsel, Department of Commerce, 14th Street and Constitution Avenue, Room 5870, Washington, D.C. 20230. The petition should identify the rate the petitioner believes the Department should establish and the types of proceedings in which the rate should be used. It should also explain fully the reasons why higher rate is warranted. The Department will respond to the petition within 60 days after it is filed, by initiating a rulemaking proceeding, denying the petition, or taking other appropriate action.

§ 18.9 Awards against other agencies.

If an applicant is entitled to an award because it prevailed over another agency of the United States that participated in a proceeding before the Department and took a position that was not substantially justified, the award or an appropriate portion of the award shall be made against that agency.

§ 18.10 Delegations of authority.

The Secretary delegates to the General Counsel the authority to take final action on matters pertaining to the Act.

INFORMATION REQUIRED FROM APPLICANTS

§ 18.11 Contents of application.

(a) An application for an award of fees and expenses under the Act shall identify the applicant and the proceeding for which an award is sought. The application shall show that the applicant has prevailed and identify the position of the Department or other agency in the proceeding that the applicant alleges was not substantially justified. Unless the applicant is an individual, the application shall also state the number of employees of the applicant and describe briefly the type and purpose of its organization or business.

(b) The application shall also include a statement that the applicant’s net worth does not exceed $2 million (if an individual) or $7 million (for all other applicants, including their affiliates). However, an applicant may omit this statement if:

(1) It attaches a copy of a ruling by the Internal Revenue Service that it
§ 18.13 Documentation of fees and expenses.

The application shall be accompanied by full documentation of the fees and expenses, including the cost of any study, analysis, engineering report, test, project, or similar matter for which an award is sought. A separate itemized statement shall be submitted for each professional firm or individual whose services are covered by the application, showing the hours spent in connection with the proceeding by each individual, a description of the specific services performed, the rate at which each fee has been computed, any expenses for which reimbursement is sought, the total amount claimed, and the total amount paid or payable by the applicant or by any other person or entity for the services provided. The adjudicative officer may require the applicant to provide vouchers, receipts,
or other substantiation for any expenses claimed.

§ 18.14 When an application may be filed.

(a) An application may be filed whenever the applicant has prevailed in the proceeding or in a significant and discrete substantive portion of the proceeding, but in no case later than 30 days after the Department's final disposition of the proceeding.

(b) For purposes of this rule, final disposition means the date on which a decision or order disposing of the merits of the proceeding or any other complete resolution of the proceeding, such as a settlement or voluntary dismissal, becomes final and unappealable, both within the agency and to the courts.

(c) If review or reconsideration is sought or taken of a decision as to which an applicant believes it has prevailed, proceedings for the award of fees shall be stayed pending final disposition of the underlying controversy. When the United States appeals the underlying merits of an adversary adjudication to a court, no decision on an application for fees and other expenses in connection with that adversary adjudication shall be made until a final and unreviewable decision is rendered by the court on the appeal or until the underlying merits of the case have been finally determined pursuant to the appeal.


PROCEDURES FOR CONSIDERING APPLICATIONS

§ 18.15 Filing and service of documents.

Any application for an award or other pleading or document related to an application shall be filed and served on all parties to the proceeding in the same manner as other pleadings in the proceeding, except as provided in § 18.12(b) for confidential financial information.

§ 18.16 Answer to application.

(a) Within 30 calendar days after service of an application, counsel representing the agency against which an award is sought may file an answer to the application. Unless agency counsel requests an extension of time for filing (an extension for an additional 30 days is available as a matter of right) or files a statement of intent to negotiate under paragraph (b) of this section, failure to file an answer within the 30 calendar day period may be treated as a consent to the award requested.

(b) If agency counsel and the applicant believe that the issues in the fee application can be settled, they may jointly file a statement of their intent to negotiate a settlement. The filing of this statement shall extend the time for filing an answer for an additional 30 days, and further extensions may be granted by the adjudicative officer upon request by agency counsel and the applicant.

(c) The answer shall explain in detail any objections to the award requested and identify the facts relied on in support of the agency counsel's position. If the answer is based on any alleged facts not already in the record of the proceeding, agency counsel shall include with the answer either supporting affidavits or a request for further proceedings under § 18.20.


§ 18.17 Reply.

Within 15 calendar days after service of an answer, the applicant may file a reply. If the reply is based on any alleged facts not already in the record of the proceeding, the applicant shall include with the reply either supporting affidavits or a request for further proceedings under § 18.20.

§ 18.18 Comments by other parties.

Any party to a proceeding other than the applicant and the agency counsel may file comments on an application within 30 calendar days after it is served or on an answer within 15 calendar days after it is served. A commenting party may not participate further in proceedings on the application unless the adjudicative officer determines that the public interest requires such participation in order to permit
§ 18.22 Agency review.

Either the applicant or agency counsel may file a petition for review of the initial decision on the fee application, or the Department may decide to review the decision on its own initiative. The petition must be filed with the General Counsel, Office of the Assistant General Counsel for Administration, Rm. 5882, U.S. Department of Commerce, 14th Street and Pennsylvania Avenue NW., Washington, DC 20230, not later than 30 calendar days after the initial decision is issued. For purposes of this section, a document will be considered filed with the General Counsel as of the date of the postmark (or for government penalty mail, as shown by a certificate of mailing), if mailed, or if not mailed, as of the date actually delivered to the Office of General Counsel. A petition for review must be accompanied by a full written statement in support thereof, including a precise statement of why the petitioner believes the initial decision should be reversed or modified, and proof of service upon all parties. A response to the petition may be filed by another party to the proceeding and...
§ 18.23 Judicial review.

Judicial review of final agency decisions on awards may be sought as provided in 5 U.S.C. 504(c)(3).

§ 18.24 Payment of award.

An applicant seeking payment of an award by the Department shall submit a copy of the final decision granting the award, accompanied by a certification that the applicant will not seek review of the decision in the United States courts to the General Counsel, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Room 5870, Washington, D.C. 20230. The Department will pay the amount awarded to the applicant within 60 calendar days, unless judicial review of the award or of the underlying decision of the adversary adjudication has been sought by the applicant or any other party to the proceeding.

[53 FR 6799, Mar. 3, 1988]
§ 18.23 Judicial review.

Judicial review of final agency decisions on awards may be sought as provided in 5 U.S.C. 504(c)(3).

§ 18.24 Payment of award.

An applicant seeking payment of an award by the Department shall submit a copy of the final decision granting the award, accompanied by a certification that the applicant will not seek review of the decision in the United States courts to the General Counsel, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Room 5870, Washington, D.C. 20230. The Department will pay the amount awarded to the applicant within 60 calendar days, unless judicial review of the award or of the underlying decision of the adversary adjudication has been sought by the applicant or any other party to the proceeding.

[53 FR 6799, Mar. 3, 1988]
§ 18.23 Judicial review.

Judicial review of final agency decisions on awards may be sought as provided in 5 U.S.C. 504(c)(3).

§ 18.24 Payment of award.

An applicant seeking payment of an award by the Department shall submit a copy of the final decision granting the award, accompanied by a certification that the applicant will not seek review of the decision in the United States courts to the General Counsel, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Room 5870, Washington, D.C. 20230. The Department will pay the amount awarded to the applicant within 60 calendar days, unless judicial review of the award or of the underlying decision of the adversary adjudication has been sought by the applicant or any other party to the proceeding.

[53 FR 6799, Mar. 3, 1988]
§ 19.7 Stay of offset.

If the debtor timely notifies the DOC that he or she is exercising the right described in §19.5(a) and timely submits evidence in accordance with §19.5(b), any notice to the IRS will be stayed until the issuance of a written decision by the DOC.
decision which sustains or amends the DOC’s original determination.

PART 20—NONDISCRIMINATION ON THE BASIS OF AGE IN PROGRAMS OR ACTIVITIES RECEIVING FEDERAL FINANCIAL ASSISTANCE

Subpart A—General

Sec. 20.1 The purpose of DOC’s age discrimination regulations.
20.2 Programs to which these regulations apply.
20.3 Definitions.

Subpart B—Standards for Determining Age Discrimination

20.4 Rules against age discrimination.
20.5 Exceptions to the rules.
20.6 Burden of proof.

Subpart C—Responsibilities of DOC Recipients

20.7 General responsibilities.
20.8 Notice to subrecipients.
20.9 Information requirements.

Subpart D—Investigation, Conciliation, and Enforcement Procedures

20.10 Compliance reviews.
20.11 Complaints.
20.12 Mediation.
20.13 Investigation.
20.14 Prohibition against intimidation or retaliation.
20.15 Compliance procedure.
20.16 Hearings, decisions, post-termination proceedings.
20.17 Remedial action by recipients.
20.18 Alternative funds disbursal procedure.
20.19 Private lawsuits after exhaustion of administrative remedies.


SOURCE: 51 FR 28026, Aug. 13, 1986, unless otherwise noted.

Subpart A—General

§ 20.1 The purpose of DOC’s age discrimination regulations.
The purpose of these regulations is to set out DOC’s policies and procedures under the Age Discrimination Act of 1975 and the general age discrimination regulations at 45 CFR Part 90. The Act and the general regulations prohibit discrimination on the basis of age in programs or activities receiving Federal financial assistance. The Act and the general regulations permit federally assisted programs and activities, and recipients of Federal funds, to continue to use age distinctions and factors other than age which meet the requirements of the Act and its implementing regulations.

§ 20.2 Programs to which these regulations apply.
(a) The Act and these regulations apply to each DOC recipient and to each program or activity operated by the recipient which receives or benefits from Federal financial assistance provided by any entity of DOC.
(b) The Act and these regulations do not apply to:
(1) An age distinction contained in that part of a Federal, State, or local statute or ordinance adopted by an elected, general purpose legislative body which:
   (i) Provides benefits or assistance to persons based on age; or
   (ii) Establishes criteria for participation in age-related terms; or
   (iii) Describes intended beneficiaries or target groups in age-related terms.
(2) Any employment practice or any employer, employment agency, labor organization, or any labor-management joint apprenticeship training program, except for any program or activity receiving Federal financial assistance for public service employment.

§ 20.3 Definitions.
As used in these regulations, the following terms are defined as follows:
(a) Act means the Age Discrimination Act of 1975, as amended (Title III of Pub. L. 94–135).
(b) Action means any act, activity, policy, rule, standard, or method of administration; or the use of any policy, rule, standard, or method of administration.
(c) Age means how old a person is, or the number of years from the date of a person’s birth.
(d) Age distinction means any action using age or an age-related term.
Subpart B—Standards for Determining Age Discrimination

§ 20.4 Rules against age discrimination.

The rules stated in this section are limited by the exceptions contained in § 20.5.

(a) General rule: No person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

(b) Specific rules: A recipient may not, in any program or activity receiving Federal financial assistance, directly or through contractual licensing, or other arrangements, use age distinctions or take any other actions which have the effect, on the basis of age, of:

(1) Excluding individuals from, denying them the benefits of, or subjecting them to discrimination under any program or activity receiving Federal financial assistance, or

(2) Denying or limiting individuals in their opportunity to participate in any program or activity receiving Federal financial assistance.

(c) The specific forms of age discrimination listed in paragraph (b) of this section do not necessarily constitute a complete list.

(d) If a recipient operating a program provides special benefits to the elderly or to children, such use of age distinctions shall be presumed to be necessary to the normal operation of the program, notwithstanding the provisions of § 20.5.

§ 20.5 Exceptions to the rules.

(a) Normal operations or statutory objective of any program or activity. A recipient is permitted to take an action
otherwise prohibited by §20.4 if the action reasonably considers age as a factor necessary to the normal operation or the achievement of any statutory objective of a program or activity. An action meets this standard if:

(1) Age is used as a measure or approximation of one or more other characteristics; and

(2) The other characteristic(s) must be measured or approximated in order for the normal operation of the program or activity to continue, or to achieve any statutory objective or the program or activity; and

(3) The other characteristic(s) can be reasonably measured or approximated by the use of age; and

(4) The other characteristic(s) are impractical to measure directly on an individual bases.

(b) Reasonable factors other than age.

A recipient is permitted to take an action otherwise prohibited by §20.4 which is based on a factor other than age, even though that action may have a disproportionate effect on persons of different ages. An action may be based on a factor other than age only if the factor bears a direct and substantial relationship to the normal operation of the program or activity or to the achievement of a statutory objective.

§ 20.6 Burden of proof.
The burden of proving that an age distinction or other action falls within the exceptions outlined in §20.5 is on the recipient of Federal financial assistance.

Subpart C—Responsibilities of DOC Recipients

§ 20.7 General responsibilities.

Each DOC recipient has primary responsibility to ensure that its programs and activities are in compliance with the Act, the general regulations, and these regulations, and shall take steps to eliminate violation of the Act.

(a) Each DOC recipient will provide an assurance that the program for which it is receiving Federal financial assistance will be conducted in compliance with all requirements for the Act and these and other DOC regulations. A recipient also has responsibility to maintain records, provide information, and to afford DOC reasonable access to its records and facilities to the extent necessary to determine whether it is in compliance with the Act and these regulations.

(b) Recipient assessment of age distinctions. (1) To assess the recipient’s compliance with the Act, DOC may, as part of a compliance review under §20.10 or a complaint investigation under §20.11, require a recipient employing the equivalent or 15 or more employees, to complete, in a manner specified by the responsible Department official, a written self-evaluation of any age distinction imposed in its program or activity receiving Federal financial assistance from DOC.

(2) Whenever an assessment indicates a violation of the Act and the DOC regulations, the recipient shall take corrective action.

§ 20.8 Notice to subrecipients.

Where a recipient passes on Federal financial assistance from DOC to subrecipients, the recipient shall give subrecipients written notice of their obligations under the Act and these regulations.

§ 20.9 Information requirements.

Upon DOC’s request, each recipient shall provide access and make information available for DOC to determine whether the recipient is complying with the Act and these regulations.

Subpart D—Investigation, Conciliation, and Enforcement Procedures

§ 20.10 Compliance reviews.

(a) DOC may conduct compliance reviews and pre-award reviews or use other similar procedures that will permit it to investigate and correct violations of the Act and these regulations. DOC may conduct such review even in the absence of a complaint against a recipient. The review may be as comprehensive as necessary to determine whether a violation of the Act and these regulations has occurred.

(b) If a compliance review of pre-award review indicates a violation of the Act or these regulations, DOC will
attempt to achieve voluntary compliance with the Act. If voluntary compliance cannot be achieved, DOC will arrange for enforcement as described in §20.15.

§ 20.11 Complaints.
(a) Any person, individually, or as a member of a class, or on behalf of others, may file a complaint with DOC alleging discrimination prohibited by the Act or these regulations based on an action occurring on or after July 1, 1979. A complainant shall file a complaint within 180 days from the date the complainant first had knowledge of the alleged act of discrimination. However, for good cause shown, DOC may extend this time limit.

(b) DOC will attempt to facilitate the filing of complaints wherever possible, including taking the following measures:
(1) Accepting as a sufficient complaint, any written statement which: identifies the parties involved and the date the complainant first had knowledge of the alleged violation; describes generally the action or practice complained of; and is signed by the complainant;
(2) Freely permitting a complainant to add information to the complaint to meet the requirements of a sufficient complaint;
(3) Considering as the filing date, the date on which a complaint is sufficient to be processed;
(4) Notifying the complainant and the recipient of their rights and obligations under the complaint procedure, including the right to have a representative at all stages of the process;
(5) Notifying the complainant and the recipient (or their representatives) of their right to contact DOC for information and assistance regarding the complaint resolution process.

(c) DOC will return to the complainant any complaint outside the jurisdiction of these regulations, and will state the reason(s) why it is outside the jurisdiction of these regulations.

§ 20.12 Mediation.
(a) DOC will refer to a mediation service designated by the Secretary all sufficient complaints that:
(1) Fall within the jurisdiction of the Act and these regulations, unless the age distinction complained of is clearly within an exception; and
(2) Contain all information necessary for further processing.

(b) Both the complainant and the recipient shall participate in the mediation process to the extent necessary to reach an agreement or to make an informed judgment that an agreement is not possible.

(c) If the complainant and the recipient reach an agreement, the mediator shall prepare a written statement of the agreement and have the complainant and the recipient sign it. The mediator shall send a copy of the agreement to DOC. DOC will take no further action on the complaint unless the complainant or the recipient fails to comply with the agreement.

(d) The mediator is required to protect the confidentiality of all information obtained in the course of the mediation process. No mediator shall testify in any adjudicative proceeding, produce any document, or otherwise disclose any information obtained, in the course of the mediation process without prior approval of the head of the mediation service.

(e) The mediation will proceed for a maximum of 60 days after a complaint is filed with DOC. Mediation ends if:
(1) 60 days elapse from the time DOC receives the complaint; or
(2) Prior to the end of that 60-day period, an agreement is reached; or
(3) Prior to the end of that 60-day period, the mediator determines that an agreement cannot be reached.

(f) The mediator shall return unresolved complaints to DOC.

§ 20.13 Investigation.
(a) Informal investigation:
(1) DOC will investigate complaints that are unresolved after mediation or are reopened because of a violation of a mediation agreement.

(2) As part of the initial investigation, DOC will use informal factfinding methods, including joint or separate discussions with the complainant and recipient, to establish the facts and, if possible, settle the complaint on terms
§ 20.14 Prohibition against intimidation or retaliation.

A recipient may not engage in acts of intimidation or retaliation against any person who:

(a) Attempts to assert a right protected by the Act or these regulations; or

(b) Cooperates in any mediation, investigation, hearing, or other part of DOC's investigation, conciliation, and enforcement process.

§ 20.15 Compliance procedure.

(a) DOC may enforce the Act and these regulations by:

(1) Terminating the Federal financial assistance to the recipient under the program or activity found to have violated the Act or these regulations. The determination of the recipient's violation may be made only after a recipient has had an opportunity for a hearing on the record before an administrative law judge. If a case is settled during mediation, or prior to hearing, Federal financial assistance to the program will not be terminated.

(2) Any other means authorized by law including but not limited to:

(i) Referral to the Department of Justice for proceedings to enforce any rights of the United States or obligations of the recipient created by the Act or these regulations.

(ii) Use of any requirement of or referral to any Federal, State, or local government agency that will have the effect of correcting a violation of the Act or these regulations.

(b) DOC will limit any termination under this section to the particular recipient and particular program or activity or part of such program and activity DOC finds in violation of these regulations. DOC will not base any part of a termination on a finding with respect to any program or activity of the recipient which does not receive Federal financial assistance from DOC.

(c) DOC will take no action under paragraph (a) until:

(1) The head of the organization providing the financial assistance has advised the recipient of its failure to comply with the Act and these regulations and has determined that voluntary compliance cannot be obtained.

(2) Thirty days have elapsed after the Secretary has sent a written report of the circumstances and grounds of the action to the committees of Congress having legislative jurisdiction over the Federal program or activity involved. The Secretary will file a report whenever any action is taken under paragraph (a).

(d) DOC also may defer granting new Federal financial assistance to a recipient when a hearing under §20.16 is initiated.

(1) New Federal financial assistance from DOC includes all assistance for which DOC requires an application or approval, including renewal or continuation of existing activities, or authorization of new activities, during the deferral period. New Federal financial assistance from DOC does not include increases in funding as a result of changed computation of formula awards or assistance approved prior to the beginning of a hearing under §20.16.

(2) DOC will not begin a deferral until the recipient has received a notice of an opportunity for a hearing under §20.16. DOC will not continue a deferral for more than 60 days unless a hearing has begun within that time, or the time for beginning the hearing has been extended by mutual consent of
the recipient and the head of the organization providing Federal financial assistance. DOC will not continue a deferral for more than 30 days after the close of the hearing, unless the hearing results in a finding against the recipient.

(3) DOC will limit any deferral to the particular recipient and particular program or activity or part of such program or activity DOC finds in violation of these regulations. DOC will not base any part of a deferral on a finding with respect to any program or activity of the recipient which does not, and would not in connection with the new funds, receive Federal financial assistance for DOC.

§ 20.16 Hearings, decisions, post-termination proceedings.

Certain DOC procedural provisions applicable to Title VI of the Civil Rights Act of 1964 apply to DOC enforcement of these regulations. They are found in 15 CFR Part 8, §8.12 and §8.13.

§ 20.17 Remedial action by recipients.

(a) Where DOC finds that a recipient has discriminated on the basis of age, the recipient shall take any remedial action that DOC may require to overcome the effects of the discrimination. If another recipient exercises control over the recipient that has discriminated, DOC may require both recipients to take remedial action.

(b) Even in the absence of a finding of discrimination, a recipient may take affirmative action to overcome the effects of conditions that resulted in limited participation in the recipient’s program or activity on the basis of age.

§ 20.18 Alternative funds disbursal procedure.

(a) When, under the provisions of these regulations, DOC terminates the funding of a recipient, the Secretary may, using undisbursed funds from the terminated award, make a new award to an alternate recipient, i.e. any public or non-profit private organization or agency, or State or political subdivision of the State.

(b) The Secretary will require any alternate recipient to demonstrate:

1. The ability to comply with these regulations; and
2. The ability to achieve the goals of the Federal statute authorizing the program or activity.

§ 20.19 Private lawsuits after exhaustion of administrative remedies.

(a) A complainant may file a civil action following the exhaustion of administrative remedies under the Act. Administrative remedies are exhausted if:

1. 180 days have elapsed since the complainant filed the complaint and DOC has made no finding with regard to the complaint; or
2. DOC issues any finding in favor of the recipient.

(b) If DOC fails to make a finding within 180 days or issues a finding in favor of recipient, DOC shall:

1. Promptly advise the complainant of this fact; and
2. Advise the complainant of his or her right to bring civil action for injunctive relief; and
3. Inform the complainant that:
   (i) The complainant may bring a civil action only in a United States district court for the district in which the recipient is located or transacts business;
   (ii) A complainant prevailing in a civil action has the right to be awarded the costs of the action, including reasonable attorney’s fees, but that the complainant must demand these costs in the complaint;
   (iii) Before commencing the action, the complainant shall give 30 days notice by registered mail to the Secretary, the Attorney General of the United States, and the recipient;
   (iv) The notice shall contain the alleged violation of the Act, the relief requested, the court in which the complainant is bringing the action, and whether or not attorney’s fees are demanded in the event the complainant prevails; and
   (v) The complainant may not bring an action if the same alleged violation of the Act by the same recipient is the subject of a pending action in any court of the United States.
§ 21.1 Definitions.
For purposes of this subpart:
(a) The term administrative offset means satisfying a debt by withholding of money payable by the Department to, or held by the Department on behalf of a person, to satisfy a debt owed the Federal Government by that person.
(b) The term person includes individuals, businesses, organizations and other entities, but does not include any agency of the United States, or any State or local government.
(c) The terms claim and debt are deemed synonymous and interchangeable. They refer to an amount of money or property which has been determined by an appropriate agency official to be owed to the United States from any person, organization, or entity, except another Federal agency, a State or local government, or Indian Tribal Government.
(d) Agency means:
(1) An Executive department, military department, Government corporation, or independent establishment as defined in 5 U.S.C. 101, 102, 103, or 104, respectively.
(2) The United States Postal Service; or
(3) The Postal Rate Commission.
(e) Debtor means the same as "person."
(f) Department means the Department of Commerce.
(g) Secretary means the Secretary of the Department of Commerce.
(h) Assistant Secretary for Administration means the Assistant Secretary for Administration of the Department of Commerce.
(i) State includes an "agency" of the United States.
(j) Waiver means the cancellation, remission, forgiveness, or non-recovery of a debt allegedly owed by a person to the United States.
(k) Departmental Unit means an individual operating or administrative component within the Department of Commerce.
(l) Departmental Unit Head means the head of an individual operating or administrative component within the Department of Commerce responsible for debt collection.
(m) Notice of Intent means a demand notice sent by the Department to the debtor indicating not only the amount due, but also the Department's intent to offset all or some of the amount due from other source(s) of Federal payment(s) that may be due the debtor.
(n) Workout Group means Departmental debt collection specialist(s) assigned to collection of a delinquent debt when the claim is 30 or more days past due.
§ 21.2 Purpose and scope.
(a) The regulations in this subpart establish procedures to implement section 10 of the Debt Collection Act of 1982 (Pub. L. 97-365), 31 U.S.C. 3716. Among other things, this statute authorizes the heads of each agency to collect a claim arising under an agency program by means of administrative offset, except that no claim may be collected by such means if outstanding for more than 10 years after the agency's right to collect the debt first accrued, unless facts material to the Government's right to collect the debt were not known and could not reasonably have been known by the official or officials of the Government who were...
Office of the Secretary, Commerce

§ 21.4 Notification requirements before offset.

A debt is considered delinquent by the Department if it is not paid within 15 days of the due date, or if there is no due date, within 30 days of the billing date.

(a) The Departmental unit head (and designees) responsible for carrying out the provisions of this subpart with respect to the debt shall ensure that appropriate written demands are sent to the debtor in terms which inform the debtor of the consequences of failure to cooperate in payment of the debt. The first demand letter should be sent within ten (10) days after the date the debt becomes delinquent. A total of three progressively stronger written
§ 21.4

Demand letters, at not more than 30 calendar day intervals, will normally be made unless (1) a response to the first or second demand indicates that a further demand would be futile; (2) the debtor’s response does not require any or immediate rebuttal; and/or (3) the bureau determines to pursue offset under the procedures specified in 4 CFR 102.3. Collection by Administrative Offset. In determining the timing of the demand letters, Departmental unit heads should give due regard to the need to act promptly; so as a general rule, if it is necessary to refer the debt to the Department of Justice for action, such referral can be made within one year of the final determination of the facts and the amount of the debt. When Departmental unit heads (and designees) deem it appropriate to protect the Government’s interests (for example, to prevent the statute of limitations, 28 U.S.C. 2415, from expiring), written demand for payment may be preceded by other appropriate collection actions (also see §21.10(c)).

(b) The Department official responsible for collection of the debt (generally an accounting or finance officer) shall ensure that an initial written demand notice is sent to the debtor, informing such debtor of:

(1) The amount and basis for the indebtedness and whatever rights the debtor may have to seek review within the Department;

(2) The applicable standards for assessing interest, penalties, and administrative costs (4 CFR 102.13);

(3) That the debtor has a right to inspect and copy Department records related to the debt, as determined by responsible Departmental official(s), and that such request to inspect and copy must be postmarked or received by the Department no later than 30 days after the date of the first demand letter;

(4) The name, mailing address, and telephone number of the Department workout group employee who can provide a full explanation of the claim and answer all related questions, as well as explain procedures to the debtor for inspecting and copying records related to the debt.

(c) The responsible Department officials shall exercise due care to insure that demand letters are mailed or hand delivered on the same day that they are actually dated. If evidence suggests that the debtor is no longer located at the address of record, reasonable action shall be taken by the Departmental unit workout group to obtain a current address, including skip-trace assistance from the Internal Revenue Service and/or private sector credit reporting bureaus.

(d) Where applicable, the Departmental unit workout group must inform the debtor in a second demand letter, (Notice of Intent) of:

(1) The nature and amount of the debt;

(2) That the Department intends to collect the debt by administrative offset until the debt and all accumulated interest and other charges are paid in full;

(3) That the debtor has a right to obtain review within the Department of the initial determination of indebtedness, and that such request to have a review of the basis of indebtedness must be postmarked or received by the Department no later than 30 days after the date of the second demand letter (Notice of Intent); and

(4) That the debtor may enter into a written agreement with the responsible Department official(s) to repay the debt if such a request is made and received by the Department no later than 30 days after the date of the second demand letter (Notice of Intent).

If the sum of the proposed offset does not fully cover the amount of the debt owed, the Departmental unit workout group shall also include in this second demand letter (Notice of Intent) the notice provisions to debtors required by the Debt Collection Act of 1982, and other regulations of the Department, pertaining to disclosure of the delinquent debt to credit reporting agencies, referral to private collection agencies, salary offset, possible Internal Revenue Service offset of tax refunds, and referral of the debt to the Justice Department for action to the extent inclusion of such is appropriate and practical.

(5) That if payment or a request for review is not received within the 30-day period, the offset process will be initiated.
§ 21.5 Exceptions to notification requirements.

(a) In cases where the notice specified in §21.4 has previously been provided to the debtor in connection with the same debt under some other proceeding, such as a final audit resolution determination, the Department is not required to duplicate those requirements before effecting administrative offset.

(b) If the time before payment is to be made to the debtor does not reasonably permit the completion of the procedures specified in §21.4, and failure to take offset would substantially prejudice the Government's ability to collect the debt, then administrative offset action will be taken without notification. The offset will be promptly followed by the completion of the procedures specified in §21.4 (also see §21.10(c)).

§ 21.6 Written agreement to repay debt.

(a) A debtor will be provided with an opportunity to enter into a written agreement with the responsible Departmental official(s) to repay the debt owed if the following conditions are met and if specific conditions exist that limit his or her ability to immediately repay the debt.

(1) Notification by debtor. The debtor may, in response to the first written demand or Notice of Intent, propose a written agreement for delayed lump sum or installment payments to repay the debt as an alternative to administrative offset. Any debtor who wishes to do this must submit a proposed written agreement signed by the debtor to repay the debt, including interest, penalties, and administrative costs determined by the Department as due. This proposed written agreement must be received by the workout group individual specified in §21.4(b)(4) within 60 calendar days of the date of the Department's initial written demand letter, or in response to the Notice of Intent, within 30 calendar days of the date of the Department's Notice of Intent.

(2) Department response. In response to timely notification by the debtor as described in paragraph (a)(1) of this section, the Departmental unit head (or designee) will notify the debtor within 30 calendar days whether the debtor's proposed written agreement for repayment is acceptable. It is within the discretion of the Departmental unit head (or designee) to accept a repayment agreement instead of proceeding by offset. However, if the debt is delinquent and the debtor has not disputed its existence or amount, the Departmental unit head (or designee) should accept a repayment agreement instead of offset only if the debtor is able to establish that offset would result in undue financial hardship or would be against equity and good conscience. Before accepting a repayment agreement, the Departmental unit head (or designee) will also consider factors such as the financial statements provided by the debtor, the amount of the debt, the length of the proposed repayment period (generally not to exceed 3 years), whether the debtor is willing to sign a confess-judgment note or give collateral, and past dealings with the debtor. In making this determination, the Departmental unit head (or designee) will balance the Department's interest in collecting the debt against the financial hardship to the debtor (see §21.18). A Departmental unit head (or designee) may deem a repayment plan to be abrogated if the debtor should, after the repayment plan is signed, fail to comply with the terms of the plan.

§ 21.7 Review of Department records related to the debt.

(a) Notification by debtor. A debtor who intends to inspect or copy Department records related to the debt must send a letter to the Departmental unit workout group employee specified in §21.4(b)(4) stating his or her intentions. The letter must be postmarked or received by the Department within 30 calendar days of the date of the Department's first demand letter.

(b) Department response. In response to timely notification by the debtor as described in paragraph (a) of this section, the Departmental unit workout group will notify the debtor within 10 days of the request of the location and time when the debtor may inspect or copy agency records related to the debt, as well as provide the debtor with
§ 21.8 Review within the Department of a determination of indebtedness.

(a) Notification by debtor. A debtor who receives an initial demand for payment under the procedures, or a Notice of Intent (see §21.4(d)), has the right to request Department review of the determination of indebtedness. To exercise this right, the debtor must send a letter requesting review to the Departmental unit workout group individual identified in §21.4(b)(4). The letter must explain why the debtor seeks review and must be postmarked within 60 calendar days of the date of the first demand letter, (or 30 days from the Notice of Intent), or if a request has been made by the debtor to copy or have relevant records mailed, within the calendar-day time period provided in §21.7(b), above.

(b) Department response. In response to a timely request for review of the initial determination of indebtedness, the Departmental unit head (or designee) will notify the debtor whether review will be by (1) oral hearing, or (2) by administrative review of the record. The notice to the debtor will include the procedures (see §21.11) used by Departmental officials for administrative review of the record, or will include information on the date, location and procedures to be used if review is by an oral hearing.

§ 21.9 Types of reviews.

The Department will provide the debtor with an opportunity for an oral hearing, or an administrative review of the documentation relating to the debt, under the following conditions.

(a) Oral hearing. The Departmental unit head (or designee) will provide the debtor with a reasonable opportunity for hearing if:

(1) An applicable statute authorizes or requires the Department to consider waiver of the indebtedness, the debtor requests waiver of the indebtedness involved, and the waiver determination turns on credibility or veracity; or

(2) The debtor requests reconsideration of the debt and the Departmental unit head (or designee) determines that the question of the indebtedness cannot be resolved by review of the documentary evidence.

An oral hearing need not be a formal (evidentiary type) hearing. However, hearing officials should carefully document all significant matters discussed at the hearing.

(b) Administrative review of written record. Unless the Departmental unit head (or designee) determines that an oral hearing is required (see paragraph (a) of this section), the unit head (or designee) will provide for a review of the written record(s) (a review of the documentary evidence related to the debt, in the form of a “paper hearing”).

§ 21.10 Review procedures.

(a) The oral hearing will be conducted as follows:

(1) The hearing official will take necessary steps to ensure that the hearing is conducted in a fair and expeditious manner. If necessary, the hearing officer may administer oaths of affirmation.

(2) The hearing official need not use the formal rules of evidence with regard to admissibility of evidence or the use of evidence once admitted. However, parties may object to clearly irrelevant material.

(3) The hearing official will record all significant matters discussed at the hearing. There will be no “official” record or transcript provided for these hearings.
Office of the Secretary, Commerce

§ 21.12 Coordinating administrative offset within the Department and with other Federal agencies.

(a) When the Department is owed a debt, the Department may offset the debt against another Federal agency's payment to the debtor only if the Department has complied with Part 102, "Standards for the Administrative Collection of Claims," of the Federal Claims Collection Standards. Whenever possible, Departmental units should comply with requests from within the Department and from other Federal agencies to offset payments owed the United States, unless the requesting office or agency has not complied with the Federal Claims Collections Standards, or the agency's implementing regulations, or the request would otherwise be contrary to law or the best interests of the United States.

§ 21.11 Determination of indebtedness.

(a) Following the hearing or the review of the record, the hearing official will issue a written decision which includes the supporting rationale for the decision. The decision of the hearing official is the Department unit's final action with regard to the particular administrative offset.

(b) Copies of the hearing official's decision will be distributed to the General Counsel (or designee) for the Department, the Director of the Department's Office of Finance and Federal Assistance, the appropriate Departmental unit accounting/finance officer, the debtor and the debtor's attorney or other representative, if applicable.

(c) If appropriate, the decision shall inform the debtor of the scheduled date on or after which administrative offset will begin. The decision shall also, if appropriate, indicate any changes in the information to the extent such information differs from that provided in the initial notification under §21.4.
Standards, as well as the Department's implementing regulations on administrative offsets.

(b) When another agency is owed the debt. The Department may administratively offset money it owes to a person who is indebted to another agency if requested to do so by that agency. Such a request must be accompanied by a certification by the requesting agency that the person owes the debt (including the amount and basis for the debt) and that the creditor agency has complied with the applicable Federal Claim Collection Standards, as well as the agency implementing regulations on administrative offsets. The request from another Federal agency for Department cooperation in the offset should be sent to:

Director, Office of Finance and Federal Assistance, Room 6827, Herbert C. Hoover Building, Washington, D.C. 20230


(a) Administrative offset will commence 31 days after the date of the Notice of Intent, unless the debtor has requested a hearing (see §21.8) or has entered into a repayment agreement (see §21.6).

(b) When there is review of the debt within the Department, administrative offset will begin after the hearing officer's determination has been issued under §21.11 and a copy of the determination is received by the Departmental unit's accounting or finance office, except for the provision provided in §21.10(c) when immediate action is determined necessary to ensure the Department's position in collection of the delinquent debt.


The Departmental units will follow the procedures identified in (§21.13) for the administrative offset of a single debt. However, when collecting multiple debts by administrative offset, responsible Departmental officials should apply the recovered amounts to those debts in accordance with the best interests of the United States, as determined by the facts and circumstances of the particular case, paying special attention to applicable statutes of limitations.

§ 21.15 Administrative offset against amounts payable from Civil Service Retirement and Disability Fund.

(a) Unless otherwise prohibited by law, the Department may request that monies which are due and payable to a debtor from the Civil Service Retirement and Disability Fund be administratively offset in reasonable amounts in order to collect debts owed to the United States by the debtor. Such requests shall be made by the Departmental unit workout officials to the appropriate officials of the Office of Personnel Management (OPM) in accordance with their regulations and procedures.

(b) When making a request for administrative offset under paragraph (a) of this section, the responsible workout group debt collection official shall include a written certification that:

1. The debtor owes the United States a debt, including the amount and basis for the debt;

2. The Department has complied with all applicable statutes, regulations, and procedures of the Office of Personnel Management; and

3. The Department has complied with the requirements of the applicable provisions of the Federal Claims Collection Standards and these regulations, including any required hearing or review.

(c) If a Departmental unit workout group decides to request administrative offset under paragraph (a) of this section, the responsible debt collection official should make the request as soon as practical after completion of the applicable due process procedures so the Office of Personnel Management may identify and “flag” the debtor's account in anticipation of the time when the debtor becomes eligible and requests to receive payments from the fund. This will satisfy any requirement that offset be initiated prior to expiration of the applicable statute of limitations. At such time as the debtor makes a claim for payments from the fund, and if at least a year has elapsed since the administrative offset request was originally made, the debtor should
be permitted to offer a satisfactory repayment plan in lieu of offset upon establishing to the appropriate Departmental unit head (or designee) that changed financial circumstances would render the offset unjust.

(d) If the Department collects part or all of the debt by other means before deductions are made or completed under paragraph (a) of this section, the Department official responsible for collecting the debt will act promptly to modify or terminate the agency's request for administrative offset under paragraph (a) of this section.

(e) In accordance with procedures established by the Office of Personnel Management, the Department may request an offset from the Civil Service Retirement and Disability Fund prior to completion of due process procedures.

§ 21.16 Collection against a judgment.
Collective by administrative offset against a judgment obtained by a debtor against the United States shall be accomplished in accordance with 31 U.S.C. 3728.

§ 21.17 Liquidation of collateral.
If the Department holds security or collateral which may be liquidated through the exercise of a power of sale in the security instrument, or a nonjudicial foreclosure, liquidation should be accomplished by such procedures if the debtor fails to pay the debt within a reasonable time after demand or pursuant to the contract of the parties, unless the cost of disposing of the collateral would be disproportionate to its value or special circumstances require judicial foreclosure. The Department collection official should provide the debtor with reasonable notice of the sale, an accounting of any surplus proceeds, and any other procedures required by contract or law. Collection from other sources, including liquidation of security or collateral, is not a prerequisite to requiring payment by a surety or insurance concern unless such action is expressly required by statute or contract.

§ 21.18 Collection in installments.
(a) Whenever feasible, and unless otherwise provided by law, debts owed to the United States, together with interest, penalties, and administrative costs should be collected in one lump sum. This is true whether the debt is being collected by administrative offset or by another method, including voluntary payment. However, if the debtor is financially unable to pay the indebtedness in one lump sum, the responsible Departmental official(s) may accept repayment in regular installments (See §21.6). Prior to approving such repayments, financial statements shall be required from the debtor who represents that he/she is unable to pay the debt in one lump sum. A responsible Departmental official who agrees to accept payment in regular installments should obtain a legally enforceable written agreement from the debtor which specifies all of the terms of the arrangement and which contains a provision accelerating the debt in the event the debtor defaults. The size and frequency of installment payments should bear a reasonable relationship to the size of the debt and the debtor's ability to pay. If possible, the installment payments should be sufficient in size and frequency to liquidate the Government's claim in not more than three years. Installment payments of less than $50 per month should be accepted only if justifiable on the grounds of financial hardship or for some other reasonable cause. If the debt is an unsecured claim for administrative collection, attempts should be made to obtain an executed confess-judgment note, comparable to the Department of Justice Form USA-70a, from a debtor when the total amount of the deferred installments will exceed $750. Such notes may be sought when an unsecured obligation of a lesser amount is involved. When attempting to obtain confess-judgment notes, Departmental units should provide their debtors with written explanation of the consequences of signing the note, and should maintain documentation sufficient to demonstrate that the debtor has signed the note knowingly and voluntarily. Security for deferred payments other than a confess-judgment note may be accepted in appropriate cases. A Departmental units head (or designee) may accept installment payments notwithstanding the refusal of a
§ 21.19 Additional administrative collection action.

Nothing contained in this subpart is intended to preclude the utilization of any other administrative remedy which may be available.

PART 22—SALARY OFFSET

Sec. 22.1 Scope.
22.2 Definitions.
22.3 Pay subject to offset.
22.4 Determination of indebtedness.
22.5 Notice requirements before offset.
22.6 Request for hearing-prehearing submission(s).
22.7 Hearing procedures.
22.8 Written decision following a hearing.
22.9 Standards for determining extreme financial hardship.
22.10 Review of Departmental records related to the debt.
22.11 Coordinating offset with another Federal agency.
22.12 Procedures for salary offset—When deductions may begin.
22.13 Procedures for salary offset—Types of collection.
22.14 Procedures for salary offset—Methods of collection.
22.15 Procedures for salary offset—Imposition of interest, penalties, and administrative costs.
22.16 Non-waiver of rights.
22.17 Refunds.

SOURCE: 52 FR 7, Jan. 2, 1987, unless otherwise noted.

§ 22.1 Scope.

(a) These regulations provide Department procedures for collection by salary offset of a Federal employee’s pay to satisfy certain debts owed the Government.
(b) These regulations apply to collections by the Secretary from:
(1) Federal employees who owe debts to the Department; and
(2) Current employees of the Department who owe debts to other agencies.
(c) These regulations do not apply to debts or claims arising under the Internal Revenue Code of 1954, as amended (26 U.S.C. 1 et seq.); the Social Security Act (42 U.S.C. 301 et seq.); the tariff laws of the United States; or to any case where collection of a debt by salary offset is explicitly provided for or prohibited by another statute (e.g., travel advances in 5 U.S.C. 5705 and employee training expenses in 5 U.S.C. 4108).
(d) These regulations do not apply to any adjustment to pay arising out of an employee’s election of coverage or a change in coverage under a Federal benefits program requiring periodic deductions from pay, if the amount to be recovered was accumulated over four pay periods or less.
(e) Nothing in these regulations precludes the compromise, suspension, or termination of collection actions where appropriate.

§ 22.2 Definitions.

(a) Agency means:
(1) An Executive department, military department, Government corporation, or independent establishment as defined in 5 U.S.C. 101, 102, 103, and 104, respectively;
(2) The United States Postal Service;
(3) The Postal Rate Commission;
(4) An agency or court of the judicial branch; and
(5) An agency of the legislative branch, including the U.S. Senate and the U.S. House of Representatives.
(b) Creditor agency means the agency to which the debt is owed.
(c) Days means calendar days.
(d) Debt means:
(1) An amount of money owed the United States from sources which include loans insured or guaranteed by the United States; from fees, leases, rents, royalties, services, sales of real or personal property, overpayments,
Office of the Secretary, Commerce § 22.5

penalties, damages, fines and forfeitures (except those arising under the Uniform Code of Military Justice);
(2) An amount owed to the United States by an employee for pecuniary losses, including, but not limited to:
   (i) Theft, misuse, or loss of Government funds;
   (ii) False claims for services and travel;
   (iii) Illegal or unauthorized obligations and expenditures of Government appropriations;
   (iv) Authorization of the use of Government owned or leased equipment, facilities, supplies, and services for other than official or approved purposes;
   (v) Vehicle accidents where the employee is determined to be liable for the repair or replacement of a Government owned or leased vehicle; and
   (vi) Erroneous entries on accounting records or reports for actions for which the employee can be held liable.

(e) Department or DOC means the United States Department of Commerce.

(f) Disposable pay means the amount that remains from an employee's Federal pay after required deductions for Federal, State and local income taxes; Social Security taxes, including Medicare taxes; Federal retirement programs; premiums for basic life and health insurance benefits; and such other deductions that are required by law to be withheld.

(g) Employee means:
   (1) A civilian employee as defined in 5 U.S.C. 2105;
   (2) A member of the Armed Forces or Reserves of the United States, or of a uniformed service, including a commissioned officer of the National Oceanic and Atmospheric Administration;
   (3) An employee of the United States Postal Service or the Postal Rate Commission;
   (4) An employee of an agency or court of the judicial branch; and
   (5) An employee of the legislative branch, including the U.S. Senate and the U.S. House of Representatives.

(h) FCCS means the Federal Claims Collection Standards jointly published by the Department of Justice and the General Accounting Office at 4 CFR 101.1 et seq.

(i) Offset means a deduction from the disposable pay of an employee to satisfy a debt with or without the employee's consent.

(j) Pay means basic pay, special pay, incentive pay, retired pay, retainer pay, or, in the case of an employee not entitled to basic pay, other authorized pay.

(k) Paying agency means the agency employing the individual and authorizing his or her current pay.

(l) Payroll office means the Departmental or other office providing payroll services to the employee.

(m) Secretary means the Secretary of Commerce, or his/her designee.

§ 22.3 Pay subject to offset.

(a) An offset from an employee's pay may not exceed 15 percent of the employee's disposable pay, unless the employee agrees in writing to a larger offset amount.

(b) An offset from pay shall be made at the officially established pay intervals from the employee's current pay account.

(c) If an employee retires, resigns, or is discharged, or if his or her employment period or period of active duty otherwise ends, an offset may be made from subsequent payment on any amount due to the individual from the Federal Government.

§ 22.4 Determination of indebtedness.

In determining that an employee is indebted, the Secretary will review the debt to make sure that it is valid and past due.

§ 22.5 Notice requirements before offset.

Except as provided in §22.1, deductions will not be made unless the Secretary provides the employee with a minimum of 30 calendar days written notice. This Notice of Intent to offset an employee's salary (Notice of Intent) will state:

(a) That the Secretary has reviewed the records relating to the claim and has determined that a debt is owed, the amount of the debt, and the facts giving rise to the debt;

(b) The Secretary's intention to collect the debt by means of deduction from the employee's current disposable
pay account until the debt and all accumulated interest are paid in full;
(c) The amount, frequency, approximate beginning date, and duration of the intended deductions;
(d) An explanation of the Department’s requirements concerning interest, penalties and administrative costs unless such payments are excused in accordance with §22.15;
(e) The employee’s right to inspect and to request and receive a copy of Department records relating to the debt;
(f) The right to a hearing conducted by an administrative law judge of the Department or a hearing official, not under the control of the Secretary, on the Secretary's determination of the debt, the amount of the debt, or the repayment schedule (i.e., the percentage of disposable pay to be deducted each pay period), so long as a petition is filed by the employee as prescribed by the Secretary;
(g) The method and time period for requesting a hearing;
(h) That the timely filing of a petition for hearing will stay the collection proceedings; (See §22.6);
(i) That a final decision on the hearing will be issued at the earliest practical date, but not later than 60 days after the filing of the petition requesting the hearing, unless the employee requests and the hearing official grants a delay in the proceedings;
(j) Any other rights and remedies available to the employee under statutes or regulations governing the program for which the collection is being made; and
(k) That any knowingly false or frivolous statements, representations, or evidence may subject the employee to:
(1) Disciplinary procedures appropriate under 5 U.S.C. 7501 et seq., 5 CFR Part 752, or any other applicable statutes or regulations;
(2) Penalties under the False Claims Act, 31 U.S.C. 3729-3731, or any other applicable statutory authority; or
(3) Criminal penalties under 18 U.S.C. 286, 287, 1001, and 1002 or any other applicable statutory authority.
(l) Unless there are applicable contractual or statutory provisions to the contrary, amounts paid on or deducted for the debt which are later waived or found not owed to the United States will be promptly refunded to the employee.

§ 22.6 Request for hearing-prehearing submission(s).
(a) An employee must file a petition for a hearing in accordance with the instructions in the Notice of Intent. This petition must be filed by the time stated in the notice described in §22.5 if an employee wants a hearing concerning:
(1) The existence or amount of the debt; or
(2) The Secretary’s proposed offset schedule.
(b) If the employee files his or her required submissions within 5 days after the deadline date established under §22.5 and the hearing official finds that the employee has shown good cause for failure to comply with the deadline date, the hearing official may find that an employee has not waived his or her right to a hearing.

§ 22.7 Hearing procedures.
(a) The hearing will be presided over by either:
(1) A Department administrative law judge; or
(2) A hearing official not under the control of the Secretary.
(b) The hearing shall conform to §102.3(c) of the Federal Claims Collection Standards (4 CFR 102.3(c)).
(c)(1) If the Secretary’s determination regarding the existence or amount of the debt is contested, the burden is on the employee to demonstrate that the Secretary’s determination was erroneous.
(2) If the hearing official finds that the payments called for under the Secretary’s offset schedule will produce an extreme financial hardship for the employee under §22.9.
(d)(1) If the Secretary’s offset schedule is contested, the burden is on the employee to demonstrate that the payments called for under the Secretary’s schedule will produce an extreme financial hardship for the employee under §22.9.
(2) If the hearing official finds that the payments called for under the Secretary’s offset schedule will produce an
extreme financial hardship for the employee, the hearing official shall establish an offset schedule that will result in the repayment of the debt in the shortest period of time without producing an extreme financial hardship for the employee.

§ 22.8 Written decision following a hearing.
(a) The hearing official shall issue to the Secretary and the employee a written opinion stating his or her decision, with a rationale supporting that decision, as soon as practicable after the hearing, but not later than 60 days after the employee files the petition requesting the hearing as provided in §22.5(i).
(b) The written decision following a hearing will include:
(1) A statement of the facts presented to support the nature and origin of the alleged debt;
(2) The hearing official's analysis, findings, and conclusions, in light of the hearing, concerning the employee's or the Department's grounds;
(3) The amount and validity of the alleged debt; and
(4) The repayment schedule if applicable.
(c) In determining whether the Secretary's determination of the existence or amount of the employee's debt was erroneous, the hearing official is governed by the relevant Federal statutes and regulations authorizing and implementing the programs giving rise to the debt, and by State law, if relevant.

§ 22.9 Standards for determining extreme financial hardship.
(a)(1) An offset produces an extreme financial hardship for an employee if the offset prevents the employee from meeting the costs necessarily incurred for essential subsistence expenses of the employee and his or her spouse and dependents.
(2) Ordinarily, essential subsistence expenses include only costs incurred for food, housing, clothing, transportation, and medical care.
(b) In determining whether an offset would prevent the employee from meeting the essential subsistence expenses described in paragraph (a) of this section, the hearing official shall require that the employee submit a detailed financial statement showing assets, liabilities, income and expenses.

§ 22.10 Review of Departmental records related to the debt.
(a) Notification by employee. An employee who intends to inspect or copy Departmental records related to the debt must make arrangements in conformance with the instructions in the Notice of Intent.
(b) Secretary's response. In response to a timely request submitted by the debtor, as described in paragraph (a) of this section, the Secretary will notify the employee of the location and time when the employee may inspect and copy Departmental records related to the debt.

§ 22.11 Coordinating offset with another Federal agency.
(a) When Commerce is owed the debt. When the Department is owed a debt by an employee of another agency, the Department will submit a written request to the paying agency to begin salary offset. This request will include certification as to the debt (including the amount and basis of the debt and the due date of the payment) and that the Department has complied with these regulations.
(b) When another agency is owed the debt. The Department will use salary offset against one of its employees who is indebted to another agency if requested to do so by that agency. Such a request must be accompanied by a certification by the requesting agency that the person owes the debt (including the amount) and that the procedural requirements of 5 U.S.C. 5514 and 5 CFR part 550, subpart K, have been met.
(c) Requests by another Federal Department or agency for Department cooperation in offsetting the salary of one of its employees must be directed to the Director for Personnel and Civil Rights, Room 5001, U.S. Department of Commerce, Herbert C. Hoover Building, 14th and Constitution Ave., NW., Washington, DC 20230.
§ 22.12 Procedures for salary offset—
When deductions may begin.

(a) Deductions to liquidate an employee's debt will be by the method and in the amount stated in the Secretary's Notice of Intent to collect from the employee's current pay.

(b) If the employee filed a timely petition for hearing, deductions will begin after the hearing official has provided the employee with a hearing, and the final written decision is in favor of the Secretary.

(c) If an employee retires or resigns before collection of the amount of the indebtedness is completed, the remaining indebtedness will be collected according to the procedures for administrative offset (15 CFR 21).

§ 22.13 Procedures for salary offset—
Types of collection.

A debt will be collected in a lump-sum or in installments. Collection will be by lump-sum collections unless the amount of the debt exceeds 15 percent of disposable pay. In these cases, deduction will be by installments.

§ 22.14 Procedures for salary offset—
Methods of collection.

(a) General. A debt will be collected by deductions at officially established pay intervals from an employee's current pay account, unless the employee and the Secretary agree to alternative arrangements for repayment.

(b) Installment deductions. Installment deductions will be made over a period not greater than the anticipated period of employment. The size and frequency of installment deductions will bear a reasonable relation to the size of the debt and the employee's ability to pay. However, the amount deducted for any period will not exceed 15 percent of the disposable pay from which the deduction is made; unless the employee has agreed in writing to the deduction of a greater amount. If possible, the installment payment will be sufficient in size and frequency to liquidate the debt in three years. Installment payments of less than $25 per pay period or $50 a month will be accepted only in the most unusual circumstances.

(c) Sources of deductions. The Department will make deductions from the employee's pay.

15 CFR Subtitle A (1–1–98 Edition)

§ 22.15 Procedures for salary offset—
Imposition of interest, penalties, and administrative costs.

These charges will be made on installment payments in accordance with the Office of Personnel Management regulations (5 CFR 550.1104(n)) and the requirements contained in the FCCS (4 CFR 102.13).

§ 22.16 Non-waiver of rights.

So long as there are no statutory or contractual provisions to the contrary, no employee involuntary payment (of all or a portion of a debt) collected under these regulations will be interpreted as a waiver of any rights that the employee may have under 5 U.S.C. 5514, these implementing regulations, or any other provision of contract or law.

§ 22.17 Refunds.

The Department will refund promptly to the appropriate individual amounts offset under these regulations when:

(a) A debt is waived or otherwise found not owing the United States (unless expressly prohibited by statute or regulation); or

(b) The Department is directed by an administrative or judicial order to refund amounts deducted from the employee's current pay.

PART 23—USE OF PENALTY MAIL IN THE LOCATION AND RECOVERY OF MISSING CHILDREN

Sec.
23.1 Purpose.
23.2 Contact person.
23.3 Plan.
23.4 Cost and percentage estimates.
23.5 Report to the Office of Juvenile Justice and Delinquency Prevention.
23.6 Definitions.
23.7 Notice to Department of Commerce organizational units of implementation and procedures.


Source: 51 FR 46614, Dec. 24, 1986, unless otherwise noted.

§ 23.1 Purpose.

These regulations are intended to comply with 39 U.S.C. 3220(a)(2), and
the Office of Juvenile Justice and Delinquency Prevention (OJJDP) guidelines (50 FR 46622), to assist in the location and recovery of missing children through the use of penalty mail.

§ 23.2 Contact person.

§ 23.3 Plan.
(a) The Department of Commerce will supplement and expand the national effort to assist in the location and recovery of missing children through the economical use of missing children information in domestic penalty mail directed to the public and Federal employees.
(b) The Department of Commerce may include, on or inside authorized types of penalty mail, pictures and biographical data related to missing children, provided such use is determined to be cost effective. The authorized types of penalty mail include:
   (1) All envelopes; and
   (2) Self-mailer publications (newsletters, bulletins, etc.) with a shelf-life of no more than 90 days.
(c) The manner in which pictures and biographical data may be used includes:
   (1) Printing on envelopes at the time they are initially printed with the United States Postal Service (USPS) required postal code identification;
   (2) Printed inserts that are placed in envelopes along with other mailing material;
   (3) Stickers that are printed and placed on envelopes prior to mailing; and
   (4) Printing as part of the content of self-mailers such as bureau newsletters, bulletins, etc.
(d) Missing children information will not be placed on letter-size envelopes in the areas described as the “Penalty Indicia Area,” “OCR Read Area,” “Bar Code Read Area,” and “Return Address Area” per Appendix A of the OJJDP guidelines.
(e) The National Center for Missing and Exploited Children (National Center) will be the sole source from which the Department of Commerce will obtain the camera-ready and other photographic and biographical materials for use by organizational units. Photographs which were reasonably current as of the time of the child’s disappearance shall be the only acceptable form of visual media or pictorial likeness used on or in penalty mail.
(f) The Department of Commerce will remove all printed penalty mail envelopes and other materials from circulation or other use (i.e., use or destroy) within 90 days of notification by the National Center of the need to withdraw penalty mail envelopes and other materials related to a particular child from circulation. The Department of Commerce will not include missing children information on blank pages or covers of items such as those to be included in the Superintendent of Documents’ Sales Program, or to be distributed to Depository Libraries, as such material generally could not be withdrawn from use within 90 days of notification. The Department of Commerce will be responsible for immediately notifying the Department Contact Person, in writing, of the need to withdraw from circulation penalty mail envelopes and other materials related to a particular child.
(g) The Department of Commerce will give priority:
   (1) To penalty mail that is addressed to the public for receipt in the United States, its territories and possessions; and
   (2) To inter- and intra-agency publications and other media that will be widely disseminated to and viewed by Federal employees.
(h) All suggestions and/or recommendations for innovative, cost-effective techniques should be forwarded to the Department Contact Person. The Department Contact Person shall conduct biannual meetings of departmental representatives to discuss the current plan and recommendations for future plans.
(i) This shall be the sole regulation implementing this program for the Department of Commerce.

§ 23.4 Cost and percentage estimates.
It is estimated that this program will cost the Department of Commerce
§ 23.5

$39,530 in the first year. It is the Department of Commerce's estimate that 9% of its penalty mail will transmit missing children photographs and information when the program is fully implemented.

§ 23.5 Report to the Office of Juvenile Justice and Delinquency Prevention.

The Department of Commerce will compile and submit a consolidated report to OJJDP, by June 30, 1987, on its experience in implementation of 39 U.S.C. 3220(a) (2), the OJJDP guidelines, and the Department of Commerce's regulation. This report will cover the period from December 24, 1986 through March 31, 1987, and provide detail on:

(a) The Department of Commerce's experience in implementation (including problems encountered), successful and/or innovative methods adopted to use missing children photographs and information on or in penalty mail, the estimated number of pieces of penalty mail containing such information, and the percentage of total penalty mail directed to the public which included missing children information.

(b) The estimated total cost to implement the program, with supporting detail, and
(c) Recommendations for changes in the program to make it more effective.

§ 23.6 Definitions.

(a) Operating units. Bureaus and other organizational entities outside the Office of the Secretary charged with carrying out specified substantive functions (i.e., programs).

(b) Organizational units. The organizational units within the Department of Commerce are:

Office of the Secretary
Bureau of Economic Analysis
Economic Development Administration
Bureau of the Census
International Trade Administration
Minority Business Development Agency
National Bureau of Standards
National Oceanic and Atmospheric Administration
National Telecommunications and Information Administration
National Technical Information Service
Patent and Trademark Office

§ 23.7 Notice to Department of Commerce organizational units of implementation and procedures.

Following are roles and responsibilities for the program within the Department of Commerce.

(a) The Department Contact Person shall:

(1) Serve as the Department of Commerce's sole representative for ordering materials, including camera-ready negatives, from the National Center,

(2) Serve as the Department of Commerce's sole supplier of materials to Operating Units,

(3) Maintain a current list of personnel within each Operating Unit who are authorized to order materials,

(4) Notify Operating Units whenever permission to use information on a missing child has been withdrawn,

(5) Ensure that only current missing children materials are distributed to Operating Units, and that only those requests from authorized departmental representatives are filled,

(6) Prepare all required departmental reports on the program,

(7) Promulgate any departmentwide operating instructions deemed appropriate for the program, and

(8) Chair biannual meetings of departmental representatives to discuss the program and identify additional opportunities to use the missing children data with penalty mail.

(b) The Head of each Operating Unit (and for the Office of the Secretary, the Director of the Office of Administrative Services Operations), or his/her representative, shall:

(1) Designate a single person to act as the Operating Unit's representative to the Department for requesting and controlling missing children materials and receiving notification to withdraw materials from use (an alternative may be designated to act in the representative's absence),

(2) Provide the Department Contact Person with the name, title, telephone number, and room number of the Operating Unit's representative for the program (and also for the alternate, if one is designated), and notify the Department of changes when they occur,
(3) Ensure that the shelf-life of printed penalty mail materials containing missing children information is limited to a maximum of three months.

(4) Ensure that information on a child is not used once permission has been withdrawn and the shelf-life for the material would keep the information available for greater than 90 days after the date that permission to use it was withdrawn.

(5) Direct that the Operating Unit representative (or alternate) order missing children information, as appropriate, only from the Department Contact Person.

(6) Comply with policies, procedures, and operating instructions issued by the Department.

(7) Maintain necessary information to prepare required reports and submit them in accordance with requirements.

(8) Provide only current camera-ready and other photographic and biographical materials to printers, including those at the Administrative Support Centers, and

(9) Otherwise determine and control the use of missing children materials and information by the Operating Unit.

(c) The Director of each Administrative Support Center, or his/her representatives, shall:

(1) Cooperate with serviced Operating Units to promote the use of missing children information on penalty mail,

(2) As directed by an Operating Unit, utilize camera-ready and other photographic and biographical material provided by the Operating Unit in preparation of material for use with penalty mail, and

(3) Assure that any printing performed or procured under its direction is in accordance with the type of material and the manner of presentation as prescribed in this regulation.

PART 24—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

Subpart A—General

Sec. 24.1 Purpose and scope of this part.
24.2 Scope of subpart.
Subpart A—General

§ 24.1 Purpose and scope of this part.

This part establishes uniform administrative rules for Federal grants and cooperative agreements and subawards to State, local and Indian tribal governments.

§ 24.2 Scope of subpart.

This subpart contains general rules pertaining to this part and procedures for control of exceptions from this part.

§ 24.3 Definitions.

As used in this part:

Accrued expenditures mean the charges incurred by the grantee during a given period requiring the provision of funds for: (1) Goods and other tangible property received; (2) services performed by employees, contractors, subgrantees, subcontractors, and other payees; and (3) other amounts becoming owed under programs for which no current services or performance is required, such as annuities, insurance claims, and other benefit payments.

Accrued income means the sum of: (1) Earnings during a given period from services performed by the grantee and goods and other tangible property delivered to purchasers, and (2) amounts becoming owed to the grantee for which no current services or performance is required by the grantee.

Acquisition cost of an item of purchased equipment means the net invoice unit price of the property including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the grantee’s regular accounting practices.

Administrative requirements mean those matters common to grants in general, such as financial management, kinds and frequency of reports, and retention of records. These are distinguished from programmatic requirements, which concern matters that can be treated only on a program-by-program or grant-by-grant basis, such as kinds of activities that can be supported by grants under a particular program.

Awarding agency means (1) with respect to a grant, the Federal agency, and (2) with respect to a subgrant, the party that awarded the subgrant.

Cash contributions means the grantee’s cash outlay, including the outlay of money contributed to the grantee or subgrantee by other public agencies and institutions, and private organizations and individuals. When authorized by Federal legislation, Federal funds received from other assistance agreements may be considered as grantee or subgrantee cash contributions.

Contract means (except as used in the definitions for grant and subgrant in this section and except where qualified by Federal) a procurement contract under a grant or subgrant, and means a procurement subcontract under a contract.

Cost sharing or matching means the value of the third party in-kind contributions and the portion of the costs of a federally assisted project or program not borne by the Federal Government.

Cost-type contract means a contract or subcontract under a grant in which the contractor or subcontractor is paid on the basis of the costs it incurs, with or without a fee.

Equipment means tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. A grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.

Expenditure report means: (1) For non-construction grants, the SF-269 “Financial Status Report” (or other equivalent report); (2) for construction grants, the SF-271 “Outlay Report and Request for Reimbursement” (or other equivalent report).

Federally recognized Indian tribal government means the governing body or a governmental agency of any Indian tribe, band, nation, or other organized group or community (including any Native village as defined in section 3 of the Alaska Native Claims Settlement...
Act, 85 Stat 688) certified by the Secretary of the Interior as eligible for the special programs and services provided by him through the Bureau of Indian Affairs.

Government means a State or local government or a federally recognized Indian tribal government.

Grant means an award of financial assistance, including cooperative agreements, in the form of money, or property in lieu of money, by the Federal Government to an eligible grantee. The term does not include technical assistance which provides services instead of money, or other assistance in the form of revenue sharing, loans, loan guarantees, interest subsidies, insurance, or direct appropriations. Also, the term does not include assistance, such as a fellowship or other lump sum award, which the grantee is not required to account for.

Grantee means the government to which a grant is awarded and which is accountable for the use of the funds provided. The grantee is the entire legal entity even if only a particular component of the entity is designated in the grant award document.

Local government means a county, municipality, city, town, township, local public authority (including any public and Indian housing agency under the United States Housing Act of 1937) school district, special district, intrastate district, council of governments (whether or not incorporated as a nonprofit corporation under State law), any other regional or interstate government entity, or any agency or instrumentality of a local government.

Obligations means the amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a given period that will require payment by the grantee during the same or a future period.

OMB means the United States Office of Management and Budget.

Outlays (expenditures) mean charges made to the project or program. They may be reported on a cash or accrual basis. For reports prepared on a cash basis, outlays are the sum of actual cash disbursement for direct charges for goods and services, the amount of indirect expense incurred, the value of in-kind contributions applied, and the amount of cash advances and payments made to contractors and subgrantees. For reports prepared on an accrued expenditure basis, outlays are the sum of actual cash disbursements, the amount of indirect expense incurred, the value of in-kind contributions applied, and the new increase (or decrease) in the amounts owed by the grantee for goods and other property received, for services performed by employees, contractors, subgrantees, subcontractors, and other payees, and other amounts becoming owed under programs for which no current services or performance are required, such as annuities, insurance claims, and other benefit payments.

Percentage of completion method refers to a system under which payments are made for construction work according to the percentage of completion of the work, rather than to the grantee's cost incurred.

Prior approval means documentation evidencing consent prior to incurring specific cost.

Real property means land, including land improvements, structures and appurtenances thereto, excluding movable machinery and equipment.

Share, when referring to the awarding agency’s portion of real property, equipment or supplies, means the same percentage as the awarding agency’s portion of the acquiring party’s total costs under the grant to which the acquisition costs under the grant to which the acquisition cost of the property was charged. Only costs are to be counted—not the value of third-party in-kind contributions.

State means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State exclusive of local governments. The term does not include any public and Indian housing agency under United States Housing Act of 1937.

Subgrant means an award of financial assistance in the form of money, or property in lieu of money, made under a grant by a grantee to an eligible subgrantee. The term includes financial
§ 24.4 Applicability.

(a) General. Subparts A through D of this part apply to all grants and subgrants to governments, except where inconsistent with Federal statutes or with regulations authorized in accordance with the exception provision of §24.6, or:

(1) Grants and subgrants to State and local institutions of higher education or State and local hospitals.

(2) The block grants authorized by the Omnibus Budget Reconciliation Act of 1981 (Community Services; Preventive Health and Health Services; Alcohol, Drug Abuse, and Mental Health Services; Maternal and Child Health Services; Social Services; Low-Income Home Energy Assistance; States’ Program of Community Development Block Grants for Small Cities; and Elementary and Secondary Education other than programs administered by the Secretary of Education under Title V, Subtitle D, Chapter 2, Section 583—the Secretary’s discretionary grant program) and Titles I–III of the Job Training Partnership Act of 1982 and under the Public Health Services Act (Section 1921), Alcohol and Drug Abuse Treatment and Rehabilitation Block Grant and Part C of Title V, Mental Health Service for the Homeless Block Grant).

(3) Entitlement grants to carry out the following programs of the Social Security Act:

(i) Aid to Needy Families with Dependent Children (Title IV–A of the Act, not including the Work Incentive Program (WIN) authorized by section

Unliquidated obligations for reports prepared on a cash basis mean the amount of obligations incurred by the grantee that has not been paid. For reports prepared on an accrued expenditure basis, they represent the amount of obligations incurred by the grantee for which an outlay has not been recorded.

Unobligated balance means the portion of the funds authorized by the Federal agency that has not been obligated by the grantee and is determined by deducting the cumulative obligations from the cumulative funds authorized.
Entitlement programs enumerated above in §24.4(a) (3) through (8) are subject to subpart E.

§ 24.5 Effect on other issuances. All other grants administration provisions of codified program regulations, program manuals, handbooks and other nonregulatory materials which are inconsistent with this part are superseded, except to the extent they are required by statute, or authorized in accordance with the exception provision in §24.6.

§ 24.6 Additions and exceptions. (a) For classes of grants and grantees subject to this part, Federal agencies may not impose additional administrative requirements except in codified regulations published in the Federal Register.

(c) Exceptions on a case-by-case basis and for subgrantees may be authorized by the affected Federal agencies.

Subpart B—Pre-Award Requirements

§ 24.10 Forms for applying for grants.

(a) Scope. (1) This section prescribes forms and instructions to be used by governmental organizations (except hospitals and institutions of higher education operated by a government) in applying for grants. This section is not applicable, however, to formula grant programs which do not require applicants to apply for funds on a project basis.

(2) This section applies only to applications to Federal agencies for grants, and is not required to be applied by grantees in dealing with applicants for subgrants. However, grantees are encouraged to avoid more detailed or burdensome application requirements for subgrants.

(b) Authorized forms and instructions for governmental organizations. (1) In applying for grants, applicants shall only use standard application forms or those prescribed by the granting agency with
the approval of OMB under the Paperwork Reduction Act of 1980.

(2) Applicants are not required to submit more than the original and two copies of preapplications or applications.

(3) Applicants must follow all applicable instructions that bear OMB clearance numbers. Federal agencies may specify and describe the programs, functions, or activities that will be used to plan, budget, and evaluate the work under a grant. Other supplementary instructions may be issued only with the approval of OMB to the extent required under the Paperwork Reduction Act of 1980. For any standard form, except the SF-424 facesheet, Federal agencies may shade out or instruct the applicant to disregard any line item that is not needed.

(4) When a grantee applies for additional funding (such as a continuation or supplemental award) or amends a previously submitted application, only the affected pages need be submitted. Previously submitted pages with information that is still current need not be resubmitted.

§ 24.11 State plans.

(a) Scope. The statutes for some programs require States to submit plans before receiving grants. Under regulations implementing Executive Order 12292, "Intergovernmental Review of Federal Programs," States are allowed to simplify, consolidate and substitute plans. This section contains additional provisions for plans that are subject to regulations implementing the Executive order.

(b) Requirements. A State need meet only Federal administrative or programmatic requirements for a plan that are in statutes or codified regulations.

(c) Assurances. In each plan the State will include an assurance that the State shall comply with all applicable Federal statutes and regulations in effect with respect to the periods for which it receives grant funding. For this assurance and other assurances required in the plan, the State may:

(1) Cite by number the statutory or regulatory provisions requiring the assurances and affirm that it gives the assurances required by those provisions;

(2) Repeat the assurance language in the statutes or regulations, or

(3) Develop its own language to the extent permitted by law.

(d) Amendments. A State will amend a plan whenever necessary to reflect: (1) New or revised Federal statutes or regulations or (2) a material change in any State law, organization, policy, or State agency operation. The State will obtain approval for the amendment and its effective date but need submit for approval only the amended portions of the plan.

§ 24.12 Special grant or subgrant conditions for "high-risk" grantees.

(a) A grantee or subgrantee may be considered "high risk" if an awarding agency determines that a grantee or subgrantee:

(1) Has a history of unsatisfactory performance, or

(2) Is not financially stable, or

(3) Has a management system which does not meet the management standards set forth in this part, or

(4) Has not conformed to terms and conditions of previous awards, or

(5) Is otherwise not responsible; and if the awarding agency determines that an award will be made, special conditions and/or restrictions shall correspond to the high risk condition and shall be included in the award.

(b) Special conditions or restrictions may include:

(1) Payment on a reimbursement basis;

(2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given funding period;

(3) Requiring additional, more detailed financial reports;

(4) Additional project monitoring;

(5) Requiring the grantee or subgrantee to obtain technical or management assistance; or

(6) Establishing additional prior approvals.

(c) If an awarding agency decides to impose such conditions, the awarding official will notify the grantee or subgrantee as early as possible, in writing, of:
(1) The nature of the special conditions/restrictions;
(2) The reason(s) for imposing them;
(3) The corrective actions which must be taken before they will be removed and the time allowed for completing the corrective actions, and
(4) The method of requesting reconsideration of the conditions/restrictions imposed.

Subpart C—Post-Award Requirements

FINANCIAL ADMINISTRATION

§ 24.20 Standards for financial management systems.

(a) A State must expand and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to—

(1) Permit preparation of reports required by this part and the statutes authorizing the grant, and
(2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

(b) The financial management systems of other grantees and subgrantees must meet the following standards:

(1) Financial reporting. Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.

(2) Accounting records. Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.

(3) Internal control. Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes.

(4) Budget control. Actual expenditures or outlays must be compared with budgeted amounts for each grant or subgrant. Financial information must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the grant or subgrant agreement. If unit cost data are required, estimates based on available documentation will be accepted whenever possible.

(5) Allowable cost. Applicable OMB cost principles, agency program regulations, and the terms of grant and subgrant agreements will be followed in determining the reasonableness, allowability, and allocability of costs.

(6) Source documentation. Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc.

(7) Cash management. Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees’ cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees.

(c) An awarding agency may review the adequacy of the financial management system of any applicant for financial assistance as part of a preaward review or at any time subsequent to award.
§ 24.21 Payment.

(a) Scope. This section prescribes the basic standard and the methods under which a Federal agency will make payments to grantees, and grantees will make payments to subgrantees and contractors.

(b) Basic standard. Methods and procedures for payment shall minimize the time elapsing between the transfer of funds and disbursement by the grantees or subgrantees, in accordance with Treasury regulations at 31 C.F.R. Part 205.

(c) Advances. Grantees and subgrantees shall be paid in advance, provided they maintain or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of the funds and their disbursement by the grantee or subgrantee.

(d) Reimbursement. Reimbursement shall be the preferred method when the requirements in paragraph (c) of this section are not met. Grantees and subgrantees may also be paid by reimbursement for any construction grants. Except as otherwise specified in regulation, Federal agencies shall not use the percentage of completion method to pay construction grants. The grantees or subgrantees may use that method to pay for the construction contractor, and if it does, the awarding agency’s payments to the grantee or subgrantee will be based on the grantee’s or subgrantee’s actual rate of disbursement.

(e) Working capital advances. If a grantee cannot meet the criteria for advance payments described in paragraph (c) of this section, and the Federal agency has determined that reimbursement is not feasible because the grantee lacks sufficient working capital, the awarding agency may provide cash or a working capital advance basis. Under this procedure the awarding agency shall advance cash to the grantee to cover its estimated disbursement needs for an initial period generally geared to the grantee’s disbursing cycle. Thereafter, the awarding agency shall reimburse the grantee for its actual cash disbursements. The working capital advance method of payment shall not be used by grantees or subgrantees if the reason for using such method is the unwillingness or inability of the grantee to provide timely advances to the subgrantee to meet the subgrantee’s actual cash disbursements.

(f) Effect of program income, refunds, and audit recoveries on payment. (1) Grantees and subgrantees shall disburse repayments to and interest earned on a revolving fund before requesting additional cash payments for the same activity.

(2) Except as provided in paragraph (f)(1) of this section, grantees and subgrantees shall disburse program income, rebates, refunds, contract settlements, audit recoveries and interest earned on such funds before requesting additional cash payments.

(g) Withholding payments. (1) Unless otherwise required by Federal statute, awarding agencies shall not withhold payments for proper charges incurred by grantees or subgrantees unless—

(i) The grantee or subgrantee has failed to comply with grant award conditions or

(ii) The grantee or subgrantee is indebted to the United States.

(2) Cash withheld for failure to comply with grant award condition, but without suspension of the grant, shall be released to the grantee upon subsequent compliance. When a grant is suspended, payment adjustments will be made in accordance with § 24.43(c).

(3) A Federal agency shall not make payment to grantees for amounts that are withheld by grantees or subgrantees from payment to contractors to assure satisfactory completion of work. Payments shall be made by the Federal agency when the grantees or subgrantees actually disburse the withheld funds to the contractors or to escrow accounts established to assure satisfactory completion of work.

(h) Cash depositories. (1) Consistent with the national goal of expanding the opportunities for minority business enterprises, grantees and subgrantees are encouraged to use minority banks (a bank which is owned at least 50 percent by minority group members). A list of minority owned banks can be obtained from the Minority Business Development Agency, Department of Commerce, Washington, DC 20230.

(2) A grantee or subgrantee shall maintain a separate bank account only
when required by Federal-State agreement.

(i) Interest earned on advances. Except for interest earned on advances of funds exempt under the Intergovernmental Cooperation Act (31 U.S.C. 6501 et seq.) and the Indian Self-Determination Act (23 U.S.C. 450), grantees and subgrantees shall promptly, but at least quarterly, remit interest earned on advances to the Federal agency. The grantee or subgrantee may keep interest amounts up to $100 per year for administrative expenses.

§ 24.22 Allowable costs.

(a) Limitation on use of funds. Grant funds may be used only for:

(1) The allowable costs of the grantee, subgrantee and cost-type contractors, including allowable costs in the form of payments to fixed-price contractors; and

(2) Reasonable fees or profit to cost-type contractors but not any fee or profit (or other increment above allowable costs) to the grantee or subgrantee.

(b) Applicable cost principles. For each kind of organization, there is a set of Federal principles for determining allowable costs. Allowable costs will be determined in accordance with the cost principles applicable to the organization incurring the costs. The following chart lists the kinds of organizations and the applicable cost principles.

<table>
<thead>
<tr>
<th>For the costs of a--</th>
<th>Use the principles in--</th>
</tr>
</thead>
<tbody>
<tr>
<td>State, local or Indian tribal government.</td>
<td>OMB Circular A-87.</td>
</tr>
<tr>
<td>Private nonprofit organization other than an (1) institution of higher education, (2) hospital, or (3) organization named in OMB Circular A-122 as not subject to that circular.</td>
<td>OMB Circular A-122.</td>
</tr>
<tr>
<td>Educational institutions.</td>
<td>OMB Circular A-21.</td>
</tr>
<tr>
<td>For-profit organization other than a hospital and an organization named in OMB Circular A-122 as not subject to that circular.</td>
<td>48 CFR Part 31. Contract Cost Principles and Procedures, or uniform cost accounting standards that comply with cost principles acceptable to the Federal agency.</td>
</tr>
</tbody>
</table>

§ 24.23 Period of availability of funds.

(a) General. Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period.

(b) Liquidation of obligations. A grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period (or as specified in a program regulation) to coincide with the submission of the annual Financial Status Report (SF-269). The Federal agency may extend this deadline at the request of the grantee.

§ 24.24 Matching or cost sharing.

(a) Basic rule: Costs and contributions acceptable. With the qualifications and exceptions listed in paragraph (b) of this section, a matching or cost sharing requirement may be satisfied by either or both of the following:

(1) Allowable costs incurred by the grantee, subgrantee or a cost-type contractor under the assistance agreement. This includes allowable costs borne by non-Federal grants or by others cash donations from non-Federal third parties.

(2) The value of third party in-kind contributions applicable to the period to which the cost sharing or matching requirements applies.

(b) Qualifications and exceptions—(1) Costs borne by other Federal grant agreements. Except as provided by Federal statute, a cost sharing or matching requirement may not be met by costs borne by another Federal grant. This prohibition does not apply to income earned by a grantee or subgrantee from a contract awarded under another Federal grant.

(2) General revenue sharing. For the purpose of this section, general revenue sharing funds distributed under 31 U.S.C. 6702 are not considered Federal grant funds.

(3) Cost or contributions counted towards other Federal costs-sharing requirements. Neither costs nor the values of third party in-kind contributions may count towards satisfying a cost sharing or matching requirement of a grant agreement if they have been or will be
§ 24.24

15 CFR Subtitle A (1–1–98 Edition)

counted towards satisfying a cost sharing or matching requirement of any other Federal grant agreement, a Federal procurement contract, or any other award of Federal funds.

(4) Costs financed by program income. Costs financed by program income, as defined in §24.25, shall not count towards satisfying a cost sharing or matching requirement unless they are expressly permitted in the terms of the assistance agreement. (This use of general program income is described in §24.26(g).)

(5) Services or property financed by income earned by contractors. Contractors under a grant may earn income from the activities carried out under the contract in addition to the amounts earned from the party awarding the contract. No costs of services or property supported by this income may count toward satisfying a cost sharing or matching requirement unless other provisions of the grant agreement expressly permit this kind of income to be used to meet the requirement.

(6) Records. Costs and third party in-kind contributions counting towards satisfying a cost sharing or matching requirement must be verifiable from the records of grantees and subgrantee or cost-type contractors. These records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services will be supported by the same methods that the organization uses to support the allocability of regular personnel costs.

(7) Special standards for third party in-kind contributions. (i) Third party in-kind contributions count towards satisfying a cost sharing or matching requirement only where, if the party receiving the contributions were to pay for them, the payments would be allowable costs.

(ii) Some third party in-kind contributions are goods and services that, if the grantee, subgrantee, or contractor receiving the contribution had to pay for them, the payments would have been an indirect costs. Costs sharing or matching credit for such contributions shall be given only if the grantee, subgrantee, or contractor has established, along with its regular indirect cost rate, a special rate for allocating to individual projects or programs the value of the contributions.

(iii) A third party in-kind contribution to a fixed-price contract may count towards satisfying a cost sharing or matching requirement only if it results in:

(A) An increase in the services or property provided under the contract (without additional cost to the grantee or subgrantee) or

(B) A cost savings to the grantee or subgrantee.

(iv) The values placed on third party in-kind contributions for cost sharing or matching purposes will conform to the rules in the succeeding sections of this part. If a third party in-kind contribution is a type not treated in those sections, the value placed upon it shall be fair and reasonable.

(c) Valuation of donated services—(1) Volunteer services. Unpaid services provided to a grantee or subgrantee by individuals will be valued at rates consistent with those ordinarily paid for similar work in the grantee's or subgrantee's organization. If the grantee or subgrantee does not have employees performing similar work, the rates will be consistent with those ordinarily paid by other employers for similar work in the same labor market. In either case, a reasonable amount for fringe benefits may be included in the valuation.

(2) Employees of other organizations. When an employer other than a grantee, subgrantee, or cost-type contractor furnishes free of charge the services of an employee in the employee's normal line of work, the services will be valued at the employee's regular rate of pay exclusive of the employee's fringe benefits and overhead costs. If the services are in a different line of work, paragraph (c)(1) of this section applies.

(d) Valuation of third party donated supplies and loaned equipment or space. (1) If a third party donates supplies, the contribution will be valued at the market value of the supplies at the time of donation.

(2) If a third party donates the use of equipment or space in a building but retains title, the contribution will be valued at the fair rental rate of the equipment or space.
(e) Valuation of third party donated equipment, buildings, and land. If a third party donates equipment, buildings, or land, and title passes to a grantee or subgrantee, the treatment of the donated property will depend upon the purpose of the grant or subgrant, as follows:

(1) Awards for capital expenditures. If the purpose of the grant or subgrant is to assist the grantee or subgrantee in the acquisition of property, the market value of that property at the time of donation may be counted as cost sharing or matching.

(2) Other awards. If assisting in the acquisition of property is not the purpose of the grant or subgrant, paragraphs (e)(2)(i) and (ii) of this section apply:

(i) If approval is obtained from the awarding agency, the market value at the time of donation of the donated equipment or buildings and the fair rental rate of the donated land may be counted as cost sharing or matching. In the case of a subgrant, the terms of the grant or subgrant may require that the approval be obtained from the Federal agency as well as the grantee. In all cases, the approval may be given only if a purchase of the equipment or rental of the land would be approved as an allowable direct cost. If any part of the donated property was acquired with Federal funds, only the non-federal share of the property may be counted as cost-sharing or matching.

(ii) If approval is not obtained under paragraph (e)(2)(i) of this section, no amount may be counted for donated land, and only depreciation or use allowances may be counted for donated equipment and buildings. The depreciation or use allowances for this property are not treated as third party in-kind contributions. Instead, they are treated as costs incurred by the grantee or subgrantee. They are computed and allocated (usually as indirect costs) in accordance with the cost principles specified in §24.22, in the same way as depreciation or use allowances for purchased equipment and buildings.

(f) Valuation of grantee or subgrantee donated real property for construction/acquisition. If a grantee or subgrantee donates real property for a construction or facilities acquisition project, the current market value of that property may be counted as cost sharing or matching. If any part of the donated property was acquired with Federal funds, only the non-federal share of the property may be counted as cost sharing or matching.

(g) Appraisal of real property. In some cases under paragraphs (d), (e) and (f) of this section, it will be necessary to establish the market value of land or a building or the fair rental rate of land or of space in a building. In these cases, the Federal agency may require the market value or fair rental value be set by an independent appraiser, and that the value or rate be certified by the grantee. This requirement will also be imposed by the grantee on subgrantees.

§ 24.25 Program income.

(a) General. Grantees are encouraged to earn income to defray program costs. Program income includes income from fees for services performed, from the use or rental of real or personal property acquired with grant funds, from the sale of commodities or items fabricated under a grant agreement, and from payments of principal and interest on loans made with grant funds.

(b) Definition of program income. Program income means gross income received by the grantee or subgrantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. "During the grant period" is the time between the effective date of the award and the ending date of the award reflected in the final financial report.

(c) Cost of generating program income. If authorized by Federal regulations or the grant agreement, costs incident to the generation of program income may be deducted from gross income to determine program income.
(d) Governmental revenues. Taxes, special assessments, levies, fines, and other such revenues raised by a grantee or subgrantee are not program income unless the revenues are specifically identified in the grant agreement or Federal agency regulations as program income.

(e) Royalties. Income from royalties and license fees for copyrighted material, patents, and inventions developed by a grantee or subgrantee is program income only if the revenues are specifically identified in the grant agreement or Federal agency regulations as program income. (See §24.34.)

(f) Property. Proceeds from the sale of real property or equipment will be handled in accordance with the requirements of §§24.31 and 24.32.

(g) Use of program income. Program income shall be deducted from outlays which may be both Federal and non-Federal as described below, unless the Federal agency regulations or the grant agreement specify another alternative (or a combination of the alternatives). In specifying alternatives, the Federal agency may distinguish between income earned by the grantee and income earned by subgrantees and between the sources, kinds, or amounts of income. When Federal agencies authorize the alternatives in paragraphs (g) (2) and (3) of this section, program income in excess of any limits stipulated shall also be deducted from outlays.

(1) Deduction. Ordinarily program income shall be deducted from total allowable costs to determine the net allowable costs. Program income shall be used for current costs unless the Federal agency authorizes otherwise. Program income which the grantee did not anticipate at the time of the award shall be used to reduce the Federal agency and grantee contributions rather than to increase the funds committed to the project.

(2) Addition. When authorized, program income may be added to the funds committed to the grant agreement by the Federal agency and the grantee. The program income shall be used for the purposes and under the conditions of the grant agreement.

(3) Cost sharing or matching. When authorized, program income may be used to meet the cost sharing or matching requirement of the grant agreement. The amount of the Federal grant award remains the same.

(h) Income after the award period. There are no Federal requirements governing the disposition of program income earned after the end of the award period (i.e., until the ending date of the final financial report, see paragraph (a) of this section), unless the terms of the agreement or the Federal agency regulations provide otherwise.

§ 24.26 Non-Federal audit.

(a) Basic rule. Grantees and subgrantees are responsible for obtaining audits in accordance with the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations.” The audits shall be made by an independent auditor in accordance with generally accepted government auditing standards covering financial audits.

(b) Subgrantees. State or local governments, as those terms are defined for purposes of the Single Audit Act Amendments of 1996, that provide Federal awards to a subgrantee, which expends $300,000 or more (or other amount as specified by OMB) in Federal awards in a fiscal year, shall:

(1) Determine whether State or local subgrantees have met the audit requirements of the Act and whether subgrantees covered by OMB Circular A-110, “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations,” have met the audit requirements of the Act. Commercial contractors (private for-profit and private and governmental organizations) providing goods and services to State and local governments are not required to have a single audit performed. State and local governments should use their own procedures to ensure that the contractor has complied with laws and regulations affecting the expenditure of Federal funds;

(2) Determine whether the subgrantee spent Federal assistance funds provided in accordance with applicable
laws and regulations. This may be accomplished by reviewing an audit of the subgrantee made in accordance with the Act, Circular A–110, or through other means (e.g., program reviews) if the subgrantee has not had such an audit;

(3) Ensure that appropriate corrective action is taken within six months after receipt of the audit report in instance of noncompliance with Federal laws and regulations;

(4) Consider whether subgrantee audits necessitate adjustment of the grantee’s own records; and

(5) Require each subgrantee to permit independent auditors to have access to the records and financial statements.

(c) Auditor selection. In arranging for audit services, § 24.36 shall be followed.


CHANGES, PROPERTY, AND SUBAWARDS

§ 24.30 Changes.

(a) General. Grantees and subgrantees are permitted to rebudget within the approved direct cost budget to meet unanticipated requirements and may make limited program changes to the approved project. However, unless waived by the awarding agency, certain types of post-award changes in budgets and projects shall require the prior written approval of the awarding agency.

(b) Relation to cost principles. The applicable cost principles (see § 24.22) contain requirements for prior approval of certain types of costs. Except where waived, those requirements apply to all grants and subgrants even if paragraphs (c) through (f) of this section do not.

(c) Budget changes—(1) Nonconstruction projects. Except as stated in other regulations or an award document, grantees or subgrantees shall obtain the prior approval of the awarding agency whenever any of the following changes is anticipated under a nonconstruction award:

(i) Any revision which would result in the need for additional funding.

(ii) Unless waived by the awarding agency, cumulative transfers among direct cost categories, or, if applicable, among separately budgeted programs, projects, functions, or activities which exceed or are expected to exceed ten percent of the current total approved budget, whenever the awarding agency’s share exceeds $100,000.

(iii) Transfer of funds allotted for training allowances (i.e., from direct payments to trainees to other expense categories).

(2) Construction projects. Grantees and subgrantees shall obtain prior written approval for any budget revision which would result in the need for additional funds.

(3) Combined construction and nonconstruction projects. When a grant or subgrant provides funding for both construction and nonconstruction activities, the grantee or subgrantee must obtain prior written approval from the awarding agency before making any fund or budget transfer from nonconstruction to construction or vice versa.

(d) Programmatic changes. Grantees or subgrantees must obtain the prior approval of the awarding agency whenever any of the following actions is anticipated:

(1) Any revision of the scope or objectives of the project (regardless of whether there is an associated budget revision requiring prior approval).

(2) Need to extend the period of availability of funds.

(3) Changes in key persons in cases where specified in an application or a grant award. In research projects, a change in the project director or principal investigator shall always require approval unless waived by the awarding agency.

(4) Under nonconstruction projects, contracting out, subgranting (if authorized by law) or otherwise obtaining the services of a third party to perform activities which are central to the purposes of the award. This approval requirement is in addition to the approval requirements of § 24.36 but does not apply to the procurement of equipment, supplies, and general support services.

(e) Additional prior approval requirements. The awarding agency may not require prior approval for any budget revision which is not described in paragraph (c) of this section.
(f) Requesting prior approval. (1) A request for prior approval of any budget revision will be in the same budget format the grantee used in its application and shall be accompanied by a narrative justification for the proposed revision.

(2) A request for a prior approval under the applicable Federal cost principles (see §24.22) may be made by letter.

(3) A request by a subgrantee for prior approval will be addressed in writing to the grantee. The grantee will promptly review such request and shall approve or disapprove the request in writing. A grantee will not approve any budget or project revision which is inconsistent with the purpose or terms and conditions of the Federal grant to the grantee. If the revision, requested by the subgrantee would result in a change to the grantee’s approved project which requires Federal prior approval, the grantee will obtain the Federal agency’s approval before approving the subgrantee’s request.

§ 24.31 Real property.

(a) Title. Subject to the obligations and conditions set forth in this section, title to real property acquired under a grant or subgrant will vest upon acquisition in the grantee or subgrantee respectively.

(b) Use. Except as otherwise provided by Federal statutes, real property will be used for the originally authorized purposes as long as needed for that purpose, and the grantee or subgrantee shall not dispose of or encumber its title or other interests.

(1) The Federal awarding agency may require the placing of appropriate notices of record to advise that property has been acquired or improved with Federal financial assistance, and that use and disposition conditions apply to the property.

(2) Disposition. When real property is no longer needed for the originally authorized purpose, the grantee or subgrantee will request disposition instructions from the awarding agency. The instructions will provide for one of the following alternatives:

(1) Retention of title. Retain title after compensating the awarding agency. The amount paid to the awarding agency will be computed by applying the awarding agency’s percentage of participation in the cost of the original purchase to the fair market value of the property. However, in those situations where a grantee or subgrantee is disposing of real property acquired with grant funds and acquiring replacement real property under the same program, the net proceeds from the disposition may be used as an offset to the cost of the replacement property.

(2) Sale of property. Sell the property and compensate the awarding agency. The amount due to the awarding agency will be calculated by applying the awarding agency’s percentage of participation in the cost of the original purchase to the proceeds of the sale after deduction of any actual and reasonable selling and fixing-up expenses. If the grant is still active, the net proceeds from sale may be offset against the original cost of the property. When a grantee or subgrantee is directed to sell property, sales procedures shall be followed that provide for competition to the extent practicable and result in the highest possible return.

(3) Transfer of title. Transfer title to the awarding agency or to a third-party designated/approved by the awarding agency. The grantee or subgrantee shall be paid an amount calculated by applying the grantee or subgrantee’s percentage of participation in the purchase of the real property to the current fair market value of the property.

[53 FR 8048, Mar. 11, 1988, as amended at 53 FR 8049, Mar. 11, 1988]

§ 24.32 Equipment.

(a) Title. Subject to the obligations and conditions set forth in this section, title to equipment acquired under a grant or subgrant will vest upon acquisition in the grantee or subgrantee respectively.

(b) States. A State will use, manage, and dispose of equipment acquired under a grant by the State in accordance with State laws and procedures. Other grantees and subgrantees will follow paragraphs (c) through (e) of this section.

(1) Equipment shall be used by the grantee or subgrantee in the
§ 24.32

program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported by a Federal agency.

(2) The grantee or subgrantee shall also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use shall be given to other programs or projects supported by the awarding agency. User fees should be considered if appropriate.

(3) Notwithstanding the encouragement in §24.25(a) to earn program income, the grantee or subgrantee must not use equipment acquired with grant funds to provide services for a fee to compete unfairly with private companies that provide equivalent services, unless specifically permitted or contemplated by Federal statute.

(4) When acquiring replacement equipment, the grantee or subgrantee may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property, subject to the approval of the awarding agency.

(d) Management requirements. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

(1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

(2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

(3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.

(4) Adequate maintenance procedures must be developed to keep the property in good condition.

(5) If the grantee or subgrantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

(e) Disposition. When original or replacement equipment acquired under a grant or subgrant is no longer needed for the original project or program or for other activities currently or previously supported by a Federal agency, disposition of the equipment will be made as follows:

(1) Items of equipment with a current per-unit fair market value of less than $5,000 may be retained, sold or otherwise disposed of with no further obligation to the awarding agency.

(2) Items of equipment with a current per unit fair market value in excess of $5,000 may be retained or sold and the awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency’s share of the equipment.

(3) In cases where a grantee or subgrantee fails to take appropriate disposition actions, the awarding agency may direct the grantee or subgrantee to take excess and disposition actions.

(f) Federal equipment. In the event a grantee or subgrantee is provided federally-owned equipment:

(1) Title will remain vested in the Federal Government.

(2) Grantees or subgrantees will manage the equipment in accordance with Federal agency rules and procedures, and submit an annual inventory listing.

(3) When the equipment is no longer needed, the grantee or subgrantee will request disposition instructions from the Federal agency.

(g) Right to transfer title. The Federal awarding agency may reserve the right to transfer title to the Federal Government or a third part named by the
§ 24.33

awarding agency when such a third party is otherwise eligible under existing statutes. Such transfers shall be subject to the following standards:

1. The property shall be identified in the grant or otherwise made known to the grantee in writing.

2. The Federal awarding agency shall issue disposition instructions within 120 calendar days after the end of the Federal support of the project for which it was acquired. If the Federal awarding agency fails to issue disposition instructions within the 120 calendar-day period the grantee shall follow §24.32(e).

3. When title to equipment is transferred, the grantee shall be paid an amount calculated by applying the percentage of participation in the purchase to the current fair market value of the property.

§ 24.33 Supplies.

(a) Title. Title to supplies acquired under a grant or subgrant will vest, upon acquisition, in the grantee or subgrantee respectively.

(b) Disposition. If there is a residual inventory of unused supplies exceeding $5,000 in total aggregate fair market value upon termination or completion of the award, and if the supplies are not needed for any other federally sponsored programs or projects, the grantee or subgrantee shall compensate the awarding agency for its share.

§ 24.34 Other property.

(a) Copyrights. The Federal awarding agency reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for Federal Government purposes:

1. The copyright in any work developed under a grant, subgrant, or contract under a grant or subgrant; and

2. Any rights of copyright to which a grantee, subgrantee, or a contractor purchases ownership with grant support.

(b) Intangible property. Title to such property as loans, notes, and other debt instruments (whether considered tangible or intangible) acquired under a grant or subgrant will vest upon acquisition in the grantee or subgrantee respectively. Such property will be used for the originally authorized purpose as long as needed for that purpose, and the grantee or subgrantee shall not dispose of or encumber its title or other interests. When no longer needed for the originally authorized purpose, disposition of such property will be made as provided in §24.32(e).

[53 FR 8049, Mar. 11, 1988]

§ 24.35 Subawards to debarred and suspended parties.

Grantees and subgrantees must not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension."

§ 24.36 Procurement.

(a) States. When procuring property and services under a grant, a State will follow the same policies and procedures it uses for procurements from its non-Federal funds. The State will ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations. Other grantees and subgrantees will follow paragraphs (b) through (i) in this section.

(b) Procurement standards. (1) Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section.

(2) Grantees and subgrantees will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

(3) Grantees and subgrantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee shall participate in selection, or in the award or administration of a contract supported by Federal
Office of the Secretary, Commerce § 24.36

funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

(i) The employee, officer or agent,
(ii) Any member of his immediate family,
(iii) His or her partner, or
(iv) An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The grantee's or subgrantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements. Grantee and subgrantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents, or by contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

(4) Grantees and subgrantees procedures will provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

(5) To foster greater economy and efficiency, grantees and subgrantees are encouraged to enter into State and local intergovernmental agreements for procurement or use of common goods and services.

(6) Grantees and subgrantees are encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

(7) Grantees and subgrantees are encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

(8) Grantees and subgrantees will make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

(9) Grantees and subgrantees will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

(10) Grantees and subgrantees will use time and material type contracts only—

(i) After a determination that no other contract is suitable, and
(ii) If the contract includes a ceiling price that the contractor exceeds at its own risk.

(11) Grantees and subgrantees alone will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to source evaluation, protests, disputes, and claims. These standards do not relieve the grantee or subgrantee of any contractual responsibilities under its contracts. Federal agencies will not substitute their judgment for that of the grantee or subgrantee unless the matter is primarily a Federal concern. Violations of law will be referred to the local, State, or Federal authority having proper jurisdiction.

(12) Grantees and subgrantees will have protest procedures to handle and resolve disputes relating to their procurements and shall in all instances disclose information regarding the protest to the awarding agency.
§ 24.36

protestor must exhaust all administrative remedies with the grantee and subgrantee before pursuing a protest with the Federal agency. Reviews of protests by the Federal agency will be limited to:

(i) Violations of Federal law or regulations and the standards of this section (violations of State or local law will be under the jurisdiction of State or local authorities) and

(ii) Violations of the grantee's or subgrantee's protest procedures for failure to review a complaint or protest. Protests reviewed by the Federal agency, other than those specified above will be referred to the grantee or subgrantee.

(c) Competition. (1) All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of § 24.36. Some of the situations considered to be restrictive of competition include but are not limited to:

(i) Placing unreasonable requirements on firms in order for them to qualify to do business,

(ii) Requiring unnecessary experience and excessive bonding,

(iii) Noncompetitive pricing practices between firms or between affiliated companies,

(iv) Noncompetitive awards to consultants that are on retainer contracts,

(v) Organizational conflicts of interest,

(vi) Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance of other relevant requirements of the procurement, and

(vii) Any arbitrary action in the procurement process.

(2) Grantees and subgrantees will conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts State licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

(3) Grantees will have written selection procedures for procurement transactions. These procedures will ensure that all solicitations:

(i) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equal” description may be used as a means to define the performance or other salient requirements of a procurement. The specific features of the named brand which must be met by offerors shall be clearly stated; and

(ii) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

(4) Grantees and subgrantees will ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, grantees and subgrantees will not preclude potential bidders from qualifying during the solicitation period.

(d) Methods of procurement to be followed. (1) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the simplified acquisition threshold fixed at 41 U.S.C. 403(11) (currently set at $100,000). If small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources.
(2) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in §24.36(d)(2)(i) apply.

(i) In order for sealed bidding to be feasible, the following conditions should be present:

(A) A complete, adequate, and realistic specification or purchase description is available;

(B) Two or more responsible bidders are willing and able to compete effectively and for the business; and

(C) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(ii) If sealed bids are used, the following requirements apply:

(A) The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids;

(B) The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond;

(C) All bids will be publicly opened at the time and place prescribed in the invitation for bids;

(D) A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(E) Any or all bids may be rejected if there is a sound documented reason.

(3) Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

(i) Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals shall be honored to the maximum extent practical;

(ii) Proposals will be solicited from an adequate number of qualified sources;

(iii) Grantees and subgrantees will have a method for conducting technical evaluations of the proposals received and for selecting awardees;

(iv) Awards will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and

(v) Grantees and subgrantees may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors’ qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

(4) Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate.

(i) Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and one of the following circumstances applies:

(A) The item is available only from a single source;

(B) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

(C) The awarding agency authorizes noncompetitive proposals; or
(D) After solicitation of a number of sources, competition is determined inadequate.

(ii) Cost analysis, i.e., verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profits, is required.

(iii) Grantees and subgrantees may be required to submit the proposed procurement to the awarding agency for pre-award review in accordance with paragraph (g) of this section.

(e) Contracting with small and minority firms, women's business enterprise and labor surplus area firms.

(1) The grantee and subgrantee will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible.

(2) Affirmative steps shall include:

(i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

(ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

(iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;

(iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;

(v) Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce; and

(vi) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (e)(2) (i) through (v) of this section.

(f) Contract cost and price.

(1) Grantees and subgrantees must perform a cost or price analysis in connection with every procurement action including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, grantees must make independent estimates before receiving bids or proposals. A cost analysis must be performed when the offeror is required to submit the elements of his estimated cost, e.g., under professional, consulting, and architectural engineering services contracts. A cost analysis will be necessary when adequate price competition is lacking, and for sole source procurements, including contract modifications or change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation. A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price.

(2) Grantees and subgrantees will negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

(3) Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles (see § 24.22). Grantees may reference their own cost principles that comply with the applicable Federal cost principles.

(4) The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

(g) Awarding agency review.

(1) Grantees and subgrantees must make available, upon request of the awarding agency, technical specifications on proposed procurements where the awarding agency believes such review is needed to ensure that the item and/or service specified is the one being proposed for purchase. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the
Office of the Secretary, Commerce

§ 24.36

(1) A grantee or subgrantee desires to have the review accomplished after a solicitation has been developed, the awarding agency may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

(2) Grantees and subgrantees must on request make available for awarding agency pre-award review procurement documents, such as requests for proposals or invitations for bids, independent cost estimates, etc., when:

(i) A grantee's or subgrantee's procurement procedures or operation fails to comply with the procurement standards in this section; or

(ii) The procurement is expected to exceed the simplified acquisition threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation; or

(iii) The procurement, which is expected to exceed the simplified acquisition threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation; or

(iv) The proposed award is more than the simplified acquisition threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or

(v) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the simplified acquisition threshold.

(3) A grantee or subgrantee will be exempt from the pre-award review in paragraph (g)(2) of this section if the awarding agency determines that its procurement systems comply with the standards of this section.

(i) A grantee or subgrantee may request that its procurement system be reviewed by the awarding agency to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews shall occur where there is a continuous high-dollar funding, and third-party contracts are awarded on a regular basis.

(ii) A grantee or subgrantee may self-certify its procurement system. Such self-certification shall not limit the awarding agency's right to survey the system. Under a self-certification procedure, awarding agencies may wish to rely on written assurances from the grantee or subgrantee that it is complying with these standards. A grantee or subgrantee will cite specific procedures, regulations, standards, etc., as being in compliance with these requirements and have its system available for review.

(h) Bonding requirements. For construction or facility improvement contracts or subcontracts exceeding the simplified acquisition threshold, the awarding agency may accept the bonding policy and requirements of the grantee or subgrantee provided the awarding agency has made a determination that the awarding agency's interest is adequately protected. If such a determination has not been made, the minimum requirements shall be as follows:

(1) A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

(2) A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

(3) A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

(i) Contract provisions. A grantee's and subgrantee's contracts must contain provisions in paragraph (i) of this section. Federal agencies are permitted to require changes, remedies, changed conditions, access and records retention, suspension of work, and other clauses approved by the Office of Federal Procurement Policy.

(1) Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions.
§ 24.37 Subgrants.

(a) States. States shall follow state law and procedures when awarding and administering subgrants (whether on a cost reimbursement or fixed amount basis) of financial assistance to local and Indian tribal governments. States shall:

(1) Ensure that every subgrant includes any clauses required by Federal statute and executive orders and their implementing regulations;

(2) Ensure that subgrantees are aware of requirements imposed upon them by Federal statute and regulation;

(3) Ensure that a provision for compliance with §24.42 is placed in every cost reimbursement subgrant; and

(4) Conform any advances of grant funds to subgrantees substantially to the same standards of timing and amount that apply to cash advances by Federal agencies.

(b) All other grantees. All other grantees shall follow the provisions of this part which are applicable to awarding agencies when awarding and administering subgrants (whether on a cost reimbursement or fixed amount basis).
of financial assistance to local and Indian tribal governments. Grantees shall:

(1) Ensure that every subgrant includes a provision for compliance with this part;
(2) Ensure that every subgrant includes any clauses required by Federal statute and executive orders and their implementing regulations; and
(3) Ensure that subgrantees are aware of requirements imposed upon them by Federal statutes and regulations.

(c) Exceptions. By their own terms, certain provisions of this part do not apply to the award and administration of subgrants:

(1) Section 24.10;
(2) Section 24.11;
(3) The letter-of-credit procedures specified in Treasury Regulations at 31 CFR Part 205, cited in §24.21; and
(4) Section 24.50.

§ 24.40 Monitoring and reporting program performance.

(a) Monitoring by grantees. Grantees are responsible for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function or activity.

(b) Nonconstruction performance reports. The Federal agency may, if it decides that performance information available from subsequent applications contains sufficient information to meet its programmatic needs, require the grantee to submit a performance report only upon expiration or termination of grant support. Unless waived by the Federal agency this report will be due on the same date as the final Financial Status Report.

(1) Grantees shall submit annual performance reports unless the awarding agency requires quarterly or semi-annual reports. However, performance reports will not be required more frequently than quarterly. Annual reports shall be due 90 days after the grant year, quarterly or semi-annual reports shall be due 30 days after the reporting period. The final performance report will be due 90 days after the expiration or termination of grant support. If a justified request is submitted by a grantee, the Federal agency may extend the due date for any performance report. Additionally, requirements for unnecessary performance reports may be waived by the Federal agency.

(2) Performance reports will contain, for each grant, brief information on the following:

(i) A comparison of actual accomplishments to the objectives established for the period. Where the output of the project can be quantified, a computation of the cost per unit of output may be required if that information will be useful.

(ii) The reasons for slippage if established objectives were not met.

(iii) Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

(3) Grantees will not be required to submit more than the original and two copies of performance reports.

(4) Grantees will adhere to the standards in this section in prescribing performance reporting requirements for subgrantees.

(c) Construction performance reports. For the most part, on-site technical inspections and certified percentage-of-completion data are relied on heavily by Federal agencies to monitor progress under construction grants and subgrants. The Federal agency will require additional formal performance reports only when considered necessary, and never more frequently than quarterly.

(d) Significant developments. Events may occur between the scheduled performance reporting dates which have significant impact upon the grant or subgrant supported activity. In such cases, the grantee must inform the Federal agency as soon as the following types of conditions become known:

(1) Problems, delays, or adverse conditions which will materially impair the ability to meet the objective of the award. This disclosure must include a
statement of the action taken, or contemplated, and any assistance needed to resolve the situation.

(2) Favorable developments which enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more beneficial results than originally planned.

(e) Federal agencies may make site visits as warranted by program needs.

(f) Waivers, extensions. (1) Federal agencies may waive any performance report required by this part if not needed.

(2) The grantee may waive any performance report from a subgrantee when not needed. The grantee may extend the due date for any performance report from a subgrantee if the grantee will still be able to meet its performance reporting obligations to the Federal agency.

§ 24.41 Financial reporting.

(a) General. (1) Except as provided in paragraphs (a) (2) and (5) of this section, grantees will use only the forms specified in paragraphs (a) through (e) of this section, and such supplementary or other forms as may from time to time be authorized by OMB, for:

(i) Submitting financial reports to Federal agencies, or

(ii) Requesting advances or reimbursements when letters of credit are not used.

(2) Grantees need not apply the forms prescribed in this section in dealing with their subgrantees. However, grantees shall not impose more burdensome requirements on subgrantees.

(3) Grantees shall follow all applicable standard and supplemental Federal agency instructions approved by OMB to the extent required under the Paperwork Reduction Act of 1980 for use in connection with forms specified in paragraphs (b) through (e) of this section. Federal agencies may issue substantive supplementary instructions only with the approval of OMB. Federal agencies may shade out or instruct the grantee to disregard any line item that the Federal agency finds unnecessary for its decisionmaking purposes.

(4) Grantees will not be required to submit more than the original and two copies of forms required under this part.

(5) Federal agencies may provide computer outputs to grantees to expedite or contribute to the accuracy of reporting. Federal agencies may accept the required information from grantees in machine usable format or computer printouts instead of prescribed forms.

(6) Federal agencies may waive any report required by this section if not needed.

(7) Federal agencies may extend the due date of any financial report upon receiving a justified request from a grantee.

(b) Financial Status Report—(1) Form. Grantees will use Standard Form 269 or 269A, Financial Status Report, to report the status of funds for all nonconstruction grants and for construction grants when required in accordance with §24.41(e)(2)(iii) of this section.

(2) Accounting basis. Each grantee will report program outlays and program income on a cash or accrual basis as prescribed by the awarding agency. If the Federal agency requires accrual information and the grantee’s accounting records are not normally kept on the accrual basis, the grantee shall not be required to convert its accounting system but shall develop such accrual information through and analysis of the documentation on hand.

(3) Frequency. The Federal agency may prescribe the frequency of the report for each project or program. However, the report will not be required more frequently than quarterly. If the Federal agency does not specify the frequency of the report, it will be submitted annually. A final report will be required upon expiration or termination of grant support.

(4) Due date. When reports are required on a quarterly or semiannual basis, they will be due 30 days after the reporting period. When required on an annual basis, they will be due 90 days after the grant year. Final reports will be due 90 days after the expiration or termination of grant support.

(c) Federal Cash Transactions Report—(1) Form. (i) For grants paid by letter or credit, Treasury check advances or electronic transfer of funds, the grantee will submit the Standard Form 272,
Federal Cash Transactions Report, and when necessary, its continuation sheet, Standard Form 272a, unless the terms of the award exempt the grantee from this requirement.

(ii) These reports will be used by the Federal agency to monitor cash advanced to grantees and to obtain disbursement or outlay information for each grant from grantees. The format of the report may be adapted as appropriate when reporting is to be accomplished with the assistance of automatic data processing equipment provided that the information to be submitted is not changed in substance.

(2) Forecasts of Federal cash requirements. Forecasts of Federal cash requirements may be required in the "Remarks" section of the report.

(3) Cash in hands of subgrantees. When considered necessary and feasible by the Federal agency, grantees may be required to report the amount of cash advances in excess of three days' needs in the hands of their subgrantees or contractors and to provide short narrative explanations of actions taken by the grantee to reduce the excess balances.

(4) Frequency and due date. Grantees must submit the report no later than 15 working days following the end of each quarter. However, where an advance either by letter of credit or electronic funds transfer is authorized at an annualized rate of one million dollars or more, the Federal agency may require the report to be submitted within 15 working days following the end of each month.

(d) Request for advance or reimbursement—(1) Advance payments. Requests for Treasury check advance payments will be submitted on Standard Form 270, Request for Advance or Reimbursement. (This form will not be used for drawdowns under a letter of credit, electronic funds transfer or when Treasury check advance payments are made to the grantee automatically on a predetermined basis.)

(2) Reimbursements. Requests for reimbursement under nonconstruction grants will also be submitted on Standard Form 270. (For reimbursement requests under construction grants, see paragraph (e)(1) of this section.)

(3) The frequency for submitting payment requests is treated in §24.41(b)(3).

(e) Outlay report and request for reimbursement for construction programs. (1) Grants that support construction activities paid by reimbursement method.

(i) Requests for reimbursement under construction grants will be submitted on Standard Form 271, Outlay Report and Request for Reimbursement for Construction Programs. Federal agencies may, however, prescribe the Request for Advance or Reimbursement form, specified in §24.41(d), instead of this form.

(ii) The frequency for submitting reimbursement requests is treated in §24.41(b)(3).

(2) Grants that support construction activities paid by letter of credit, electronic funds transfer or Treasury check advance.

(i) When a construction grant is paid by letter of credit, electronic funds transfer or Treasury check advances, the grantee will report its outlays to the Federal agency using Standard Form 271, Outlay Report and Request for Reimbursement for Construction Programs. The Federal agency will provide any necessary special instruction. However, frequency and due date shall be governed by §24.41(b)(3) and (4).

(ii) When a construction grant is paid by Treasury check advances based on periodic requests from the grantee, the advances will be requested on the form specified in §24.41(d).

(iii) The Federal agency may substitute the Financial Status Report specified in §24.41(b) for the Outlay Report and Request for Reimbursement for Construction Programs.

(3) Accounting basis. The accounting basis for the Outlay Report and Request for Reimbursement for Construction Programs shall be governed by §24.41(b)(2).

§24.42 Retention and access requirements for records.

(a) Applicability. (1) This section applies to all financial and programmatic records, supporting documents, statistical records, and other records of grantees or subgrantees which are:
(i) Required to be maintained by the terms of this part, program regulations or the grant agreement, or
(ii) Otherwise reasonably considered as pertinent to program regulations or the grant agreement.

(2) This section does not apply to records maintained by contractors or subcontractors. For a requirement to place a provision concerning records in certain kinds of contracts, see §24.36(i)(10).

(b) Length of retention period. (1) Except as otherwise provided, records must be retained for three years from the starting date specified in paragraph (c) of this section.

(2) If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the 3-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular 3-year period, whichever is later.

(3) To avoid duplicate recordkeeping, awarding agencies may make special arrangements with grantees and subgrantees to retain any records which are continuously needed for joint use. The awarding agency will request transfer of records to its custody when it determines that the records possess long-term retention value. When the records are transferred to or maintained by the Federal agency, the 3-year retention requirement is not applicable to the grantee or subgrantee.

(c) Starting date of retention period—(1) General. When grant support is continued or renewed at annual or other intervals, the retention period for the records of each funding period starts on the day the grantee or subgrantee submits its expenditure report for the last quarter of the Federal fiscal year. In all other cases, the retention period starts on the day the grantee submits its final expenditure report. If an expenditure report has been waived, the retention period starts on the day the report would have been due.

(2) Real property and equipment records. The retention period for real property and equipment records starts from the date of the disposition or replacement or transfer at the direction of the awarding agency.

(3) Records for income transactions after grant or subgrant support. In some cases grantees must report income after the period of grant support. Where there is such a requirement, the retention period for the records pertaining to the earning of the income starts from the end of the grantee's fiscal year in which the income is earned.

(4) Indirect cost rate proposals, cost allocations plans, etc. This paragraph applies to the following types of documents, and their supporting records: indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).

(i) If submitted for negotiation. If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the grantee) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.

(ii) If not submitted for negotiation. If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the grantee) for negotiation purposes, then the 3-year retention period for the proposal plan, or computation and its supporting records starts from end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

(d) Substitution of microfilm. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records.

(e) Access to records—(1) Records of grantees and subgrantees. The awarding agency and the Comptroller General of the United States, or any of their authorized representatives, shall have the right of access to any pertinent books, documents, papers, or other records of grantees and subgrantees which are pertinent to the grant, in order to
make audits, examinations, excerpts, and transcripts.

(2) Expiration of right of access. The rights of access in this section must not be limited to the required retention period but shall last as long as the records are retained.

(f) Restrictions on public access. The Federal Freedom of Information Act (5 U.S.C. 552) does not apply to records unless required by Federal, State, or local law, grantees and subgrantees are not required to permit public access to their records.

§ 24.43 Enforcement.

(a) Remedies for noncompliance. If a grantee or subgrantee materially fails to comply with any term of an award, whether stated in a Federal statute or regulation, an assurance, in a State plan or application, a notice of award, or elsewhere, the awarding agency may take one or more of the following actions, as appropriate in the circumstances:

(1) Temporarily withhold cash payments pending correction of the deficiency by the grantee or subgrantee or more severe enforcement action by the awarding agency,

(2) Disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance,

(3) Wholly or partly suspend or terminate the current award for the grantee's or subgrantee's program,

(4) Withhold further awards for the program, or

(5) Take other remedies that may be legally available.

(b) Hearings, appeals. In taking an enforcement action, the awarding agency, upon written notification to the awarding agency, setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion to be terminated, or

(5) Take other remedies that may be legally available.

(b) Hearings, appeals. In taking an enforcement action, the awarding agency, setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion to be terminated, or

(c) Effects of suspension and termination. Costs of grantee or subgrantee resulting from obligations incurred by the grantee or subgrantee during a suspension or after termination of an award are not allowable unless the awarding agency expressly authorizes them in the notice of suspension or termination or subsequently. Other grantee or subgrantee costs during suspension or after termination which are necessary and not reasonably avoidable are allowable if:

(1) The costs result from obligations which were properly incurred by the grantee or subgrantee before the effective date of suspension or termination, are not in anticipation of it, and, in the case of a termination, are noncancellable, and,

(2) The costs would be allowable if the award were not suspended or expired normally at the end of the funding period in which the termination takes effect.

(d) Relationship to debarment and suspension. The enforcement remedies identified in this section, including suspension and termination, do not preclude grantee or subgrantee from being subject to “Debarment and Suspension” under E.O. 12549 (see §24.35).

§ 24.44 Termination for convenience.

Except as provided in §24.43 awards may be terminated in whole or in part only as follows:

(a) By the awarding agency with the consent of the grantee or subgrantee in which case the two parties shall agree upon the termination conditions, including the effective date and in the case of partial termination, the portion to be terminated, or

(b) By the grantee or subgrantee upon written notification to the awarding agency, setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion to be terminated. However, if, in the case of a partial termination, the awarding agency determines that the remaining portion of the award will not accomplish the purposes for which the award was made, the awarding agency may terminate the award in its entirety under either §24.43 or paragraph (a) of this section.

Subpart D—After-The-Grant Requirements

§ 24.50 Closeout.

(a) General. The Federal agency will close out the award when it determines that all applicable administrative actions and all required work of the grant has been completed.
§ 24.51 Reports. Within 90 days after the expiration or termination of the grant, the grantee must submit all financial, performance, and other reports required as a condition of the grant. Upon request by the grantee, Federal agencies may extend this timeframe. These may include but are not limited to:

(1) Final performance or progress report.

(2) Financial Status Report (SF 269) or Outlay Report and Request for Reimbursement for Construction Programs (SF-271) (as applicable).

(3) Final request for payment (SF-270) (if applicable).

(4) Invention disclosure (if applicable).

(5) Federally-owned property report: In accordance with § 24.32(f), a grantee must submit an inventory of all federally owned property (as distinct from property acquired with grant funds) for which it is accountable and request disposition instructions from the Federal agency of property no longer needed.

(c) Cost adjustment. The Federal agency will, within 90 days after receipt of reports in paragraph (b) of this section, make upward or downward adjustments to the allowable costs.

(d) Cash adjustments. (1) The Federal agency will make prompt payment to the grantee for allowable reimbursable costs.

(2) The grantee must immediately refund to the Federal agency any balance of unobligated (unencumbered) cash advanced that is not authorized to be retained for use on other grants.

§ 24.52 Later disallowances and adjustments.

The closeout of a grant does not affect:

(a) The Federal agency's right to disallow costs and recover funds on the basis of a later audit or other review;

(b) The grantee's obligation to return any funds due as a result of later refinements, corrections, or other transactions;

(c) Records retention as required in § 24.42;

(d) Property management requirements in §§ 24.31 and 24.32; and

(e) Audit requirements in § 24.26.
25.26 Form, filing and service of papers.
25.27 Computation of time.
25.28 Motions.
25.29 Sanctions.
25.30 The hearing and burden of proof.
25.31 Determining the amount of penalties and assessments.
25.32 Location of hearing.
25.33 Witnesses.
25.34 Evidence.
25.35 The record.
25.36 Post-hearing briefs.
25.37 Initial decision.
25.38 Reconsideration of initial decision.
25.39 Appeal to authority head.
25.40 Stays ordered by the Department of Justice.
25.41 Stay pending appeal.
25.42 Judicial review.
25.43 Collection of civil penalties and assessments.
25.44 Right to administrative offset.
25.45 Deposit in Treasury of United States.
25.46 Compromise or settlement.
25.47 Limitations.


Source: 55 FR 47854, Nov. 16, 1990, unless otherwise noted.

Fraud Civil Remedies

§ 25.1 Basis and purpose.

(a) Basis. This part implements the Program Fraud Civil Remedies Act of 1986, Public Law 99-509, section 6101-6104, 100 Stat. 1874 (October 21, 1986), to be codified at 31 U.S.C. 3801-3812. 31 U.S.C. 3809 of the statute requires each authority head to promulgate regulations necessary to implement the provisions of the statute.

(b) Purpose. This part (1) establishes administrative procedures for imposing civil penalties and assessments against persons who make, submit, or present, or cause to be made, submitted, or presented, false, fictitious, or fraudulent claims or written statements to authorities or to their agents, and (2) specifies the hearing and appeal rights of persons subject to allegations of liability for such penalties and assessments.

§ 25.2 Definitions.

ALJ means an Administrative Law Judge in the authority appointed pursuant to 5 U.S.C. 3105 or detailed to the authority pursuant to 5 U.S.C. 3344. Authority means the Department of Commerce.

Authority head means the Secretary of the Department of Commerce, or designee.

Benefit means, except as the context otherwise requires, anything of value, including but not limited to any advantage, preference, privilege, license, permit, favorable decision, ruling, status, or loan guarantee.

Claim means any request, demand, or submission—

(a) Made to the authority for property, services, or money (including money representing grants, loans, insurance, or benefits); or

(b) Made to a recipient of property, services, or money from the authority or to a party to a contract with the authority—

(1) For property or services if the United States—

(i) Provided such property or services; or

(ii) Will reimburse such recipient or party for the purchase of such property or services; or

(2) For the payment of money (including money representing grants, loans, insurance, or benefits) if the United States—

(i) Provided any portion of the money requested or demanded; or

(ii) Will reimburse such recipient or party for any portion of the money paid on such request or demand; or

(c) Made to the authority which has the effect of decreasing an obligation to pay or account for property, services, or money.

Complaint means the administrative complaint served by the reviewing official on the respondent under §25.7.

Department means the Department of Commerce.

Government means the United States Government.

Individual means a natural person.

Initial decision means the written decision of the ALJ required by §§25.10 or 25.37, and includes a revised initial decision issued following a remand or a motion for reconsideration.
§ 25.3 Basis for civil penalties and assessments.

(a) Claims.
(1) Any person who makes a claim that the person knows or has reason to know—
   (i) Is false, fictitious, or fraudulent;
   (ii) Includes, or is supported by, any written statement which asserts a material fact which is false, fictitious, or fraudulent;
   (iii) Includes, or is supported by, any written statement that—
      (A) Omits a material fact;
      (B) Is false, fictitious, or fraudulent as a result of such omission; and
      (C) Is a statement in which the person making such statement has a duty to include such material fact; or
   (iv) Is for payment for the provision of property or services which the person has not provided as claimed, shall be subject, in addition to any other remedy that may be prescribed by law, to a civil penalty of not more than $5,000 for each such claim made on or before October 23, 1996, and of not more than $5,500 for each such claim made after October 23, 1996.

(2) Each voucher, invoice, claim form, or other individual request or demand for property, services, or money constitutes a separate claim.

(3) A claim shall be considered made to the authority, recipient, or party when such claim is actually made to an agent, fiscal intermediary, or other entity, including any State or political subdivision thereof, acting for or on behalf of the authority, recipient, or party.

(4) Each claim for property, services, or money is subject to a civil penalty regardless of whether such property,
services, or money is actually delivered or paid.

(5) If the Government has made payment (including transferred property or provided services) or a claim, a person subject to a civil penalty under paragraph (a)(1) of this section shall also be subject to an assessment of not more than twice the amount of such claim or that portion thereof that is determined to be in violation of paragraph (a)(1) of the section. Such assessment shall be in lieu of damages sustained by the Government because of such claim.

(b) Statements. (1) Any person who makes a written statement that—
   (i) The person knows or has reason to know—
      (A) Asserts a material fact which is false, fictitious, or fraudulent; or
      (B) Is false, fictitious, or fraudulent because it omits a material fact that the person making the statement has a duty to include in such statement; and
   (ii) Contains, or is accompanied by, an express certification or affirmation of the truthfulness and accuracy of the contents of the statement, shall be subject, in addition to any other remedy that may be prescribed by law, to a civil penalty of not more than $5,000 for each such statement made on or before October 23, 1996, and of not more than $5,500 for each such statement made after October 23, 1996.
   (2) Each written representation, certification, or affirmation constitutes a separate statement.
   (3) A statement shall be considered made to the authority when such statement is actually made to an agent, fiscal intermediary, or other entity, including any State or political subdivision thereof, acting for or on behalf of the authority.
   (c) No proof of specific intent to defraud is required to establish liability under this section.
   (d) In any case in which it is determined that more than one person is liable for making a claim or statement under this section, each such person may be held liable for a civil penalty.
   (e) In any case in which it is determined that more than one person is liable for making a claim under this section on which the Government has made payment (including transferred property or provide services), an assessment may be imposed against any such person or jointly and severally against any combination of such persons.

§ 25.4 Investigation.

(a) If an investigating official concludes that a subpoena pursuant to the authority conferred by 31 U.S.C. 3804(a) is warranted—
   (1) The subpoena so issued shall notify the person to whom it is addressed of the authority under which the subpoena is issued and shall identify the records or documents sought; and
   (2) The investigating official may designate a person to act on his or her behalf to receive the documents sought; and
   (3) The person receiving such subpoena shall be required to tender to the investigating official, or the person designated to receive the documents, a certification that—
      (i) The documents sought have been produced;
      (ii) Such documents are not available and the reasons therefore; or
      (iii) Such documents, suitably identified, have been withheld based upon the assertion of an identified privilege.
   (b) If the investigating official concludes that an action under the Program Fraud Civil Remedies Act may be warranted, the investigating official shall submit a report containing the findings and conclusions of such investigation to the reviewing official.
   (c) Nothing in this section shall preclude or limit an investigating official’s discretion to refer allegations directly to the Department of Justice for suit under the False Claims Act or other civil relief, or to defer or postpone a report or referral to avoid interference with a criminal investigation or prosecution.
   (d) Nothing in this section modifies any responsibility of an investigating official to report violations of criminal law to the Attorney General.

§ 25.5 Review by the reviewing official.

(a) If, based on the report of the investigating official under § 25.4(b), the reviewing official determines that
there is adequate evidence to believe that a person is liable under §25.3, the reviewing official shall transmit to the Attorney General a written notice of the reviewing official’s intention to issue a complaint under §25.7.

(b) Such notice shall include—
(1) A statement of the reviewing official’s reasons for issuing a complaint;
(2) A statement specifying the evidence that supports the allegations of liability;
(3) A description of the claims or statements upon which the allegations of liability are based;
(4) An estimate of the amount of money, or the value of property, services, or other benefits, requested or demanded in violation of §25.3 of this part;
(5) A statement of any exculpatory or mitigating circumstances that may relate to the claims or statements known by the reviewing official or the investigating official; and
(6) A statement that there is a reasonable prospect of collecting an appropriate amount of penalties and assessments. Such a statement may be based upon information then known or an absence of any information indicating that the person may be unable to pay such an amount.

§ 25.6 Prerequisites for issuing a complaint.

(a) The reviewing official may issue a complaint under §25.7 only if—
(1) The Department of Justice approved the issuance of a complaint in a written statement described in 31 U.S.C. 3803(b)(1), and
(2) In the case of allegations of liability under §25.3(a) with respect to a claim, the reviewing official determines that, with respect to such claim or a group of related claims submitted at the same time such claim is submitted (as defined in paragraph (b) of this section), the amount of money, or the value of property or services, demanded or requested in violation of §25.3(a) does not exceed $150,000.

(b) For the purposes of this section, a related group of claims submitted at the same time shall include only those claims arising from the same transaction (e.g., grant, loan, application, or contract) that are submitted simultaneously as part of a single request, demand, or submission.

(c) Nothing in this section shall be construed to limit the reviewing official’s authority to join in a single complaint against a person claims that are unrelated or were not submitted simultaneously, regardless of the amount of money, or the value of property or services, demanded or requested.

§ 25.7 Complaint.

(a) On or after the date the Department of Justice approves the issuance of a complaint in accordance with 31 U.S.C. 3803(b)(1), the reviewing official may serve a complaint on the respondent, as provided in §25.8.

(b) The complaint shall state—
(1) The allegations of liability against the respondent, including the statutory basis for liability, an identification of the claims or statements that are the basis for the alleged liability, and the reasons why liability allegedly arises from such claims or statements;
(2) The maximum amount of penalties and assessments for which the respondent may be held liable;
(3) Instructions for filing an answer to request a hearing, including a specific statement of the respondent’s right to request a hearing by filing an answer and to be represented by a representative; and
(4) That failure to file an answer within 30 days of service of the complaint will result in the imposition of the maximum amount of penalties and assessments without right to appeal.

(c) At the same time the reviewing official serves the complaint, he or she shall serve the respondent with a copy of these regulations.

§ 25.8 Service of complaint.

(a) Service of a complaint must be made by certified or registered mail or by delivery in any manner authorized by Rule 4(d) of the Federal Rules of Civil Procedure.

(b) Proof of service, stating the name and address of the person on whom the complaint was served, and the manner and date of service, may be made by—
(1) Affidavit of the individual making service;
(2) An acknowledged United States Postal Service return receipt card; or
(3) Written acknowledgment of the respondent or his or her representative.

§ 25.9 Answer.
(a) The respondent may request a hearing by filing an answer with the reviewing official within 30 days of service of the complaint. An answer shall be deemed to be a request for hearing.
(b) In the answer, the respondent—
(1) Shall admit or deny each of the allegations of liability made in the complaint;
(2) Shall state any defense on which the respondent intends to rely;
(3) May state any reasons why the respondent contends that the penalties and assessments should be less than the statutory maximum; and
(4) Shall state the name, address, and telephone number of the person authorized by the respondent to act as respondent's representative, if any.

§ 25.10 Default upon failure to file an answer.
(a) If the respondent does not file an answer within the time prescribed in §25.9(a), the reviewing official may refer the complaint to the ALJ along with the proof of service, as provided in §25.8(b).
(b) Upon the referral of the complaint, the ALJ shall promptly serve on the respondent in the manner prescribed in §25.8, a notice that an initial decision will be issued under this section.
(c) The ALJ shall assume the facts alleged in the complaint to be true and, if such facts establish liability under §25.3, the ALJ shall issue an initial decision imposing the maximum amount of penalties and assessments allowed under the statute.
(d) Except as otherwise provided in this section, by failing to file a timely answer, the respondent waives any right to further review of the penalties and assessments imposed under paragraph (c) of this section, and the initial decision shall become final binding upon the parties 30 days after it is issued.
(e) If, before such an initial decision becomes final, the respondent files motion with the ALJ seeking to reopen on the grounds that extraordinary circumstances prevented the respondent from filing an answer, the initial decision shall be stayed pending the ALJ's decision on the motion.
(f) If, on such motion, the respondent can demonstrate extraordinary circumstances excusing the failure to file a timely answer, the ALJ shall withdraw the initial decision in paragraph (c) of this section, if such a decision has been issued, and shall grant the respondent an opportunity to answer the complaint.
(g) A decision of the ALJ denying a respondent's motion under paragraph (e) of this section is not subject to reconsideration under §25.38.
(h) The respondent may appeal to the authority head the decision denying a motion to reopen by filing a notice of appeal with the authority head within 15 days after the ALJ denies the motion. The timely filing of a notice of appeal shall stay the initial decision until the authority head decides the issue.
(i) If the respondent files a timely notice of appeal with the authority head, the ALJ shall forward the record of the proceeding to the authority head.
(j) The authority head shall decide expeditiously whether extraordinary circumstances excuse the respondent's failure to file a timely answer based solely on the record before the ALJ.
(k) If the authority head decides that extraordinary circumstances excused the respondent's failure to file a timely answer, the authority head shall remand the case of the ALJ with instructions to grant the respondent an opportunity to answer.
(l) If the authority head decides that the respondent's failure to file a timely answer is not excused, the authority head shall reinstate the initial decision of the ALJ, which shall become final and binding upon the parties 30 days after the authority head issues such decision.

§ 25.11 Referral of complaint and answer to the ALJ.
Upon receipt of an answer, the reviewing official shall file the complaint and answer with the ALJ.
§ 25.12 Notice of hearing.

(a) When the ALJ receives the complaint and answer, the ALJ shall promptly serve a notice of hearing upon the respondent in the manner prescribed by § 25.8. At the same time, the ALJ shall send a copy of such notice to the representative for the Government.

(b) Such notice shall include—

1. The tentative time and place, and the nature of the hearing;
2. The legal authority and jurisdiction under which the hearing is to be held;
3. The matters of fact and law to be asserted;
4. A description of the procedures for the conduct of the hearing;
5. The name, address, and telephone number of the representative of the Government and of the respondent, if any; and
6. Such other matters as the ALJ deems appropriate.

§ 25.13 Parties to the hearing.

(a) The parties to the hearing shall be the respondent and the authority.

(b) Pursuant to 31 U.S.C. 3730(c)(5), a private plaintiff under the False Claims Act may participate in these proceedings to the extent authorized by the provisions of that Act.

§ 25.14 Separation of functions.

(a) The investigating official, the reviewing official, and any employee or agent of the authority who takes part in investigating, preparing, or presenting a particular case may not, in such case or a factually related case—

1. Participate in the hearing as the ALJ;
2. Participate or advise in the initial decision or the review of the initial decision by the authority head, except as a witness or a representative in public proceedings; or

(b) The ALJ shall not be responsible to, or subject to the supervision or direction of, the investigating official or the reviewing official.

(c) The reviewing official shall, after consulting with the Inspector General, designate the representative for the Government, who shall be an attorney with either the Office of General Counsel or the Office of the Inspector General. The reviewing official’s decision is final.

§ 25.15 Ex parte contacts.

No party or person (except employees of the ALJ’s office) shall communicate in any way with the ALJ on any matter at issue in a case, unless on notice and opportunity for all parties to participate. This provision does not prohibit a person or party from inquiring about the status of a case or asking routine questions concerning administrative functions or procedures.

§ 25.16 Disqualification of reviewing official or ALJ.

(a) A reviewing official or ALJ in a particular case may disqualify himself or herself at any time.

(b) A party may file with the ALJ a motion for disqualification of a reviewing official or an ALJ. Such motion shall be accompanied by an affidavit alleging personal bias or other reason for disqualification.

(c) Such motion and affidavit shall be filed promptly upon the party’s discovery of reasons requiring disqualification, or such objections shall be deemed waived.

(d) Such affidavit shall state specific facts that support the party’s belief that personal bias or other reason for disqualification exists and the time and circumstances of the party’s discovery of such facts. It shall be accompanied by a certificate of the representative of record that it is made in good faith.

(e) Upon the filing of such a motion and affidavit, the ALJ shall proceed no further in the case until he or she resolves the matter of disqualification in accordance with paragraph (f) of this section.

(f)(1) If the ALJ determines that a reviewing official is disqualified, the ALJ shall dismiss the complaint without prejudice.

(2) If the ALJ disqualifies himself or herself, the case shall be reassigned promptly to another ALJ.

(c) Such affidavit shall state specific facts that support the party’s belief that personal bias or other reason for disqualification exists and the time and circumstances of the party’s discovery of such facts. It shall be accompanied by a certificate of the representative of record that it is made in good faith.

(e) Upon the filing of such a motion and affidavit, the ALJ shall proceed no further in the case until he or she resolves the matter of disqualification in accordance with paragraph (f) of this section.

(1) If the ALJ determines that a reviewing official is disqualified, the ALJ shall dismiss the complaint without prejudice.

(2) If the ALJ disqualifies himself or herself, the case shall be reassigned promptly to another ALJ.

(c) Such affidavit shall state specific facts that support the party’s belief that personal bias or other reason for disqualification exists and the time and circumstances of the party’s discovery of such facts. It shall be accompanied by a certificate of the representative of record that it is made in good faith.

(e) Upon the filing of such a motion and affidavit, the ALJ shall proceed no further in the case until he or she resolves the matter of disqualification in accordance with paragraph (f) of this section.

(1) If the ALJ determines that a reviewing official is disqualified, the ALJ shall dismiss the complaint without prejudice.

(2) If the ALJ disqualifies himself or herself, the case shall be reassigned promptly to another ALJ.

(c) Such affidavit shall state specific facts that support the party’s belief that personal bias or other reason for disqualification exists and the time and circumstances of the party’s discovery of such facts. It shall be accompanied by a certificate of the representative of record that it is made in good faith.

(e) Upon the filing of such a motion and affidavit, the ALJ shall proceed no further in the case until he or she resolves the matter of disqualification in accordance with paragraph (f) of this section.

(1) If the ALJ determines that a reviewing official is disqualified, the ALJ shall dismiss the complaint without prejudice.

(2) If the ALJ disqualifies himself or herself, the case shall be reassigned promptly to another ALJ.

(c) Such affidavit shall state specific facts that support the party’s belief that personal bias or other reason for disqualification exists and the time and circumstances of the party’s discovery of such facts. It shall be accompanied by a certificate of the representative of record that it is made in good faith.
Office of the Secretary, Commerce

§ 25.17 Rights of parties.
Except as otherwise limited by this part, all parties may—
(a) Be accompanied, represented, and advised by a representative;
(b) Participate in any conference held by the ALJ;
(c) Conduct discovery;
(d) Agree to stipulations of fact or law, which shall be made part of the record;
(e) Present evidence relevant to the issues at the hearing;
(f) Present and cross-examine witnesses;
(g) Present oral arguments at the hearing as permitted by the ALJ; and
(h) Submit written briefs and proposed findings of fact and conclusions of law after the hearing.

§ 25.18 Authority of the ALJ.
(a) The ALJ shall conduct a fair and impartial hearing, avoid delay, maintain order, and assure that a record of the proceeding is made;
(b) The ALJ has the authority to—
(1) Set and change the date, time, and place of the hearing upon reasonable notice to the parties;
(2) Continue or recess the hearing in whole or in part for a reasonable period of time;
(3) Hold conferences to identify or simplify the issues, or to consider other matters that may aid in the expeditious disposition of the proceeding;
(4) Administer oaths and affirmations;
(5) Issue subpoenas requiring the attendance of witnesses and the production of documents at depositions or at hearings;
(6) Rule on motions and other procedural matters;
(7) Regulate the scope and timing of discovery;
(8) Regulate the course of the hearing and the conduct of representatives and parties;
(9) Examine witnesses;
(10) Receive, rule on, exclude, or limit evidence;
(11) Upon motion of a party, take official notice of facts;
(12) Upon motion of a party, decide cases, in whole or in part, by summary judgment where there is no disputed issue of material fact;
(13) Conduct any conference, argument, or hearing on motions in person or by telephone; and
(14) Exercise such other authority as is necessary to carry out the responsibilities of the ALJ under this part.
(c) The ALJ does not have the authority to find Federal statutes or regulations invalid.

§ 25.19 Prehearing conferences.
(a) The ALJ may schedule prehearing conferences as appropriate.
(b) Upon the motion of any party, the ALJ shall schedule at least one prehearing conference at a reasonable time in advance of the hearing.
(c) The ALJ may use prehearing conferences to discuss the following:
(1) Simplification of the issues;
(2) The necessity or desirability of amendments to the pleadings, including the need for a more definite statement;
(3) Stipulations and admissions of fact or as to the contents and authenticity of documents;
(4) Whether the parties can agree to submission of the case on a stipulated record;
(5) Whether a party chooses to waive appearance at an oral hearing and to submit only documentary evidence (subject to the objection of other parties) and written argument;
(6) Limitation of the number of witnesses;
(7) Scheduling dates for the exchange of witness lists and of proposed exhibits;
(8) Discovery;
(9) The time and place for the hearing; and
(10) Such other matters as may tend to expedite the fair and just disposition of the proceedings.
(d) The ALJ may issue an order containing all matters agreed upon by the parties or ordered by the ALJ at a prehearing conference.

§ 25.20 Disclosure of documents.
(a) Upon written request to the reviewing official, the respondent may review any relevant and material documents, transcripts, records, and other materials that related to the allegations set out in the complaint and upon which the findings and conclusions of
the investigating official under §25.4(b) are based, unless such documents are subject to a privilege under Federal law. Upon payment of fees for duplication, the respondent may obtain copies of such documents.

(b) Upon written request to the reviewing official, the respondent also may obtain a copy of all exculpatory information in the possession of the reviewing official or investigating official relating to the allegations in the complaint, even if it is contained in a document that would otherwise be privileged. If the document would otherwise be privileged, only that portion containing exculpatory information must be disclosed.

(c) The notice sent to the Attorney General from the reviewing official as described in §25.5 is not discoverable under any circumstances.

(d) The respondents may file a motion to compel disclosure of the documents subject to the provisions of this section. Such a motion may only be filed with the ALJ following the filing of an answer pursuant to §25.9.

§ 25.21 Discovery.

(a) The following types of discovery are authorized:

(1) Requests for production of documents for inspection and copying;

(2) Requests for admissions of the authenticity of any relevant document or of the truth of any relevant fact;

(3) Written interrogatories; and

(4) Depositions.

(b) For the purpose of this section and §§25.22 and 25.23, the term “documents” includes information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence. Nothing contained herein shall be interpreted to require the creation of a document.

(c) Unless mutually agreed to by the parties, discovery is available only as ordered by the ALJ. The ALJ shall regulate the timing of discovery.

(d) Motions for discovery. (1) A party seeking discovery may file a motion with the ALJ. Such a motion shall be accompanied by a copy of the requested discovery, or in the case of depositions, a summary of the scope of the proposed deposition.

(2) Within two days of service, a party may file an opposition to the motion and/or a motion for protective order as provided in §25.34.

(3) The ALJ may grant a motion for discovery only if he or she finds that the discovery sought—

(i) Is necessary for the expeditious, fair, and reasonable consideration of the issues;

(ii) Is not unduly costly or burdensome;

(iii) Will not unduly delay the proceeding; and

(iv) Does not seek privileged information.

(4) The burden of showing that discovery should be allowed is on the party seeking discovery.

(5) The ALJ may grant discovery subject to a protective order under §25.24.

(e) Depositions. (1) If a motion for deposition is granted, the ALJ shall issue a subpoena for the deponent, which may require the deponent to produce documents. The subpoena shall specify the time and place at which the deposition will be held.

(2) The party seeking to depose shall serve the subpoena in the manner prescribed in §25.8.

(3) The deponent may file with the ALJ a motion to quash the subpoena or a motion for a protective order within ten days of service.

(4) The party seeking to depose shall provide for the taking of a verbatim transcript of the deposition, which it shall make available to all other parties for inspection and copying.

(f) Each party shall bear its own costs of discovery.

§ 25.22 Exchange of witness lists, statements, and exhibits.

(a) At least 15 days before the hearing or at such other time as may be ordered by the ALJ, the parties shall exchange witness lists, copies of prior statements of proposed witnesses, and copies of proposed hearing exhibits, including copies of any written statements that the party intends to offer in lieu of live testimony in accordance with §25.33(b). At the time the above documents are exchanged, any party that intends to rely on the transcript of deposition testimony in lieu of live testimony at the hearing, if permitted
by the ALJ, shall provide each party with a copy of the specific pages of the transcript it intends to introduce into evidence.

(b) If a party objects, the ALJ shall not admit into evidence the testimony of any witness whose name does not appear on the witness list or any exhibit not provided to the opposing party as provided above unless the ALJ finds good cause for the failure or that there is no prejudice to the objecting party.

(c) Unless another party objects within the time set by the ALJ, documents exchanged in accordance with paragraph (a) of this section shall be deemed to be authentic for the purpose of admissibility at the hearing.

§ 25.23 Subpoena for attendance at hearing.

(a) A party wishing to procure the appearance and testimony of any individual at the hearing may request that the ALJ issue a subpoena.

(b) A subpoena requiring the attendance and testimony of an individual may also require the individual to produce documents at the hearing.

(c) A party seeking a subpoena shall file a written request therefore not less than 15 days before the date fixed for the hearing unless otherwise allowed by the ALJ for good cause shown: Such request shall specify any documents to be produced and shall designate the witnesses and describe the address and location thereof with sufficient particularity to permit such witnesses to be found.

(d) The subpoena shall specify the time and place at which the witness is to appear and any documents the witness is to produce.

(e) The party seeking the subpoena shall serve it in the manner prescribed in §25.8. A subpoena on a party or upon an individual under the control of a party may be served by first class mail.

(f) A party or the individual to whom the subpoena is directed may file with the ALJ a motion to quash the subpoena within ten days after service or on or before the time specified in the subpoena for compliance if it is less than ten days after service.

§ 25.24 Protective order.

(a) A party of a prospective witness or deponent may file a motion for a protective order with respect to discovery sought by an opposing party or with respect to the hearing, seeking to limit the availability or disclosure of evidence.

(b) In issuing a protective order, the ALJ may make any order which justice requires to protect a party or person from annoyance, embarrassment, oppression, or undue burden or expense, including one or more of the following:

1. That the discovery not be had;
2. That the discovery may be had only on specified terms and conditions, including a designation of the time or place;
3. That the discovery may be had only through a method of discovery other than that requested;
4. That certain matters not be inquired into, or that the scope of discovery be limited to certain matters;
5. That discovery be conducted with no one present except persons designated by the ALJ;
6. That the contents of discovery or evidence be sealed;
7. That a deposition after being sealed be opened only by order of the ALJ;
8. That a trade secret or other confidential research, development, commercial information, or facts pertaining to any criminal investigation, proceeding, or other administrative investigation not be disclosed or be disclosed only in a designated way; or
9. That the parties simultaneously file specified documents or information enclosed in sealed envelopes to be opened as directed by the ALJ.

§ 25.25 Fees.

The party requesting a subpoena shall pay the cost of the fees and mileage of any witness subpoenaed in the amounts that would be payable to a witness in a proceeding in United States District Court. A check for witness fees and mileage shall accompany the subpoena when served, except that when a subpoena is issued on behalf of the Department of Commerce, a check for witness fees and mileage need not accompany the subpoena.
§ 25.26 Form, filing and service of papers.

(a) Form. (1) Documents filed with the ALJ shall include an original and one copy.

(2) Every pleading and paper filed in the proceeding shall contain a caption setting forth the title of the action, the case number assigned by the ALJ, and a designation of the paper (e.g., motion to quash subpoena).

(3) Every pleading and paper shall be signed by, and shall contain the address and telephone number of, the party of the person on whose behalf the paper was filed, or his or her representative.

(4) Papers are considered filed when they are mailed. Date of mailing may be established by a certificate from the party or its representative or by proof that the document was sent by certified or registered mail.

(b) Service. A party filing a document with the ALJ shall, at the time of filing, serve a copy of such document on every other party. Service upon any party of any document other than the complaint or notice of hearing shall be made by delivering or mailing a copy to the party's last known address. When a party is represented by a representative, service shall be made upon such representative in lieu of the actual party.

(c) Proof of service. A certificate of the individual serving the document by personal delivery or by mail, setting forth the manner of service, shall be proof of service.

§ 25.27 Computation of time.

(a) In computing any period of time under this part or in an order issued thereunder, the time begins with the day following the act, event, or default, and includes the last day of the period, unless it is a Saturday, Sunday, or legal holiday observed by the Federal government, in which event it includes the next business day.

(b) When the period of time allowed is less than seven days, intermediate Saturdays, Sundays, and legal holidays observed by the Federal government shall be excluded from the computation.

(c) Where a document has been served or issued by mail, an additional five days will be added to the time permitted for any response.

§ 25.28 Motions.

(a) Any application to the ALJ for an order or ruling shall be by motion. Motions shall state the relief sought, the authority relied upon, and the facts alleged, and shall be filed with the ALJ and served on all other parties.

(b) Except for motions made during a prehearing conference or at the hearing, all motions shall be in writing. The ALJ may require that oral motions be reduced to writing.

(c) Within 15 days after a written motion is served, or such other time as may be fixed by the ALJ, any party may file a response to such motion.

(d) The ALJ may not grant a written motion before the time for filing responses thereto has expired, except upon consent of the parties or following a hearing on the motion, but may overrule or deny such motion without awaiting a response.

(e) The ALJ shall make a reasonable effort to dispose of all outstanding motions prior to the beginning of the hearing.

§ 25.29 Sanctions.

(a) The ALJ may sanction a person, including any party or representative, for—

(1) Failing to comply with an order, rule, or procedure governing the proceeding;

(2) Failing to prosecute or defend an action; or

(3) Engaging in other misconduct that interferes with the speedy, orderly, or fair conduct of the hearing.

(b) Any such sanction, including but not limited to those listed in paragraphs (c), (d), and (e) of this section, shall reasonably relate to the severity and nature of the failure or misconduct.

(c) When a party fails to comply with an order, including an order for taking a deposition, the production of evidence within the party’s control, or a request for admission, the ALJ may—

(1) Draw an inference in favor of the requesting party with regard to the information sought;
(2) In the case of requests for admission, deem each matter of which an admission is requested to be admitted;

(3) Prohibit the party failing to comply with such order from introducing evidence concerning, or otherwise relying upon, testimony relating to the information sought; and

(4) Strike any part of the pleadings or other submissions of the party failing to comply with such request.

d) If a party fails to prosecute or defend an action under this part commenced by service of a notice of hearing, the ALJ may dismiss the action or may issue an initial decision imposing penalties and assessments.

(e) The ALJ may refuse to consider any motion, request, response, brief or other document which is not filed in a timely fashion.

§ 25.30 The hearing and burden of proof.

(a) The ALJ shall conduct a hearing on the record in order to determine whether the respondent is liable for a civil penalty or assessment under § 25.3 and, if so, the appropriate amount of any such civil penalty or assessment considering any aggravating or mitigating factors.

(b) The authority shall prove respondent’s liability and any aggravating factors by a preponderance of the evidence.

(c) The respondent shall prove any affirmative defenses and any mitigating factors by a preponderance of the evidence.

(d) The hearing shall be open to the public unless otherwise ordered by the ALJ for good cause shown.

§ 25.31 Determining the amount of penalties and assessments.

(a) In determining an appropriate amount of civil penalties and assessments, the ALJ and the authority head, upon appeal, should evaluate any circumstances that mitigate or aggravate the violation and should articulate in their opinions the reasons that support the penalties and assessments they impose. Because of the intangible costs of fraud, the expense of investigating such conduct, and the need to deter others who might be similarly tempted ordinarily double assessment, in lieu of damages, and a significant civil penalty should be imposed.

(b) Although not exhaustive, the following factors are among those that may influence the ALJ and the authority head in determining the amount of penalties and assessments to impose with respect to the misconduct (i.e., the false, fictitious, or fraudulent claims or statements) charged in the complaint:

1. The number of false, fictitious, or fraudulent claims or statements;

2. The time period over which such claims or statements were made;

3. The degree of the respondent’s culpability with respect to the misconduct;

4. The amount of money or the value of the property, services, or benefit falsely claimed;

5. The value of the Government’s actual loss as a result of the misconduct, including foreseeable consequential damages and the costs of investigation;

6. The relationship of the amount imposed as civil penalties to the amount of the Government’s loss;

7. The potential or actual impact of the misconduct upon national defense, public health or safety, or public confidence in the management of Government programs and operations, including particularly the impact on the intended beneficiaries of such programs;

8. Whether the respondent has engaged in a pattern of the same or similar misconduct;

9. Whether the respondent attempted to conceal the misconduct;

10. The degree to which the respondent has involved others in the misconduct or in concealing it;

11. Where the misconduct of employees or agents is imputed to the respondent, the extent to which the respondent’s practices fostered or attempted to preclude such misconduct;

12. Whether the respondent cooperated in or obstructed an investigation of the misconduct;

13. Whether the respondent assisted in identifying and prosecuting other wrongdoers;

14. The complexity of the program or transaction, and the degree of the respondent’s sophistication with respect to it, including the extent of the...
respondent's prior participation in the program or in similar transactions;
(15) Whether the respondent has been found, in any criminal, civil, or administer-
istrative proceeding to have engaged in similar misconduct or to have dealt
dishonestly with the Government of the United States or of a State directly
or indirectly; and
(16) The need to deter the respondent
and others from engaging in the same
or similar misconduct.
(c) Nothing in this section shall be
construed to limit the ALJ or the au-
thority head from considering any
other factors that in any given case
may mitigate or aggravate the offense
for which penalties and assessments
are imposed.
§ 25.32 Location of hearing.
(a) The hearing may be held—
(1) In any judicial district of the
United States in which the respondent
resides or transacts business;
(2) In any judicial district of the
United States in which the claim or
statement in issue was made; or
(3) In such other place as may be
agreed upon by the respondent and the
ALJ.
(b) Each party shall have the oppor-
tunity to present arguments with re-
spect to the location of the hearing.
(c) The hearing shall be held at the
place and at the time ordered by the
ALJ.
§ 25.33 Witnesses.
(a) Except as provided in paragraph
(b) of this section, testimony at the
hearing shall be given orally by wit-
tnesses under oath or affirmation.
(b) At the discretion of the ALJ, tes-
timony may be admitted in the form of
a written statement or deposition. Any
such written statements must be pro-
vided to all other parties along with
the last known address of such witness,
in a manner which allows sufficient
time for other parties to subpoena such
witness for cross-examination at the
hearing. Prior written statements of
witnesses proposed to testify at the
hearing and deposition transcripts
shall be exchanged as provided in
§ 25.22(a).
(c) The ALJ shall exercise reasonable
control over the mode and order of in-
terrogating witnesses and presenting
evidence so as to—
(1) Make the interrogation and presen-
tation effective for the ascertain-
ment of the truth;
(2) Avoid needless consumption of
time; and
(3) Protect witnesses from harass-
ment or undue embarrassment.
(d) The ALJ shall permit the parties
to conduct such cross-examination
as may be required for a full and true dis-
closure of the facts.
(e) At the discretion of the ALJ, a
witness may be cross-examined on mat-
ters relevant to the proceeding without
regard to the scope of his or her direct
examination. To the extent permitted
by the ALJ, cross-examination on mat-
ters outside the scope of direct exam-
ination shall be conducted in the man-
ner of direct examination and may pro-
ceed by leading questions only if the
witness is a hostile witness, an adverse
party or a witness identified with an
adversary party.
(f) Upon motion of any party, the
ALJ shall order witnesses excluded so
that they cannot hear the testimony of
other witnesses. This rule does not au-
thorize exclusion of—
(1) A party who is an individual;
(2) In the case of a party that is not
an individual, an officer or employee of
the party designated by the party's
representative; or
(3) An individual whose presence is
shown by a party to be essential to the
presentation of its case, including an
individual employed by the Govern-
ment engaged in assisting the rep-
resentative for the Government.
§ 25.34 Evidence.
(a) The ALJ shall determine the ad-
missibility of evidence.
(b) Except as provided in this part,
the ALJ shall not be bound by the Fed-
eral Rules of Evidence. However, the
ALJ may apply the Federal Rules of
Evidence where appropriate, e.g., to ex-
clude unreliable evidence.
(c) The ALJ shall exclude irrelevant
and inmaterial evidence.
(d) Although relevant, evidence may
be excluded if its probative value is
substantially outweighed by the danger
of unfair prejudice, confusion of the
issues, or by considerations of undue
§ 25.35 The record.

(a) The hearing will be recorded and transcribed. Transcripts may be obtained following the hearing from the ALJ at a cost not to exceed the actual cost of duplication.

(b) The transcript of testimony, exhibits and other evidence admitted at the hearing, and all papers and requests filed in the proceeding constitute the record for the decision by the ALJ and the authority head.

(c) The record may be inspected and copied (upon payment of a reasonable fee) by anyone, unless otherwise ordered by the ALJ pursuant to §25.24.

§ 25.36 Post-hearing briefs.

The ALJ may require the parties to file post-hearing briefs. In any event, any party may file a post-hearing brief. The ALJ shall fix the time for filing such briefs, not to exceed 60 days from the date the parties receive the transcript of the hearing or, if applicable, the stipulated record. Such briefs may be accompanied by proposed findings of fact and conclusions of law. The ALJ may permit the parties to file reply briefs.

§ 25.37 Initial decision.

(a) The ALJ shall issue an initial decision based only on the record, which shall contain findings of fact, conclusions of law, and the amount of any penalties and assessments imposed.

(b) The findings of fact shall include a finding on each of the following issues:

1. Whether the claims or statements identified in the complaint, or any portions thereof, violate §25.3.

2. If the person is liable for penalties or assessments, the appropriate amount of any such penalties or assessments considering any mitigating or aggravating factors that he or she finds in the case, such as those described in §25.31.

(c) The ALJ shall prompt the initial decision on all parties within 90 days after the time for submission of post-hearing briefs and reply briefs (if permitted) has expired. The ALJ shall as the same time serve all respondents with a statement describing the right of any respondent determined to be liable for a civil penalty or assessment to file a motion for reconsideration with the ALJ or a notice of appeal with the authority head. If the ALJ fails to meet the deadline contained in this paragraph, he or she shall notify the parties of the reason for the delay and shall set a new deadline.

(d) Unless the initial decision of the ALJ is timely appealed to the authority head, or a motion for reconsideration of the initial decision is timely filed, the initial decision shall constitute the final decision of the authority head and shall be final and binding on the parties 30 days after it is issued by the ALJ.

§ 25.38 Reconsideration of initial decision.

(a) Except as provided in paragraph (d) of this section, any party may file a motion for reconsideration of the initial decision within 20 days of receipt of the initial decision. If service was made by mail, receipt will be presumed to be five days from the date of mailing in the absence of contrary proof.

(b) Every such motion must set forth the matters claimed to have been erroneously decided and the nature of the alleged errors. Such motion shall be accompanied by a supporting brief.

(c) Responses to such motions shall be allowed only upon request of the ALJ.

(d) No party may file a motion for reconsideration of an initial decision that has been revised in response to a previous motion for reconsideration.
(e) The ALJ may dispose of a motion for reconsideration by denying it or by issuing a revised initial decision.

(f) If the ALJ denies a motion for reconsideration, the initial decision shall constitute the final decision of the authority head and shall be final and binding on the parties 30 days after the ALJ denies the motion, unless the initial decision is timely appealed to the authority head in accordance with § 25.39.

(g) If the ALJ issues a revised initial decision, that decision shall constitute the final decision of the authority head and shall be final and binding on the parties 30 days after it is issued, unless it is timely appealed to the authority head in accordance with § 25.39.

§ 25.39 Appeal to authority head.

(a) Any respondent who has filed a timely answer and who is determined in an initial decision to be liable for a civil penalty or assessment may appeal such decision to the authority head by filing a notice of appeal with the authority head in accordance with this section.

(b)(1) No notice of appeal may be filed until the time period for filing a motion for reconsideration under § 25.38 has expired.

(2) If a motion for reconsideration is timely filed, a notice of appeal must be filed within 30 days after the ALJ denies the motion or issues a revised initial decision, whichever applies.

(3) If no motion for reconsideration is timely filed, a notice of appeal must be filed within 30 days after the ALJ issues the initial decision.

(4) The authority head may extend the initial 30 day period for an additional 30 days if the respondent files with the authority head a request for an extension within the initial 30 day period and shows good cause.

(c) If the respondent files a timely notice of appeal with the authority head, the ALJ shall forward the record of the proceeding to the authority head.

(d) A notice of appeal shall be accompanied by a written brief specifying exceptions to the initial decision and reasons supporting the exceptions.

(e) The representative for the Government may file a brief in opposition to exceptions within 30 days of receiving the notice of appeal and accompanying brief.

(f) There is no right to appear personally before the authority head.

(g) There is no right to appeal any interlocutory ruling by the ALJ.

(h) In reviewing the initial decision, the authority head shall not consider any objection that was not raised before the ALJ unless a demonstration is made of extraordinary circumstances causing the failure to raise the objection.

(i) If any party demonstrates to the satisfaction of the authority head that additional evidence not presented at such hearing is material and that there was reasonable grounds for the failure to present such evidence at such hearing, the authority head shall remand the matter to the ALJ for consideration of such additional evidence.

(j) The authority head may affirm, reduce, reverse, compromise, remand, or settle any penalty or assessment determined by the ALJ in any initial decision.

(k) The authority head shall promptly serve each party to the appeal with a copy of the decision of the authority head and a statement describing the right of any person determined to be liable for a penalty or assessment to seek judicial review.

(l) Unless a petition for review is filed as provided in 31 U.S.C. 3805 after a respondent has exhausted all administrative remedies under this part and within 60 days after the date on which the authority head serves the respondent with a copy of the authority head’s decision, a determination that a respondent is liable under § 25.3 is final and is not subject to judicial review.

§ 25.40 Stays ordered by the Department of Justice.

If at any time the Attorney General or an Assistant Attorney General designated by the Attorney General transmits to the authority head a written finding that continuation of the administrative process described in this part with respect to a claim or statement may adversely affect any pending or potential criminal or civil action related to such claim or statement, the authority head shall stay the process and
it shall be resumed only upon receipt of the written authorization of the Attorney General.

§ 25.41 Stay pending appeal.
(a) An initial decision is stayed automatically pending disposition of a motion for reconsideration or of an appeal to the authority head.
(b) No administrative stay is available following a final decision of the authority head.

§ 25.42 Judicial review.
Section 3805 of title 31, United States Code, authorized judicial review by an appropriate United States District Court of a final decision of the authority head imposing penalties or assessments under this part and specifies the procedures for such review.

§ 25.43 Collection of civil penalties and assessments.
Sections 3806 and 3808(b) of title 31, United States Code, authorize actions for collection of civil penalties and assessments imposed under this part and specify the procedures for such actions.

§ 25.44 Right to administrative offset.
The amount of any penalty or assessment which has become final, or for which a judgment has been entered under §§ 25.42 and 25.43, or any amount agreed upon in a compromise or settlement under § 25.46, may be collected by administrative offset under 31 U.S.C. 3716, except that an administrative offset may not be made under this subsection against a refund of an overpayment of Federal taxes, then or later owing by the United States to the respondent.

§ 25.45 Deposit in Treasury of United States.
All amounts collected pursuant to this part shall be deposited as miscellaneous receipts in the Treasury of the United States, except as provided in 31 U.S.C. 3806(g).

§ 25.46 Compromise or settlement.
(a) Parties may make offers of compromise or settlement at any time.
(b) The reviewing official has the exclusive authority to compromise or settle a case under this part at any time after the date on which the reviewing official is permitted to issue a complaint and before the date on which the ALJ issues an initial decision. If the designated representative of the Government is not with the Office of General Counsel, the representative shall forward all settlement offers to the reviewing official and cannot negotiate a compromise or settlement with the respondent except as directed by the reviewing official.
(c) The authority head has exclusive authority to compromise or settle a case under this part at any time after the date on which the ALJ issues an initial decision, except during the pendency of any review under § 25.42 or during the pendency of any action to collect penalties and assessments under § 25.43.
(d) The Attorney General has exclusive authority to compromise or settle a case under this part during the pendency of any review under § 25.42 or of any action to recover penalties and assessments under 31 U.S.C. 3806.
(e) The investigating official may recommend settlement terms to the reviewing official, the authority head, or the Attorney General, as appropriate. The reviewing official may recommend settlement terms to the authority head, or the Attorney General, as appropriate.
(f) Any compromise or settlement must be in writing.

§ 25.47 Limitations.
(a) The notice of hearing with respect to a claim or statement must be served in the manner specified in § 25.8 within 6 years after the date on which such claim or statement is made.
(b) If the respondent fails to file a timely answer, service of a notice under § 25.10(b) shall be deemed a notice of hearing for purposes of this section.
(c) The statute of limitations may be extended by agreement of the parties.
PART 26—GOVERNMENTWIDE DEBARMENT AND SUSPENSION (NONPROCUREMENT) AND GOVERNMENTWIDE REQUIREMENTS FOR DRUG-FREE WORKPLACE (GRANTS)

Subpart A—General

§ 26.100 Purpose.
(a) Executive Order (E.O.) 12549 provides that, to the extent permitted by law, Executive departments and agencies shall participate in a government-wide system for nonprocurement debarment and suspension. A person who is debarred or suspended shall be excluded from Federal financial and non-financial assistance and benefits under Federal programs and activities. Debarment or suspension of a participant in a program by one agency shall have governmentwide effect.

Subpart B—Effect of Actions

§ 26.200 Debarment or suspension.
§ 26.205 Ineligible persons.
§ 26.210 Voluntary exclusion.
§ 26.215 Exception provision.

Subpart C—Debarment

§ 26.300 General.
§ 26.305 Causes for debarment.
§ 26.310 Procedures.
§ 26.311 Investigation and referral.
§ 26.313 Opportunity to contest proposed debarment.
§ 26.314 Debarring official's decision.
§ 26.315 Settlement and voluntary exclusion.
§ 26.320 Period of debarment.
§ 26.325 Scope of debarment.

Subpart D—Suspension

§ 26.400 General.
§ 26.405 Causes for suspension.
§ 26.410 Procedures.
§ 26.412 Opportunity to contest suspension.
§ 26.413 Suspending official's decision.
§ 26.415 Period of suspension.
§ 26.420 Scope of suspension.

Subpart E—Responsibilities of GSA, Agency and Participants

§ 26.500 GSA responsibilities.
§ 26.505 Department of Commerce responsibilities.
§ 26.510 Participants' responsibilities.

Subpart F—Drug-Free Workplace Requirements (Grants)

§ 26.600 Purpose.
§ 26.605 Definitions.
§ 26.610 Coverage.
§ 26.615 Grounds for suspension of payments, suspension or termination of grants, or suspension or debarment.
(3) Providing for the listing of debarred and suspended participants, participants declared ineligible (see definition of “ineligible” in §26.105), and participants who have voluntarily excluded themselves from participation in covered transactions;

(4) Setting forth the consequences of a debarment, suspension, determination of ineligibility, or voluntary exclusion; and

(5) Offering such other guidance as necessary for the effective implementation and administration of the governmentwide system.

(c) These regulations also implement Executive Order 12689 (3 CFR, 1989 Comp., p. 235) and 31 U.S.C. 6101 note (Public Law 103-355, sec. 2455, 108 Stat. 3327) by—

(1) Providing for the inclusion in the List of Parties Excluded from Federal Procurement and Nonprocurement Programs all persons proposed for debarment, debarred or suspended under the Federal Acquisition Regulation, 48 CFR Part 9, subpart 9.4; persons against which governmentwide exclusions have been entered under this part; and persons determined to be ineligible; and

(2) Setting forth the consequences of a debarment, suspension, determination of ineligibility, or voluntary exclusion.

(d) Although these regulations cover the listing of ineligible participants and the effect of such listing, they do not prescribe policies and procedures governing declarations of ineligibility.

§26.105 Definitions.

The following definitions apply to this part:

Adequate evidence. Information sufficient to support the reasonable belief that a particular act or omission has occurred.

Affiliate. Persons are affiliates of each other if, directly or indirectly, either one controls or has the power to control the other, or, a third person controls or has the power to control both. Indicia of control include, but are not limited to: interlocking management or ownership, identity of interests among family members, shared facilities and equipment, common use of employees, or a business entity organized following the suspension or debarment of a person which has the same or similar management, ownership, or principal employees as the suspended, debarred, ineligible, or voluntarily excluded person.

Agency. Any executive department, military department or defense agency or other agency of the executive branch, excluding the independent regulatory agencies.

Civil judgment. The disposition of a civil action by any court of competent jurisdiction, whether entered by verdict, decision, settlement, stipulation, or otherwise creating a civil liability for the wrongful acts complained of; or a final determination of liability under the Program Fraud Civil Remedies Act of 1988 (31 U.S.C. 3801-12).

Conviction. A judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered by verdict, decision, settlement, stipulation, or otherwise creating a civil liability for the wrongful acts complained of; or a final determination of liability under the Program Fraud Civil Remedies Act of 1988 (31 U.S.C. 3801-12).

Debarred. An action taken by a debarring official in accordance with these regulations to exclude a person from participating in covered transactions. A person so excluded is “debarred.”

Debarring official. An official authorized to impose debarment. The debarring official is either:

(1) The agency head, or

(2) An official designated by the agency head.

Indictment. Indictment for a criminal offense. An information or other filing by competent authority charging a criminal offense shall be given the same effect as an indictment.

Ineligible. Excluded from participation in Federal nonprocurement programs pursuant to a determination of ineligibility under statutory, executive order, or regulatory authority, other than Executive Order 12549 and its agency implementing regulations; for example, excluded pursuant to the Davis-Bacon Act and its implementing regulations, the equal employment opportunity acts and executive orders, or the environmental protection acts and executive orders. A person is ineligible where the determination of ineligibility affects such person’s eligibility to participate in more than one covered transaction.
Legal proceedings. Any criminal proceeding or any civil judicial proceeding to which the Federal Government or a State or local government or quasi-governmental authority is a party. The term includes appeals from such proceedings.

List of Parties Excluded from Federal Procurement and Nonprocurement Programs. A list compiled, maintained and distributed by the General Services Administration (GSA) containing the names and other information about persons who have been debarred, suspended, or voluntarily excluded under Executive Orders 12549 and 12689 and these regulations or 48 CFR part 9, subpart 9.4, persons who have been proposed for debarment under 48 CFR part 9, subpart 9.4, and those persons who have been determined to be ineligible.

Notice. A written communication served in person or sent by certified mail, return receipt requested, or its equivalent, to the last known address of a party, its identified counsel, its agent for service of process, or any partner, officer, director, owner, or joint venturer of the party. Notice, if undeliverable, shall be considered to have been received by the addressee five days after being properly sent to the last address known by the agency.

Participant. Any person who submits a proposal for, enters into, or reasonably may be expected to enter into a covered transaction. This term also includes any person who acts on behalf of or is authorized to commit a participant in a covered transaction as an agent or representative of another participant.

Person. Any individual, corporation, partnership, association, unit of government or legal entity, however organized, except: foreign governments or foreign governmental entities, public international organizations, foreign government owned (in whole or in part) or controlled entities, and entities consisting wholly or partially of foreign governments or foreign governmental entities.

Preponderance of the evidence. Proof by information that, compared with that opposing it, leads to the conclusion that the fact at issue is more probably true than not.

Principal. Officer, director, owner, partner, key employee, or other person within a participant with primary management or supervisory responsibilities; or a person who has a critical influence on or substantive control over a covered transaction, whether or not employed by the participant. Persons who have a critical influence on or substantive control over a covered transaction are:

(1) Principal investigators.
(2) [Reserved]

Proposal. A solicited or unsolicited bid, application, request, invitation to consider or similar communication by or on behalf of a person seeking to participate or to receive a benefit, directly or indirectly, in or under a covered transaction.

Respondent. A person against whom a debarment or suspension action has been initiated.

State. Any of the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency of a State, exclusive of institutions of higher education, hospitals, and units of local government. A State instrumentality will be considered part of the State government if it has a written determination from a State government that such State considers that instrumentality to be an agency of the State government.

Suspending official. An official authorized to impose suspension. The suspending official is either:

(1) The agency head, or
(2) An official designated by the agency head.

Suspension. An action taken by a suspending official in accordance with these regulations that immediately excludes a person from participating in covered transactions for a temporary period, pending completion of an investigation and such legal, debarment, or Program Fraud Civil Remedies Act proceedings as may ensue. A person so excluded is "suspended."

Voluntary exclusion or voluntarily excluded. A status of nonparticipation or
limited participation in covered transactions assumed by a person pursuant to the terms of a settlement.

[53 FR 19177, 19204, May 26, 1988, as amended at 60 FR 33041, 33044, June 26, 1995.]

§ 26.110 Coverage.

(a) These regulations apply to all persons who have participated, are currently participating or may reasonably be expected to participate in transactions under Federal nonprocurement programs. For purposes of these regulations such transactions will be referred to as “covered transactions.”

(1) Covered transaction. For purposes of these regulations, a covered transaction is a primary covered transaction or a lower tier covered transaction. Covered transactions at any tier need not involve the transfer of Federal funds.

(i) Primary covered transaction. Except as noted in paragraph (a)(2) of this section, a primary covered transaction is any nonprocurement transaction between an agency and a person, regardless of type, including: grants, cooperative agreements, scholarships, fellowships, contracts of assistance, loans, loan guarantees, subsidies, insurance, payments for specified use, donation agreements and any other nonprocurement transactions between a Federal agency and a person. Primary covered transactions also include those transactions specially designated by the U.S. Department of Housing and Urban Development in such agency’s regulations governing debarment and suspension.

(ii) Lower tier covered transaction. A lower tier covered transaction is:

(A) Any transaction between a participant and a person other than a procurement contract for goods or services, regardless of type, under a primary covered transaction.

(B) Any procurement contract for goods or services between a participant and a person, regardless of type, expected to equal or exceed the Federal procurement small purchase threshold fixed at 10 U.S.C. 2304(g) and 41 U.S.C. 253(g) (currently $25,000) under a primary covered transaction.

(C) Any procurement contract for goods or services between a participant and a person under a covered transaction, regardless of amount, under which that person will have a critical influence on or substantive control over that covered transaction. Such persons are:

(1) Principal investigators.

(2) Providers of federally-required audit services.

(2) Exceptions. The following transactions are not covered:

(i) Statutory entitlements or mandatory awards (but not subtier awards thereunder which are not themselves mandatory), including deposited funds insured by the Federal Government;

(ii) Direct awards to foreign governments or public international organizations, or transactions with foreign governments or foreign governmental entities, public international organizations, foreign government owned (in whole or in part) or controlled entities, entities consisting wholly or partially of foreign governments or foreign governmental entities;

(iii) Benefits to an individual as a personal entitlement without regard to the individual’s present responsibility (but benefits received in an individual’s business capacity are not excepted);

(iv) Federal employment;

(v) Transactions pursuant to national or agency-recognized emergencies or disasters;

(vi) Incidental benefits derived from ordinary governmental operations; and

(vii) Other transactions where the application of these regulations would be prohibited by law.

(3) Department of Commerce covered transactions. These Department of Commerce regulations apply to the Department’s domestic assistance covered transactions (whether by a Federal agency, recipient, subrecipient, or intermediary) including, except as noted in paragraph (a)(2) of this section: grants, cooperative agreements, scholarships, fellowships, loans, loan guarantees, subsidies, insurance, payments for specified use, and donation agreement subawards, subcontracts and transactions at any tier that are charges as direct or indirect costs, regardless of type (including subtier awards under awards which are statutory entitlement or mandatory awards).
§ 26.115

(a) In order to protect the public interest, it is the policy of the Federal Government to conduct business only with responsible persons. Debarment and suspension are discretionary actions that, taken in accordance with Executive Order 12549 and these regulations, are appropriate means to implement this policy.

(b) Debarment and suspension are serious actions which shall be used only in the public interest and for the Federal Government’s protection and not for purposes of punishment. Agencies may impose debarment or suspension for the causes and in accordance with the procedures set forth in these regulations.

(c) When more than one agency has an interest in the proposed debarment or suspension of a person, consideration shall be given to designating one agency as the lead agency for making the decision. Agencies are encouraged to establish methods and procedures for coordinating their debarment or suspension actions.

Subpart B—Effect of Actions

§ 26.200 Debarment or suspension.

(a) Primary covered transactions. Except to the extent prohibited by law, persons who are debarred or suspended shall be excluded from primary covered transactions as either participants or principals throughout the Executive Branch of the Federal Government for the period of their debarment, suspension, or the period they are proposed for debarment under 48 CFR part 9, subpart 9.4. Accordingly, no agency shall enter into primary covered transactions with such excluded persons during such period, except as permitted pursuant to § 26.215.

(b) Lower tier covered transactions. Except to the extent prohibited by law, persons who have been proposed for debarment under 48 CFR part 9, subpart 9.4, debarred or suspended shall be excluded from participating as either participants or principals in all lower tier covered transactions (see § 26.110(a)(1)(ii)) for the period of their exclusion.

(c) Exceptions. Debarment or suspension does not affect a person’s eligibility for—

(1) Statutory entitlements or mandatory awards (but not subtier awards thereunder which are not themselves mandatory), including deposited funds insured by the Federal Government;

(2) Direct awards to foreign governments or public international organizations, or transactions with foreign governments or foreign governmental entities, public international organizations, foreign government owned (in whole or in part) or controlled entities, and entities consisting wholly or partially of foreign governments or foreign governmental entities;
(3) Benefits to an individual as a personal entitlement without regard to the individual's present responsibility (but benefits received in an individual's business capacity are not excepted); (4) Federal employment; (5) Transactions pursuant to national or agency-recognized emergencies or disasters; (6) Incidental benefits derived from ordinary governmental operations; and (7) Other transactions where the application of these regulations would be prohibited by law.

[60 FR 33041, 33044, June 26, 1995]

§ 26.205 Ineligible persons.

Persons who are ineligible, as defined in §26.105(i), are excluded in accordance with the applicable statutory, executive order, or regulatory authority.

§ 26.210 Voluntary exclusion.

Persons who accept voluntary exclusions under §26.315 are excluded in accordance with the terms of their settlements. Department of Commerce shall, and participants may, contact the original action agency to ascertain the extent of the exclusion.

§ 26.215 Exception provision.

The Department of Commerce may grant an exception permitting a debarred, suspended, or voluntarily excluded person, or a person proposed for debarment under 48 CFR part 9, subpart 9.4, to participate in a particular covered transaction upon a written determination by the agency head or an authorized designee stating the reason(s) for deviating from the Presidential policy established by Executive Order 12549 and §26.200. However, in accordance with the President's stated intention in the Executive Order, exceptions shall be granted only infrequently. Exceptions shall be reported in accordance with §26.505(a).

[60 FR 33041, 33044, June 26, 1995]

§ 26.220 Continuation of covered transactions.

(a) Notwithstanding the debarment, suspension, proposed debarment under 48 CFR part 9, subpart 9.4, determination of ineligibility, or voluntary exclusion of any person by an agency, agencies and participants may continue covered transactions in existence at the time the person was debarred, suspended, proposed for debarment under 48 CFR part 9, subpart 9.4, declared ineligible, or voluntarily excluded. A decision as to the type of termination action, if any, should be made only after thorough review to ensure the propriety of the proposed action.

(b) Agencies and participants shall not renew or extend covered transactions (other than no-cost time extensions) with any person who is debarred, suspended, proposed for debarment under 48 CFR part 9, subpart 9.4, ineligible or voluntarily excluded, except as provided in §26.215.

[60 FR 33041, 33044, June 26, 1995]

§ 26.225 Failure to adhere to restrictions.

(a) Except as permitted under §26.215 or §26.220, a participant shall not knowingly do business under a covered transaction with a person who is—

(1) Debarred or suspended; (2) Proposed for debarment under 48 CFR part 9, subpart 9.4; or (3) Ineligible for or voluntarily excluded from the covered transaction.

(b) Violation of the restriction under paragraph (a) of this section may result in disallowance of costs, annulment or termination of award, issuance of a stop work order, debarment or suspension, or other remedies as appropriate.

(c) A participant may rely upon the certification of a prospective participant in a lower tier covered transaction that it and its principals are not debarred, suspended, proposed for debarment under 48 CFR part 9, subpart 9.4, ineligible, or voluntarily excluded from the covered transaction. See appendix B of these regulations, unless it knows that the certification is erroneous. An agency has the burden of proof that a participant did knowingly do business with a person that filed an erroneous certification.

[60 FR 33041, 33044, June 26, 1995]


§ 26.300

Subpart C—Debarment

§ 26.300 General.

The debarring official may debar a person for any of the causes in § 26.305, using procedures established in §§ 26.310 through 26.314. The existence of a cause for debarment, however, does not necessarily require that the person be debarred; the seriousness of the person’s acts or omissions and any mitigating factors shall be considered in making any debarment decision.

§ 26.305 Causes for debarment.

Debarment may be imposed in accordance with the provisions of §§ 26.300 through 26.314 for:

(a) Conviction of or civil judgment for:
   (1) Commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public or private agreement or transaction;
   (2) Violation of Federal or State antitrust statutes, including those proscribing price fixing between competitors, allocation of customers between competitors, and bid rigging;
   (3) Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, or obstruction of justice; or
   (4) Commission of any other offense indicating a lack of business integrity or business honesty that seriously and directly affects the present responsibility of a person.

(b) Violation of the terms of a public agreement or transaction so serious as to affect the integrity of an agency program, such as:
   (1) A willful failure to perform in accordance with the terms of one or more public agreements or transactions;
   (2) A history of failure to perform or of unsatisfactory performance of one or more public agreements or transactions; or
   (3) A willful violation of a statutory or regulatory provision or requirement applicable to a public agreement or transaction.

(c) Any of the following causes:
   (1) A nonprocurement debarment by any Federal agency taken before October 1, 1988, the effective date of these regulations, or a procurement debarment by any Federal agency taken pursuant to 48 CFR subpart 9.4;
   (2) Knowingly doing business with a debarred, suspended, ineligible, or voluntarily excluded person, in connection with a covered transaction, except as permitted in § 26.215 or § 26.220;
   (3) Failure to pay a single substantial debt, or a number of outstanding debts (including disallowed costs and overpayments, but not including sums owed the Federal Government under the Internal Revenue Code) owed to any Federal agency or instrumentality, provided the debt is uncontested by the debtor or, if contested, provided that the debtor’s legal and administrative remedies have been exhausted;
   (4) Violation of a material provision of a voluntary exclusion agreement entered into under § 26.315 or of any settlement of a debarment or suspension action; or
   (5) Violation of any requirement of subpart F of this part, relating to providing a drug-free workplace, as set forth in § 26.615 of this part.

(d) Any other cause of so serious or compelling a nature that it affects the present responsibility of a person.

[53 FR 19177, 19204, May 26, 1988, as amended at 54 FR 4950 and 4954, Jan. 31, 1989]

§ 26.310 Procedures.

Department of Commerce shall process debarment actions as informally as practicable, consistent with the principles of fundamental fairness, using the procedures in §§ 26.311 through 26.314.

§ 26.311 Investigation and referral.

Information concerning the existence of a cause for debarment from any source shall be promptly reported, investigated, and referred, when appropriate, to the debarring official for consideration. After consideration, the debarring official may issue a notice of proposed debarment.

§ 26.312 Notice of proposed debarment.

A debarment proceeding shall be initiated by notice to the respondent advising:

(a) That debarment is being considered;
Office of the Secretary, Commerce

§ 26.314

(b) Of the reasons for the proposed debarment in terms sufficient to put the respondent on notice of the conduct or transaction(s) upon which it is based;

(c) Of the cause(s) relied upon under §26.305 for proposing debarment;

(d) Of the provisions of §26.311 through §26.314, and any other Department of Commerce procedures, if applicable, governing debarment decision-making; and

(e) Of the potential effect of a debarment.

§ 26.313 Opportunity to contest proposed debarment.

(a) Submission in opposition. Within 30 days after receipt of the notice of proposed debarment, the respondent may submit, in person, in writing, or through a representative, information and argument in opposition to the proposed debarment.

(b) Additional proceedings as to disputed material facts. (1) In actions not based upon a conviction or civil judgment, if the debarring official finds that the respondent's submission in opposition raises a genuine dispute over facts material to the proposed debarment, respondent(s) shall be afforded an opportunity to appear with a representative, submit documentary evidence, present witnesses, and confront any witness the agency presents.

(2) A transcribed record of any additional proceedings shall be made available at cost to the respondent, upon request, unless the respondent and the agency, by mutual agreement, waive the requirement for a transcript.

§ 26.314 Debarring official's decision.

(a) No additional proceedings necessary. In actions based upon a conviction or civil judgment, or in which there is no genuine dispute over material facts, the debarring official shall make a decision on the basis of all the information in the administrative record, including any submission made by the respondent. The decision shall be made within 45 days after receipt of any information and argument submitted by the respondent, unless the debarring official extends this period for good cause.

(b) Additional proceedings necessary. (1) In actions in which additional proceedings are necessary to determine disputed material facts, written findings of fact shall be prepared. The debarring official shall base the decision on the facts as found, together with any information and argument submitted by the respondent and any other information in the administrative record.

(2) The debarring official may refer disputed material facts to another official for findings of fact. The debarring official may reject any such findings, in whole or in part, only after specifically determining them to be arbitrary and capricious or clearly erroneous.

(3) The debarring official's decision shall be made after the conclusion of the proceedings with respect to disputed facts.

(c)(1) Standard of proof. In any debarment action, the cause for debarment must be established by a preponderance of the evidence. Where the proposed debarment is based upon a conviction or civil judgment, the standard shall be deemed to have been met.

(2) Burden of proof. The burden of proof is on the agency proposing debarment.

(d) Notice of debarring official's decision. (1) If the debarring official decides to impose debarment, the respondent shall be given prompt notice:

(i) Referring to the notice of proposed debarment;

(ii) Specifying the reasons for debarment;

(iii) Stating the period of debarment, including effective dates; and

(iv) Advising that the debarment is effective for covered transactions throughout the executive branch of the Federal Government unless an agency head or an authorized designee makes the determination referred to in §26.215.

(2) If the debarring official decides not to impose debarment, the respondent shall be given prompt notice of that decision. A decision not to impose debarment shall be without prejudice to a subsequent imposition of debarment by any other agency.
§ 26.315 Settlement and voluntary exclusion.

(a) When in the best interest of the Government, Department of Commerce may, at any time, settle a debarment or suspension action.

(b) If a participant and the agency agree to a voluntary exclusion of the participant, such voluntary exclusion shall be entered on the Nonprocurement List (see subpart E).

§ 26.320 Period of debarment.

(a) Debarment shall be for a period commensurate with the seriousness of the cause(s). If a suspension precedes a debarment, the suspension period shall be considered in determining the debarment period.

(1) Debarment for causes other than those related to a violation of the requirements of subpart F of this part generally should not exceed three years. Where circumstances warrant, a longer period of debarment may be imposed.

(2) In the case of a debarment for a violation of the requirements of subpart F of this part (see §26.305(c)(5)), the period of debarment shall not exceed five years.

(b) The debarring official may extend an existing debarment for an additional period, if that official determines that an extension is necessary to protect the public interest. However, a debarment may not be extended solely on the basis of the facts and circumstances upon which the initial debarment action was based. If debarment for an additional period is determined to be necessary, the procedures of §§26.311 through 26.314 shall be followed to extend the debarment.

(c) The respondent may request the debarring official to reverse the debarment decision or to reduce the period or scope of debarment. Such a request shall be in writing and supported by documentation. The debarring official may grant such a request for reasons including, but not limited to:

(1) Newly discovered material evidence;

(2) Reversal of the conviction or civil judgment upon which the debarment was based;

(3) Bona fide change in ownership or management;

(4) Elimination of other causes for which the debarment was imposed; or

(5) Other reasons the debarring official deems appropriate.

§ 26.325 Scope of debarment.

(a) Scope in general. (1) Debarment of a person under these regulations constitutes debarment of all its divisions and other organizational elements from all covered transactions, unless the debarment decision is limited by its terms to one or more specifically identified individuals, divisions or other organizational elements or to specific types of transactions.

(2) The debarment action may include any affiliate of the participant that is specifically named and given notice of the proposed debarment and an opportunity to respond (see §§26.311 through 26.314).

(b) Imputing conduct. For purposes of determining the scope of debarment, conduct may be imputed as follows:

(1) Conduct imputed to participant. The fraudulent, criminal or other seriously improper conduct of any officer, director, shareholder, partner, employee, or other individual associated with a participant may be imputed to the participant when the conduct occurred in connection with the individual's performance of duties for or on behalf of the participant, or with the participant's knowledge, approval, or acquiescence. The participant's acceptance of the benefits derived from the conduct shall be evidence of such knowledge, approval, or acquiescence.

(2) Conduct imputed to individuals associated with participant. The fraudulent, criminal, or other seriously improper conduct of a participant may be imputed to any officer, director, shareholder, partner, employee, or other individual associated with a participant when the conduct occurred in connection with the individual's performance of duties for or on behalf of the participant, or with the participant's knowledge, approval, or acquiescence.

(3) Conduct of one participant imputed to other participants in a joint venture. The fraudulent, criminal, or other seriously improper conduct of one participant in a joint venture, grant pursuant to a joint application, or similar arrangement may be imputed to other
Office of the Secretary, Commerce

§ 26.412 Opportunity to contest suspension.

(a) Submission in opposition. Within 30 days after receipt of the notice of suspension, the respondent may submit, in person, in writing, or through a representative, information and argument in opposition to the suspension.

(b) Additional proceedings as to disputed material facts. (1) If the suspending official finds that the respondent's submission in opposition raises a genuine dispute over facts material to the suspension, respondent(s) shall be afforded an opportunity to appear with a representative, submit documentary...
evidence, present witnesses, and confront any witness the agency presents, unless:

(i) The action is based on an indictment, conviction or civil judgment, or

(ii) A determination is made, on the basis of Department of Justice advice, that the substantial interests of the Federal Government in pending or contemplated legal proceedings based on the same facts as the suspension would be prejudiced.

(2) A transcribed record of any additional proceedings shall be prepared and made available at cost to the respondent, upon request, unless the respondent and the agency, by mutual agreement, waive the requirement for a transcript.

§ 26.413 Suspending official’s decision.

The suspending official may modify or terminate the suspension (for example, see § 26.320(c) for reasons for reducing the period or scope of debarment) or may leave it in force. However, a decision to modify or terminate the suspension shall be without prejudice to the subsequent imposition of suspension by any other agency or debarment by any agency. The decision shall be rendered in accordance with the following provisions:

(a) No additional proceedings necessary. In actions: based on an indictment, conviction, or civil judgment; in which there is no genuine dispute over material facts; or in which additional proceedings to determine disputed material facts have been denied on the basis of Department of Justice advice, the suspending official shall make a decision on the basis of all the information in the administrative record, including any submission made by the respondent. The decision shall be made within 45 days after receipt of any information and argument submitted by the respondent, unless the suspending official extends this period for good cause.

(b) Additional proceedings necessary. (1) In actions in which additional proceedings are necessary to determine disputed material facts, written findings of fact shall be prepared. The suspending official shall base the decision on the facts as found, together with any information and argument submitted by the respondent and any other information in the administrative record.

(2) The suspending official may refer matters involving disputed material facts to another official for findings of fact. The suspending official may reject any such findings, in whole or in part, only after specifically determining them to be arbitrary or capricious or clearly erroneous.

(c) Notice of suspending official’s decision. Prompt written notice of the suspending official’s decision shall be sent to the respondent.

§ 26.415 Period of suspension.

(a) Suspension shall be for a temporary period pending the completion of an investigation or ensuing legal, debarment, or Program Fraud Civil Remedies Act proceedings, unless terminated sooner by the suspending official or as provided in paragraph (b) of this section.

(b) If legal or administrative proceedings are not initiated within 12 months after the date of the suspension notice, the suspension shall be terminated unless an Assistant Attorney General or United States Attorney requests its extension in writing, in which case it may be extended for an additional six months. In no event may a suspension extend beyond 18 months, unless such proceedings have been initiated within that period.

(c) The suspending official shall notify the Department of Justice of an impending termination of a suspension, at least 30 days before the 12-month period expires, to give that Department an opportunity to request an extension.

§ 26.420 Scope of suspension.

The scope of a suspension is the same as the scope of a debarment (see § 26.325), except that the procedures of §§ 26.410 through 26.413 shall be used in imposing a suspension.

Subpart E—Responsibilities of GSA, Agency and Participants

§ 26.500 GSA responsibilities.

(a) In accordance with the OMB guidelines, GSA shall compile, maintain, and distribute a list of all persons who have been debarred, suspended, or
Office of the Secretary, Commerce

§ 26.510

(b) At a minimum, this list shall indicate:
(1) The names and addresses of all debarred, suspended, ineligible, and voluntarily excluded persons, in alphabetical order, with cross-references when more than one name is involved in a single action;
(2) The type of action;
(3) The cause for the action;
(4) The scope of the action;
(5) Any termination date for each listing; and
(6) The agency and name and telephone number of the agency point of contact for the action.

§ 26.505 Department of Commerce responsibilities.

(a) The agency shall provide GSA with current information concerning debarments, suspension, determinations of ineligibility, and voluntary exclusions it has taken. Until February 18, 1989, the agency shall also provide GSA and OMB with information concerning all transactions in which Department of Commerce has granted exceptions under §26.215 permitting participation by debarred, suspended, or voluntarily excluded persons.

(b) Unless an alternative schedule is agreed to by GSA, the agency shall advise GSA of the information set forth in §26.500(b) and of the exceptions granted under §26.215 within five working days after taking such actions.

(c) The agency shall direct inquiries concerning listed persons to the agency that took the action.

(d) Agency officials shall check the Nonprocurement List before entering covered transactions to determine whether a participant in a primary transaction is debarred, suspended, ineligible, or voluntarily excluded (Tel. #).

(e) Agency officials shall check the Nonprocurement List before approving principals or lower tier participants where agency approval of the principal or lower tier participant is required under the terms of the transaction, to determine whether such principals or participants are debarred, suspended, ineligible, or voluntarily excluded.

§ 26.510 Participants' responsibilities.

(a) Certification by participants in primary covered transactions. Each participant shall submit the certification in Appendix A to this part for it and its principals at the time the participant submits its proposal in connection with a primary covered transaction, except that States need only complete such certification as to their principals. Participants may decide the method and frequency by which they determine the eligibility of their principals. In addition, each participant may, but is not required to, check the Nonprocurement List for its principals (Tel. #).

(b) Certification by participants in lower tier covered transactions. (1) Each participant shall require participants in lower tier covered transactions to include the certification in Appendix B to this part for it and its principals in any proposal submitted in connection with such lower tier covered transactions.

(2) A participant may rely upon the certification of a prospective participant in a lower tier covered transaction that it and its principals are not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction by any Federal agency, unless it knows that the certification is erroneous. Participants may decide the method and frequency by which they determine the eligibility of their principals. In addition, a participant may, but is not required to, check the Nonprocurement List for its principals and for participants (Tel. #).

(c) Changed circumstances regarding certification. A participant shall provide immediate written notice to Department of Commerce if at any time the participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances. Participants in lower
Subpart F—Drug-Free Workplace Requirements (Grants)

§ 26.600 Purpose.

(a) The purpose of this subpart is to carry out the Drug-Free Workplace Act of 1988 by requiring that—

(1) A grantee, other than an individual, shall certify to the agency that it will provide a drug-free workplace;

(2) A grantee who is an individual shall certify to the agency that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance in conducting any activity with the grant.

(b) Requirements implementing the Drug-Free Workplace Act of 1988 for contractors with the agency are found at 48 CFR subparts 9.4, 23.5, and 52.2.

§ 26.605 Definitions.

(a) Except as amended in this section, the definitions of § 26.105 apply to this subpart.

(b) For purposes of this subpart—

(1) Controlled substance means a controlled substance in schedules I through V of the Controlled Substances Act (21 U.S.C. 812), and as further defined by regulation at 21 CFR 1308.11 through 1308.15;

(2) Conviction means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

(3) Criminal drug statute means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

(4) Drug-free workplace means a site for the performance of work done in connection with a specific grant at which employees of the grantee are prohibited from engaging in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance;

(5) Employee means the employee of a grantee directly engaged in the performance of work under the grant, including:

(i) All direct charge employees;

(ii) All indirect charge employees, unless their impact or involvement is insignificant to the performance of the grant; and,

(iii) Temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee’s payroll.

This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the payroll; or employees of subrecipients or subcontractors in covered workplaces);

(6) Federal agency or agency means any United States executive department, military department, government corporation, government controlled corporation, any other establishment in the executive branch (including the Executive Office of the President), or any independent regulatory agency;

(7) Grant means an award of financial assistance, including a cooperative agreement, in the form of money, or property in lieu of money, by a Federal agency directly to a grantee. The term grant includes block grant and entitlement grant programs, whether or not exempted from coverage under the grants management government-wide common rule on uniform administrative requirements for grants and cooperative agreements. The term does not include technical assistance that provides services instead of money, or other assistance in the form of loans, loan guarantees, interest subsidies, insurance, or direct appropriations; or any veterans’ benefits to individuals, i.e., any benefit to veterans, their families, or survivors by virtue of the service of a veteran in the Armed Forces of the United States;

(8) Grantee means a person who applies for or receives a grant directly...
Office of the Secretary, Commerce

§ 26.630 Certification requirements and procedures.

(a)(1) As a prior condition of being awarded a grant, each grantee shall make the appropriate certification to

from a Federal agency (except another Federal agency);

(9) Individual means a natural person;

(10) State means any of the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency of a State, exclusive of institutions of higher education, hospitals, and units of local government. A State instrumentality will be considered part of the State government if it has a written determination from a State government that such State considers the instrumentality to be an agency of the State government.

§ 26.610 Coverage.

(a) This subpart applies to any grantee of the agency.

(b) This subpart applies to any grant, except where application of this subpart would be inconsistent with the international obligations of the United States or the laws or regulations of a foreign government. A determination of such inconsistency may be made only by the agency head or his/her designee.

(c) The provisions of subparts A, B, C, D and E of this part apply to matters covered by this subpart, except where specifically modified by this subpart.

In the event of any conflict between provisions of this subpart and other provisions of this part, the provisions of this subpart are deemed to control with respect to the implementation of drug-free workplace requirements concerning grants.

§ 26.615 Grounds for suspension of payments, suspension or termination of grants, or suspension or debarment.

A grantee shall be deemed in violation of the requirements of this subpart if the agency head or his or her official designee determines, in writing, that—

(a) The grantee has made a false certification under §26.630;

(b) With respect to a grantee other than an individual—

(1) The grantee has violated the certification by failing to carry out the requirements of paragraphs (A)(a)-(g) and/or (B) of the certification (Alternate I to Appendix C) or

(2) Such a number of employees of the grantee have been convicted of violations of criminal drug statutes for violations occurring in the workplace as to indicate that the grantee has failed to make a good faith effort to provide a drug-free workplace.

(c) With respect to a grantee who is an individual—

(1) The grantee has violated the certification by failing to carry out its requirements (Alternate II to Appendix C); or

(2) The grantee is convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity.

§ 26.620 Effect of violation.

(a) In the event of a violation of this subpart as provided in §26.615, and in accordance with applicable law, the grantee shall be subject to one or more of the following actions:

(1) Suspension of payments under the grant;

(2) Suspension or termination of the grant; and

(3) Suspension or debarment of the grantee under the provisions of this part.

(b) Upon issuance of any final decision under this part requiring debarment of a grantee, the debarred grantee shall be ineligible for award of any grant from any Federal agency for a period specified in the decision, not to exceed five years (see §26.320(a)(2) of this part).

§ 26.625 Exception provision.

The agency head may waive with respect to a particular grant, in writing, a suspension of payments under a grant, suspension or termination of a grant, or suspension or debarment of a grantee if the agency head determines that such a waiver would be in the public interest. This exception authority cannot be delegated to any other official.
§ 26.635 Reporting of and employee sanctions for convictions of criminal drug offenses.

(a) When a grantee other than an individual is notified that an employee has been convicted for a violation of a criminal drug statute occurring in the workplace, it shall take the following actions:

(1) Within 10 calendar days of receiving notice of the conviction, the grantee shall provide written notice, including the convicted employee’s position...
Office of the Secretary, Commerce

APPENDIX A TO PART 26—CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS—PRIMARY COVERED TRANSACTIONS

Instructions for Certification

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency’s determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

4. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.

(Approved by the Office of Management and Budget under control number 0991-0002)

[55 FR 21688, 21693, May 25, 1990]
excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled “Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transaction,” provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters—Primary Covered Transactions

1. By signing and submitting this proposal, the prospective lower tier participant agrees by submitting this proposal that, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

2. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

[60 FR 33042, 33044, June 26, 1995]

APPENDIX B TO PART 26—CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION—LOWER TIER COVERED TRANSACTIONS

Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12598. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this proposal that,
Office of the Secretary, Commerce

should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled “Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transaction,” without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transactions

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

[60 FR 33042, 33044, June 26, 1995]

APPENDIX C TO PART 26—CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

Instructions for Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification set out below.

2. The certification set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

3. For grantees other than individuals, Alternate I applies.

4. For grantees who are individuals, Alternate II applies.

5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee’s drug-free workplace requirements.

6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio studios).

7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).

8. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees’ attention is called, in particular, to the following definitions from these rules:

Controlled substance means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and...
as further defined by regulation (21 CFR 1308.11 through 1308.15);

Conviction means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

Criminal drug statute means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

Employee means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All direct charge employees; (ii) All indirect charge employees unless their impact or involvement is insignificant to the performance of the grant; and, (iii) Temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

Certification Regarding Drug-Free Workplace
Requirements

Alternate I. (Grantees Other Than Individuals)

A. The grantee certifies that it will or will continue to provide a drug-free workplace by:

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

(b) Establishing an ongoing drug-free awareness program to inform employees about—

(1) The dangers of drug abuse in the workplace;

(2) The grantee's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(c) Making it a requirement that each employee be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);

(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will—

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

(e) Notifying the agency in writing, within ten calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

(f) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted—

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(g) Making a good faith effort to continue maintaining a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

B. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

__________________________________________
__________________________________________
__________________________________________

Check □ if there are workplaces on file that are not identified here.

Alternate II. (Grantees Who Are Individuals)

(a) The grantee certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant;

(b) If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, he or she will report the conviction, in writing, within 10 calendar days of the conviction, to every grant officer or other designee, unless the Federal agency designates a central point for
§ 27.101 To what does this policy apply?

(a) Except as provided in paragraph (b) of this section, this policy applies to all research involving human subjects conducted, supported or otherwise subject to regulation by any federal department or agency which takes appropriate administrative action to make the policy applicable to such research.

(b) Research that is conducted or supported by a federal department or agency, whether or not it is regulated as defined in §27.102(e), must comply with all sections of this policy.

27.102 Definitions.

27.103 Assuring compliance with this policy—research conducted or supported by any Federal Department or Agency.

27.104—27.106 [Reserved]

27.107 IRB membership.

27.108 IRB functions and operations.

27.109 IRB review of research.

27.110 Expedited review procedures for certain kinds of research involving no more than minimal risk, and for minor changes in approved research.

27.111 Criteria for IRB approval of research.

27.112 Review by institution.

27.113 Suspension or termination of IRB approval of research.

27.114 Cooperative research.

27.115 IRB records.

27.116 General requirements for informed consent.

27.117 Documentation of informed consent.

27.118 Applications and proposals lacking definite plans for involvement of human subjects.

27.119 Research undertaken without the intention of involving human subjects.

27.120 Evaluation and disposition of applications and proposals for research to be conducted or supported by a Federal Department or Agency.

27.121 [Reserved]

27.122 Use of Federal funds.

27.123 Early termination of research support: Evaluation of applications and proposals.

27.124 Conditions.


SOURCE: 56 FR 28012 and 28019, June 18, 1991, unless otherwise noted.
exempt under paragraph (b)(2) of this section, if:

(i) The human subjects are elected or appointed public officials or candidates for public office; or (ii) federal statute(s) require(s) without exception that the confidentiality of the personally identifiable information will be maintained throughout the research and thereafter.

(4) Research, involving the collection or study of existing data, documents, records, pathological specimens, or diagnostic specimens, if these sources are publicly available or if the information is recorded by the investigator in such a manner that subjects cannot be identified, directly or through identifiers linked to the subjects.

(5) Research and demonstration projects which are conducted by or subject to the approval of department or agency heads, and which are designed to study, evaluate, or otherwise examine:

(i) Public benefit or service programs; (ii) procedures for obtaining benefits or services under those programs; (iii) possible changes in or alternatives to those programs or procedures; or (iv) possible changes in methods or levels of payment for benefits or services under those programs.

(6) Taste and food quality evaluation and consumer acceptance studies, (i) if wholesome foods without additives are consumed or (ii) if a food is consumed that contains a food ingredient at or below the level and for a use found to be safe, or agricultural chemical or environmental contaminant at or below the level found to be safe, by the Food and Drug Administration or approved by the Environmental Protection Agency or the Food Safety and Inspection Service of the U.S. Department of Agriculture.

(c) Department or agency heads retain final judgment as to whether a particular activity is covered by this policy.

(d) Department or agency heads may require that specific research activities or classes of research activities conducted, supported, or otherwise subject to regulation by the department or agency but not otherwise covered by this policy, comply with some or all of the requirements of this policy.

(e) Compliance with this policy requires compliance with pertinent federal laws or regulations which provide additional protections for human subjects.

(f) This policy does not affect any state or local laws or regulations which may otherwise be applicable and which provide additional protections for human subjects.

(g) This policy does not affect any foreign laws or regulations which may otherwise be applicable and which provide additional protections to human subjects of research.

(h) When research covered by this policy takes place in foreign countries, procedures normally followed in the foreign countries to protect human subjects may differ from those set forth in this policy. [An example is a foreign institution which complies with guidelines consistent with the World Medical Assembly Declaration (Declaration of Helsinki amended 1989) issued either by sovereign states or by an organization whose function for the protection of human research subjects is internationally recognized.] In these circumstances, if a department or agency head determines that the procedures prescribed by the institution afford protections that are at least equivalent to those provided in this policy, the department or agency head may approve the substitution of the foreign procedures in lieu of the procedural requirements provided in this policy. Except when otherwise required by statute, Executive Order, or the department or agency head, notices of these actions as they occur will be published in the Federal Register or will be otherwise published as provided in department or agency procedures.

(i) Unless otherwise required by law, department or agency heads may waive the applicability of some or all of the provisions of this policy to specific research activities or classes of research activities otherwise covered by this policy. Except when otherwise required by statute or Executive Order, the department or agency head shall forward advance notices of these actions to the Office for Protection from Research Risks, Department of Health and Human Services (HHS), and shall also publish them in the Federal Register.
or in such other manner as provided in department or agency procedures.\(^1\)

§ 27.102 Definitions.

(a) Department or agency head means the head of any federal department or agency and any other officer or employee of any department or agency to whom authority has been delegated.

(b) Institution means any public or private entity or agency (including federal, state, and other agencies).

(c) Legally authorized representative means an individual or judicial or other body authorized under applicable law to consent on behalf of a prospective subject to the subject’s participation in the procedure(s) involved in the research.

(d) Research means a systematic investigation, including research development, testing and evaluation, designed to develop or contribute to generalizable knowledge. Activities which meet this definition constitute research for purposes of this policy, whether or not they are conducted or supported under a program which is considered research for other purposes. For example, some demonstration and service programs may include research activities.

(e) Research subject to regulation, and similar terms are intended to encompass those research activities for which a federal department or agency has specific responsibility for regulating as a research activity. (For example, Investigational New Drug requirements administered by the Food and Drug Admin-}

\(^1\) Institutions with HHS-approved assurances on file will abide by provisions of title 45 CFR part 46 subparts A–D. Some of the other Departments and Agencies have incorporated all provisions of title 45 CFR part 46 into their policies and procedures as well. However, the exemptions at 45 CFR part 46.101(b) do not apply to research involving prisoners, fetuses, pregnant women, or human in vitro fertilization, subparts B and C. The exemption at 45 CFR part 46.101(b)(2), for research involving survey or interview procedures or observation of public behavior, does not apply to research with children, subpart D, except for research involving observations of public behavior when the investigator(s) do not participate in the activities being observed.
§ 27.103 Assuring compliance with this policy—research conducted or supported by any Federal Department or Agency.

(a) Each institution engaged in research which is covered by this policy and which is conducted or supported by a federal department or agency shall provide written assurance satisfactory to the department or agency head that it will comply with the requirements set forth in this policy. In lieu of requiring submission of an assurance, individual department or agency heads shall accept the existence of a current assurance, appropriate for the research in question, on file with the Office for Protection from Research Risks, HHS, and approved for federalwide use by that office. When the existence of an HHS-approved assurance is accepted in lieu of requiring submission of an assurance, reports (except certification) required by this policy to be made to department and agency heads shall also be made to the Office for Protection from Research Risks, HHS.

(b) Departments and agencies will conduct or support research covered by this policy only if the institution has an assurance approved as provided in this section, and only if the institution has certified to the department or agency head that the research has been reviewed and approved by an IRB provided for in the assurance, and will be subject to continuing review by the IRB. Assurances applicable to federally supported or conducted research shall at a minimum include:

(1) A statement of principles governing the institution in the discharge of its responsibilities for protecting the rights and welfare of human subjects of research conducted at or sponsored by the institution, regardless of whether the research is subject to federal regulation. This may include an appropriate existing code, declaration, or statement of ethical principles, or a statement formulated by the institution itself. This requirement does not preempt provisions of this policy applicable to department- or agency-supported or regulated research and need not be applicable to any research exempted or waived under §27.101(b) or (i).

(2) Designation of one or more IRBs established in accordance with the requirements of this policy, and for which provisions are made for meeting space and sufficient staff to support the IRB’s review and recordkeeping duties.

(3) A list of IRB members identified by name; earned degrees; representative capacity; indications of experience such as board certifications, licenses, etc., sufficient to describe each member’s chief anticipated contributions to IRB deliberations; and any employment or other relationship between each member and the institution; for example: full-time employee, part-time employee, member of governing panel or board, stockholder, paid or unpaid consultant. Changes in IRB membership shall be reported to the department or agency head, unless in accord with §27.103(a) of this policy, the existence of an HHS-approved assurance is accepted. In this case, change in IRB membership shall be reported to the Office for Protection from Research Risks, HHS.

(4) Written procedures which the IRB will follow (i) for conducting its initial and continuing review of research and for reporting its findings and actions to the investigator and the institution; (ii) for determining which projects require review more often than annually and which projects need verification from sources other than the investigators that no material changes have occurred since previous IRB review; and (iii) for ensuring prompt reporting to the IRB of proposed changes in a research activity, and for ensuring that such changes in approved research, during the period for which IRB approval has already been given, may not be initiated without IRB review and approval except when necessary to
§ 27.107 IRB membership.

(a) Each IRB shall have at least five members, with varying backgrounds to promote complete and adequate review of research activities commonly conducted by the institution. The IRB shall be sufficiently qualified through the experience and expertise of its members, and the diversity of the members, including consideration of race, gender, and cultural backgrounds and sensitivity to such issues as community attitudes, to promote respect for its advice and counsel in safeguarding the rights and welfare of human subjects. In addition to possessing the professional competence necessary to review specific research activities, the IRB shall therefore include persons knowledgeable in these areas. If an IRB regularly reviews research that involves a vulnerable category of subjects, such as children, prisoners, pregnant women, or handicapped or mentally disabled persons, consideration shall be given to the inclusion of one or more individuals who...

(§ 27.107)
§ 27.108 IRB functions and operations.

In order to fulfill the requirements of this policy each IRB shall:

(a) Follow written procedures in the same detail as described in §27.103(b)(4) and, to the extent required by, §27.103(b)(5).

(b) Except when an expedited review procedure is used (see §27.110), review proposed research at convened meetings at which a majority of the members of the IRB are present, including at least one member whose primary concerns are in nonscientific areas. In order for the research to be approved, it shall receive the approval of a majority of those members present at the meeting.

§ 27.109 IRB review of research.

(a) An IRB shall review and have authority to approve, require modifications in (to secure approval), or disapprove all research activities covered by this policy.

(b) An IRB shall require that information given to subjects as part of informed consent is in accordance with §27.116. The IRB may require that information, in addition to that specifically mentioned in §27.116, be given to the subjects when in the IRB’s judgment the information would meaningfully add to the protection of the rights and welfare of subjects.

(c) An IRB shall require documentation of informed consent or may waive documentation in accordance with §27.117.

(d) An IRB shall notify investigators and the institution in writing of its decision to approve or disapprove the proposed research activity, or of modifications required to secure IRB approval of the research activity. If the IRB decides to disapprove a research activity, it shall include in its written notification a statement of the reasons for its decision and give the investigator an opportunity to respond in person or in writing.

(e) An IRB shall conduct continuing review of research covered by this policy at intervals appropriate to the degree of risk, but not less than once per year, and shall have authority to observe or have a third party observe the consent process and the research.

(Approved by the Office of Management and Budget under Control Number 9999-0020)

§ 27.110 Expedited review procedures for certain kinds of research involving no more than minimal risk, and for minor changes in approved research.

(a) The Secretary, HHS, has established, and published as a Notice in the Federal Register, a list of categories of research that may be reviewed by the IRB through an expedited review procedure. The list will be amended, as appropriate after consultation with other departments and agencies, through periodic republication by the Secretary, HHS, in the Federal Register. A copy of the list is available from the Office for Protection from Research Risks, National Institutes of Health, HHS, Bethesda, Maryland 20892.
(b) An IRB may use the expedited review procedure to review either or both of the following:
   (1) Some or all of the research appearing on the list and found by the reviewer(s) to involve no more than minimal risk.
   (2) Minor changes in previously approved research during the period (of one year or less) for which approval is authorized.

Under an expedited review procedure, the review may be carried out by the IRB chairperson or by one or more experienced reviewers designated by the chairperson from among members of the IRB. In reviewing the research, the reviewers may exercise all of the authorities of the IRB except that the reviewers may not disapprove the research. A research activity may be disapproved only after review in accordance with the non-expedited procedure set forth in §27.108(b).

(c) Each IRB which uses an expedited review procedure shall adopt a method for keeping all members advised of research proposals which have been approved under the procedure.

(d) The department or agency head may restrict, suspend, terminate, or choose not to authorize an institution’s or IRB’s use of the expedited review procedure.

§ 27.111 Criteria for IRB approval of research.

(a) In order to approve research covered by this policy the IRB shall determine that all of the following requirements are satisfied:
   (1) Risks to subjects are minimized:
      (i) By using procedures which are consistent with sound research design and which do not unnecessarily expose subjects to risk, and (ii) whenever appropriate, by using procedures already being performed on the subjects for diagnostic or treatment purposes.
   (2) Risks to subjects are reasonable in relation to anticipated benefits, if any, to subjects, and the importance of the knowledge that may reasonably be expected to result. In evaluating risks and benefits, the IRB should consider only those risks and benefits that may result from the research (as distinguished from risks and benefits of therapies subjects would receive even if not participating in the research). The IRB should not consider possible long-range effects of applying knowledge gained in the research (for example, the possible effects of the research on public policy) as among those research risks that fall within the purview of its responsibility.
   (3) Selection of subjects is equitable. In making this assessment the IRB should take into account the purposes of the research and the setting in which the research will be conducted and should be particularly cognizant of the special problems of research involving vulnerable populations, such as children, prisoners, pregnant women, mentally disabled persons, or economically or educationally disadvantaged persons.
   (4) Informed consent will be sought from each prospective subject or the subject’s legally authorized representative, in accordance with, and to the extent required by §27.116.
   (5) Informed consent will be appropriately documented, in accordance with, and to the extent required by §27.117.
   (6) When appropriate, the research plan makes adequate provision for monitoring the data collected to ensure the safety of subjects.
   (7) When appropriate, there are adequate provisions to protect the privacy of subjects and to maintain the confidentiality of data.
   (b) When some or all of the subjects are likely to be vulnerable to coercion or undue influence, such as children, prisoners, pregnant women, mentally disabled persons, or economically or educationally disadvantaged persons, additional safeguards have been included in the study to protect the rights and welfare of these subjects.

§ 27.112 Review by institution.

Research covered by this policy that has been approved by an IRB may be subject to further appropriate review and approval or disapproval by officials of the institution. However, those officials may not approve the research if it has not been approved by an IRB.
§ 27.113 Suspension or termination of IRB approval of research.

An IRB shall have authority to suspend or terminate approval of research that is not being conducted in accordance with the IRB's requirements or that has been associated with unexpected serious harm to subjects. Any suspension or termination of approval shall include a statement of the reasons for the IRB's action and shall be reported promptly to the investigator, appropriate institutional officials, and the department or agency head.

(Approved by the Office of Management and Budget under Control Number 9999-0020)

§ 27.114 Cooperative research.

Cooperative research projects are those projects covered by this policy which involve more than one institution. In the conduct of cooperative research projects, each institution is responsible for safeguarding the rights and welfare of human subjects and for complying with this policy. With the approval of the department or agency head, an institution participating in a cooperative project may enter into a joint review arrangement, rely upon the review of another qualified IRB, or make similar arrangements for avoiding duplication of effort.

(Approved by the Office of Management and Budget under Control Number 9999-0020)

§ 27.115 IRB records.

(a) An institution, or when appropriate an IRB, shall prepare and maintain adequate documentation of IRB activities, including the following:

1. Copies of all research proposals reviewed, scientific evaluations, if any, that accompany the proposals, approved sample consent documents, progress reports submitted by investigators, and reports of injuries to subjects.

2. Minutes of IRB meetings which shall be in sufficient detail to show attendance at the meetings; actions taken by the IRB; the vote on these actions including the number of members voting for, against, and abstaining; the basis for requiring changes in or disapproving research; and a written summary of the discussion of controverted issues and their resolution.

3. Records of continuing review activities.

4. Copies of all correspondence between the IRB and the investigators.

5. A list of IRB members in the same detail as described is § 27.103(b)(3).

6. Written procedures for the IRB in the same detail as described in § 27.103(b)(4) and § 27.103(b)(5).

7. Statements of significant new findings provided to subjects, as required by § 27.116(b)(5).

(b) The records required by this policy shall be retained for at least 3 years, and records relating to research which is conducted shall be retained for at least 3 years after completion of the research. All records shall be accessible for inspection and copying by authorized representatives of the department or agency at reasonable times and in a reasonable manner.

(Approved by the Office of Management and Budget under Control Number 9999-0020)

§ 27.116 General requirements for informed consent.

Except as provided elsewhere in this policy, no investigator may involve a human being as a subject in research covered by this policy unless the investigator has obtained the legally effective informed consent of the subject or the subject's legally authorized representative. An investigator shall seek such consent only under circumstances that provide the prospective subject or the representative sufficient opportunity to consider whether or not to participate and that minimize the possibility of coercion or undue influence. The information that is given to the subject or the representative shall be in language understandable to the subject or the representative. No informed consent, whether oral or written, may include any exculpatory language through which the subject or the representative is made to waive or appear to waive any of the subject's legal rights, or releases or appears to release the investigator, the sponsor, the institution or its agents from liability for negligence.

(a) Basic elements of informed consent. Except as provided in paragraph (c) or (d) of this section, in seeking informed consent the following information shall be provided to each subject:
(1) A statement that the study involves research, an explanation of the purposes of the research and the expected duration of the subject's participation, a description of the procedures to be followed, and identification of any procedures which are experimental;

(2) A description of any reasonably foreseeable risks or discomforts to the subject;

(3) A description of any benefits to the subject or to others which may reasonably be expected from the research;

(4) A disclosure of appropriate alternative procedures or courses of treatment, if any, that might be advantageous to the subject;

(5) A statement describing the extent, if any, to which confidentiality of records identifying the subject will be maintained;

(6) For research involving more than minimal risk, an explanation as to whether any compensation and an explanation as to whether any medical treatments are available if injury occurs and, if so, what they consist of, or where further information may be obtained;

(7) An explanation of whom to contact for answers to pertinent questions about the research and research subjects' rights, and whom to contact in the event of a research-related injury to the subject; and

(8) A statement that participation is voluntary, refusal to participate will involve no penalty or loss of benefits to which the subject is otherwise entitled, and the subject may discontinue participation at any time without penalty or loss of benefits to which the subject is otherwise entitled.

(b) Additional elements of informed consent. When appropriate, one or more of the following elements of information shall also be provided to each subject:

(1) A statement that the particular treatment or procedure may involve risks to the subject (or to the embryo or fetus, if the subject is or may become pregnant) which are currently unforeseeable;

(2) Anticipated circumstances under which the subject's participation may be terminated by the investigator without regard to the subject's consent;

(3) Any additional costs to the subject that may result from participation in the research;

(4) The consequences of a subject's decision to withdraw from the research and procedures for orderly termination of participation by the subject;

(5) A statement that significant new findings developed during the course of the research which may relate to the subject's willingness to continue participation will be provided to the subject; and

(6) The approximate number of subjects involved in the study.

(c) An IRB may approve a consent procedure which does not include, or which alters, some or all of the elements of informed consent set forth above, or waive the requirement to obtain informed consent provided the IRB finds and documents that:

(1) The research or demonstration project is to be conducted by or subject to the approval of state or local government officials and is designed to study, evaluate, or otherwise examine:

(i) Public benefit of service programs;

(ii) procedures for obtaining benefits or services under those programs; (iii) possible changes in or alternatives to those programs or procedures; or (iv) possible changes in methods or levels of payment for benefits or services under those programs; and

(2) The research could not practically be carried out without the waiver or alteration.

(d) An IRB may approve a consent procedure which does not include, or which alters, some or all of the elements of informed consent set forth in this section, or waive the requirements to obtain informed consent provided the IRB finds and documents that:

(1) The research involves no more than minimal risk to the subjects;

(2) The waiver or alteration will not adversely affect the rights and welfare of the subjects;

(3) The research could not practically be carried out without the waiver or alteration; and

(4) Whenever appropriate, the subjects will be provided with additional pertinent information after participation.
(e) The informed consent requirements in this policy are not intended to preempt any applicable federal, state, or local laws which require additional information to be disclosed in order for informed consent to be legally effective.

(f) Nothing in this policy is intended to limit the authority of a physician to provide emergency medical care, to the extent the physician is permitted to do so under applicable federal, state, or local law.

(Approved by the Office of Management and Budget under Control Number 9999-0020)

§ 27.117 Documentation of informed consent.

(a) Except as provided in paragraph (c) of this section, informed consent shall be documented by the use of a written consent form approved by the IRB and signed by the subject or the subject’s legally authorized representative. A copy shall be given to the person signing the form.

(b) Except as provided in paragraph (c) of this section, the consent form may be either of the following:

(1) A written consent document that embodies the elements of informed consent required by §27.116. This form may be read to the subject or the subject’s legally authorized representative, but in any event, the investigator shall give either the subject or the representative adequate opportunity to read it before it is signed; or

(2) A short form written consent document stating that the elements of informed consent required by §27.116 have been presented orally to the subject or the subject’s legally authorized representative. When this method is used, there shall be a witness to the oral presentation. Also, the IRB shall approve a written summary of what is to be said to the subject or the representative. Only the short form itself is to be signed by the subject or the representative. However, the witness shall sign both the short form and a copy of the summary, and the person actually obtaining consent shall sign a copy of the summary. A copy of the summary shall be given to the subject or the representative, in addition to a copy of the short form.

(c) An IRB may waive the requirement for the investigator to obtain a signed consent form for some or all subjects if it finds either:

(1) That the only record linking the subject and the research would be the consent document and the principal risk would be potential harm resulting from a breach of confidentiality. Each subject will be asked whether the subject wants documentation linking the subject with the research, and the subject’s wishes will govern; or

(2) That the research presents no more than minimal risk of harm to subjects and involves no procedures for which written consent is normally required outside of the research context.

In cases in which the documentation requirement is waived, the IRB may require the investigator to provide subjects with a written statement regarding the research.

(Approved by the Office of Management and Budget under Control Number 9999-0020)

§ 27.118 Applications and proposals lacking definite plans for involvement of human subjects.

Certain types of applications for grants, cooperative agreements, or contracts are submitted to departments or agencies with the knowledge that subjects may be involved within the period of support, but definite plans would not normally be set forth in the application or proposal. These include activities such as institutional type grants when selection of specific projects is the institution’s responsibility; research training grants in which the activities involving subjects remain to be selected; and projects in which human subject’s involvement will depend upon completion of instruments, prior animal studies, or purification of compounds. These applications need not be reviewed by an IRB before an award may be made. However, except for research exempted or waived under §27.101 (b) or (i), no human subjects may be involved in any project supported by these awards until the project has been reviewed and approved by the IRB, as provided in this policy, and certification submitted, by the institution, to the department or agency.
§ 27.119 Research undertaken without the intention of involving human subjects.

In the event research is undertaken without the intention of involving human subjects, but it is later proposed to involve human subjects in the research, the research shall first be reviewed and approved by an IRB, as provided in this policy, a certification submitted, by the institution, to the department or agency, and final approval given to the proposed change by the department or agency.

§ 27.120 Evaluation and disposition of applications and proposals for research to be conducted or supported by a Federal Department or Agency.

(a) The department or agency head will evaluate all applications and proposals involving human subjects submitted to the department or agency through such officers and employees of the department or agency and such experts and consultants as the department or agency head determines to be appropriate. This evaluation will take into consideration the risks to the subjects, the adequacy of protection against these risks, the potential benefits of the research to the subjects and others, and the importance of the knowledge gained or to be gained.

(b) On the basis of this evaluation, the department or agency head may approve or disapprove the application or proposal, or enter into negotiations to develop an approvable one.

§ 27.121 [Reserved]

§ 27.122 Use of Federal funds.

Federal funds administered by a department or agency may not be expended for research involving human subjects unless the requirements of this policy have been satisfied.

§ 27.123 Early termination of research support: Evaluation of applications and proposals.

(a) The department or agency head may require that department or agency support for any project be terminated or suspended in the manner prescribed in applicable program requirements, when the department or agency head finds an institution has materially failed to comply with the terms of this policy.

(b) In making decisions about supporting or approving applications or proposals covered by this policy the department or agency head may take into account, in addition to all other eligibility requirements and program criteria, factors such as whether the applicant has been subject to a termination or suspension under paragraph (a) of this section and whether the applicant or the person or persons who would direct or have directed the scientific and technical aspects of an activity has have, in the judgment of the department or agency head, materially failed to discharge responsibility for the protection of the rights and welfare of human subjects (whether or not the research was subject to federal regulation).

§ 27.124 Conditions.

With respect to any research project or any class of research projects the department or agency head may impose additional conditions prior to or at the time of approval when in the judgment of the department or agency head additional conditions are necessary for the protection of human subjects.

PART 28—NEW RESTRICTIONS ON LOBBYING

Subpart A—General

Sec.
28.100 Conditions on use of funds.
28.105 Definitions.
28.110 Certification and disclosure.

Subpart B—Activities by Own Employees

28.200 Agency and legislative liaison.
28.205 Professional and technical services.
28.210 Reporting.

Subpart C—Activities by Other Than Own Employees

28.300 Professional and technical services.

Subpart D—Penalties and Enforcement

28.400 Penalties.
28.405 Penalty procedures.
28.410 Enforcement.

Subpart E—Exemptions

28.500 Secretary of Defense.
Subpart F—Agency Reports

§ 28.100 Conditions on use of funds.

(a) No appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract; the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(b) Each person who requests or receives from an agency a Federal contract, grant, loan, or cooperative agreement shall file with that agency a certification, set forth in Appendix A, that the person has not made, and will not make, any payment prohibited by paragraph (a) of this section.

(c) Each person who requests or receives from an agency a Federal contract, grant, loan, or a cooperative agreement shall file with that agency a disclosure form, set forth in Appendix B, if such person has made or has agreed to make any payment to influence or attempt to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with that contract.

(d) Each person who requests or receives from an agency a commitment providing for the United States to insure or guarantee a loan shall file with that agency a statement, set forth in Appendix A, whether that person has made or has agreed to make any payment to influence or attempt to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with that loan insurance or guarantee.

(e) Each person who requests or receives from an agency a commitment providing for the United States to insure or guarantee a loan shall file with that agency a disclosure form, set forth in Appendix B, if that person has made or has agreed to make any payment to influence or attempt to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with that loan insurance or guarantee.

§ 28.105 Definitions.

For purposes of this part:

(a) Agency, as defined in 5 U.S.C. 552(f), includes Federal executive departments and agencies as well as independent regulatory commissions and Government corporations, as defined in 31 U.S.C. 9101(1).

(b) Covered Federal action means any of the following Federal actions:

(1) The awarding of any Federal contract;
(2) The making of any Federal grant;
(3) The making of any Federal loan;
(4) The entering into of any cooperative agreement; and,
(5) The extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

Covered Federal action does not include receiving from an agency a commitment providing for the United States to insure or guarantee a loan. Loan guarantees and loan insurance are addressed independently within this part.

(c) Federal contract means an acquisition contract awarded by an agency,
including those subject to the Federal Acquisition Regulation (FAR), and any other acquisition contract for real or personal property or services not subject to the FAR.

(d) Federal cooperative agreement means a cooperative agreement entered into by an agency.

(e) Federal grant means an award of financial assistance in the form of money, or property in lieu of money, by the Federal Government or a direct appropriation made by law to any person. The term does not include technical assistance which provides services instead of money, or other assistance in the form of revenue sharing, loans, loan guarantees, loan insurance, interest subsidies, insurance, or direct United States cash assistance to an individual.

(f) Federal loan means a loan made by an agency. The term does not include loan guarantee or loan insurance.

(g) Indian tribe and tribal organization have the meaning provided in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450B). Alaskan Natives are included under the definitions of Indian tribes in that Act.

(h) Influencing or attempting to influence means making, with the intent to influence, any communication to or appearance before an officer or employee or any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any covered Federal action.

(i) Loan guarantee and loan insurance means an agency’s guarantee or insurance of a loan made by a person.

(j) Local government means a unit of government in a State and, if chartered, established, or otherwise recognized by a State for the performance of governmental duties, including a local public authority, a special district, a council of governments, a sponsor group representative organization, and any other instrumentality of a local government.

(k) Officer or employee of an agency includes the following individuals who are employed by an agency:

(l) An individual who is appointed to a position in the Government under title 5, U.S. Code, including a position under a temporary appointment;

(2) A member of the uniformed services as defined in section 101(3), title 37, U.S. Code;

(3) A special Government employee as defined in section 202, title 18, U.S. Code; and,

(4) An individual who is a member of a Federal advisory committee, as defined by the Federal Advisory Committee Act, title 5, U.S. Code appendix 2.

(l) Person means an individual, corporation, company, association, authority, firm, partnership, society, State, and local government, regardless of whether such entity is operated for profit or not for profit. This term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

(m) Reasonable compensation means, with respect to a regularly employed officer or employee of any person, compensation that is consistent with the normal compensation for such officer or employee for work that is not furnished to, not funded by, or not furnished in cooperation with the Federal Government.

(n) Reasonable payment means, with respect to professional and other technical services, a payment in an amount that is consistent with the amount normally paid for such services in the private sector.

(o) Recipient includes all contractors, subcontractors at any tier, and subgrantees at any tier of the recipient of funds received in connection with a Federal contract, grant, loan, or cooperative agreement. The term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

(p) Regularly employed means, with respect to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement or a commitment providing for the United States to insure or guarantee a loan, an officer or employee who is employed by such person for at least 130 working days within one year immediately preceding the date of the submission that initiates
agency consideration of such person for receipt of such contract, grant, loan, cooperative agreement, loan insurance commitment, or loan guarantee commitment. An officer or employee who is employed by such person for less than 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person shall be considered to be regularly employed as soon as he or she is employed by such person for 130 working days.

State means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States, an agency or instrumentality of a State, and a multi-State, regional, or interstate entity having governmental duties and powers.

§ 28.110 Certification and disclosure.

(a) Each person shall file a certification, and a disclosure form, if required, with each submission that initiates agency consideration of such person for:

(1) Award of a Federal contract, grant, or cooperative agreement exceeding $100,000; or

(2) An award of a Federal loan or a commitment providing for the United States to insure or guarantee a loan exceeding $150,000.

(b) Each person shall file a certification, and a disclosure form, if required, upon receipt by such person of:

(1) A Federal contract, grant, or cooperative agreement exceeding $100,000; or

(2) A Federal loan or a commitment providing for the United States to insure or guarantee a loan exceeding $150,000.

unless such person previously filed a certification, and a disclosure form, if required, under paragraph (a) of this section.

(c) Each person shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed by such person under paragraphs (a) or (b) of this section. An event that materially affects the accuracy of the information reported includes:

(1) A cumulative increase of $25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action; or

(2) A change in the person(s) or individual(s) influencing or attempting to influence a covered Federal action; or,

(3) A change in the officer(s), employee(s), or Member(s) contacted to influence or attempt to influence a covered Federal action.

(d) Any person who requests or receives from a person referred to in paragraphs (a) or (b) of this section:

(1) A subcontract exceeding $100,000 at any tier under a Federal contract;

(2) A subgrant, contract, or subcontract exceeding $100,000 at any tier under a Federal grant;

(3) A contract or subcontract exceeding $100,000 at any tier under a Federal loan exceeding $150,000; or,

(4) A contract or subcontract exceeding $100,000 at any tier under a Federal cooperative agreement,

shall file a certification, and a disclosure form, if required, to the next tier above.

(e) All disclosure forms, but not certifications, shall be forwarded from tier to tier until received by the person referred to in paragraphs (a) or (b) of this section. That person shall forward all disclosure forms to the agency.

(f) Any certification or disclosure form filed under paragraph (e) of this section shall be treated as a material representation of fact upon which all receiving tiers shall rely. All liability arising from an erroneous representation shall be borne solely by the tier filing that representation and shall not be shared by any tier to which the erroneous representation is forwarded. Submitting an erroneous certification or disclosure constitutes a failure to file the required certification or disclosure, respectively. If a person fails to file a required certification or disclosure, the United States may pursue all available remedies, including those authorized by section 1352, title 31, U.S. Code.

(g) For awards and commitments in process prior to December 23, 1989, but
Office of the Secretary, Commerce § 28.205

not made before that date, certifications shall be required at award or commitment, covering activities occurring between December 23, 1989, and the date of award or commitment. However, for awards and commitments in process prior to the December 23, 1989 effective date of these provisions, but not made before December 23, 1989, disclosure forms shall not be required at time of award or commitment but shall be filed within 30 days.

Subpart B—Activities by Own Employees

§ 28.200 Agency and legislative liaison.

(a) The prohibition on the use of appropriated funds, in § 28.100(a), does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement if the payment is for agency and legislative liaison activities not directly related to a covered Federal action.

(b) For purposes of paragraph (a) of this section, providing any information specifically requested by an agency or Congress is allowable at any time.

(c) For purposes of paragraph (a) of this section, the following agency and legislative liaison activities are allowable at any time only where they are not related to a specific solicitation for any covered Federal action:

(1) Discussing with an agency (including individual demonstrations) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and,

(2) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(d) For purposes of paragraph (a) of this section, the following agencies and legislative liaison activities are allowable only where they are prior to formal solicitation of any covered Federal action:

(1) Providing any information not specifically requested but necessary for an agency to make an informed decision about initiation of a covered Federal action;

(2) Technical discussions regarding the preparation of an unsolicited proposal prior to its official submission; and,

(3) Capability presentations by persons seeking awards from an agency pursuant to the provisions of the Small Business Act, as amended by Public Law 95-507 and other subsequent amendments.

(e) Only those activities expressly authorized by this section are allowable under this section.

§ 28.205 Professional and technical services.

(a) The prohibition on the use of appropriated funds, in § 28.100(a), does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal contract, grant, loan, or cooperative agreement if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal contract, grant, loan, or cooperative agreement if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal contract, grant, loan, or cooperative agreement if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal contract, grant, loan, or cooperative agreement if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal contract, grant, loan, or cooperative agreement.

(b) For purposes of paragraph (a) of this section, "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline. For example, drafting of a legal document accompanying a bid or proposal by a lawyer is allowable. Similarly, technical advice provided by an engineer on the performance or operational capability of a piece of equipment rendered directly in the negotiation of a contract is allowable. However, communications with the intent to influence made by a professional (such as a licensed lawyer) or a technical person (such as a licensed accountant) are not allowable under this section unless
§ 28.210 Professional and technical services.

(a) The prohibition on the use of appropriated funds, in §28.100 (a), does not apply in the case of any reasonable payment to a person, other than an officer or employee of a person requesting or receiving a covered Federal action, if the payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal contract, grant, loan, or cooperative agreement or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal contract, grant, loan, or cooperative agreement.

(b) The reporting requirements in §28.110 (a) and (b) regarding filing a disclosure form by each person, if required, shall not apply with respect to professional or technical services rendered directly in the preparation, submission, or negotiation of any commitment providing for the United States to insure or guarantee a loan.

(c) For purposes of paragraph (a) of this section, “professional and technical services” shall be limited to advice and analysis directly applying any professional or technical discipline. For example, drafting or a legal document accompanying a bid or proposal by a lawyer is allowable. Similarly, technical advice provided by an engineer on the performance or operational capability of a piece of equipment rendered directly in the negotiation of a contract is allowable. However, communications with the intent to influence made by a person to a Federal agency or entity, such as a contract officer, with respect to the preparation, submission, or negotiation of a contract are not allowable under this section unless they provide advice and analysis directly applying their professional or technical expertise and unless the advice or analysis is rendered directly and solely in the preparation, submission, or negotiation of a covered Federal action. Thus, for example, communications with the intent to influence made by a lawyer that do not provide legal advice or analysis directly and solely related to the legal aspects of his or her client’s proposal, but generally advocate one proposal over another are not allowable under this section because the lawyer is not providing professional legal services. Similarly, communications with the intent to influence made by an engineer that do not provide engineering related to the technical aspects of his or her client’s proposal, but generally advocate one proposal over another are not allowable under this section since the engineer is providing technical services but not directly in the preparation, submission, or negotiation of a covered Federal action.

(c) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal award include those required by law or regulation, and any other requirements in the actual award documents.

(d) Only those services expressly authorized by this section are allowable under this section.

§ 28.210 Reporting.

No reporting is required with respect to payments of reasonable compensation made to regularly employed officers or employees of a person.

Subpart C—Activities by Other Than Own Employees

§ 28.300 Professional and technical services.

(a) The prohibition on the use of appropriated funds, in §28.100 (a), does not apply in the case of any reasonable payment to a person, other than an officer or employee of a person requesting or receiving a covered Federal action, if the payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal contract, grant, loan, or cooperative agreement.
(d) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal award include those required by law or regulation, or reasonably expected to be required by law or regulation, and any other requirements in the actual award documents.

(e) Persons other than officers or employees of a person requesting or receiving a covered Federal action include consultants and trade associations.

(f) Only those services expressly authorized by this section are allowable under this section.

**Subpart D—Penalties and Enforcement**

§ 28.400 Penalties.

(a) Any person who makes an expenditure prohibited herein shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such expenditure made on or before October 23, 1996, and of not less than $11,000 and not more than $110,000 for each such expenditure made after October 23, 1996.

(b) Any person who fails to file or amend the disclosure form (see Appendix B of this part) to be filed or amended if required herein, shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure occurring on or before October 23, 1996, and of not less than $11,000 and not more than $110,000 for each such failure occurring after October 23, 1996.

(c) A filing or amended filing on or after the date on which an administrative action for the imposition of a civil penalty is commenced does not prevent the imposition of such civil penalty for a failure occurring before that date. An administrative action is commenced with respect to a failure when an investigating official determines in writing to commence an investigation of an allegation of such failure.

(d) In determining whether to impose a civil penalty, and the amount of any such penalty, by reason of a violation by any person, the agency shall consider the nature, circumstances, extent, and gravity of the violation, the effect on the ability of such person to continue in business, any prior violations by such person, the degree of culpability of such person, the ability of the person to pay the penalty, and such other matters as may be appropriate.

(e) First offenders under paragraphs (a) or (b) of this section shall be subject to a civil penalty of $10,000, absent aggravating circumstances for each such offense committed on or before October 23, 1996, and $11,000 for each such offense committed after October 23, 1996. Second and subsequent offenses by persons shall be subject to an appropriate civil penalty between $10,000 and $100,000 for each such offense committed on or before October 23, 1996, and between $11,000 and $110,000 for each such offense committed after October 23, 1996, as determined by the agency head or his or her designee.

(f) An imposition of a civil penalty under this section does not prevent the United States from seeking any other remedy that may apply to the same conduct that is the basis for the imposition of such civil penalty.

§ 28.405 Penalty procedures.

Agencies shall impose and collect civil penalties pursuant to the provisions of the Program Fraud and Civil Remedies Act, 31 U.S.C. sections 3803 (except subsection (c)), 3804, 3805, 3806, 3807, 3908, and 3812, insofar as these provisions are not inconsistent with the requirements herein.

§ 28.410 Enforcement.

The head of each agency shall take such actions as are necessary to ensure that the provisions herein are vigorously implemented and enforced in that agency.

**Subpart E—Exemptions**

§ 28.500 Secretary of Defense.

(a) The Secretary of Defense may exempt, on a case-by-case basis, a covered Federal action from the prohibition whenever the Secretary determines, in writing, that such an exemption is in the national interest. The Secretary shall transmit a copy of each such written exemption to Congress.
§ 28.600

immediately after making such a determination.

(b) The Department of Defense may issue supplemental regulations to implement paragraph (a) of this section.

Subpart F—Agency Reports

§ 28.600 Semi-annual compilation.

(a) The head of each agency shall collect and compile the disclosure reports (see Appendix B) and, on May 31 and November 30 of each year, submit to the Secretary of the Senate and the Clerk of the House of Representatives a report containing a compilation of the information contained in the disclosure reports received during the six-month period ending on March 31 or September 30, respectively, of that year.

(b) The report, including the compilation, shall be available for public inspection 30 days after receipt of the report by the Secretary and the Clerk.

(c) Information that involves intelligence matters shall be reported only to the Select Committee on Intelligence of the Senate, the Permanent Select Committee on Intelligence of the House of Representatives, and the Committees on Appropriations of the Senate and the House of Representatives in accordance with procedures agreed to by such committees. Such information shall not be available for public inspection.

(d) Information that is classified under Executive Order 12356 or any successor order shall be reported only to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives or the Committees on Armed Services of the Senate and the House of Representatives (whichever such committees have jurisdiction of matters involving such information) and to the Committees on Appropriations of the Senate and the House of Representatives in accordance with procedures agreed to by such committees. Such information shall not be available for public inspection.

(e) The first semi-annual compilation shall be submitted on May 31, 1990, and shall contain a compilation of the disclosure reports received from December 23, 1989 to March 31, 1990.

(f) Major agencies, designated by the Office of Management and Budget (OMB), are required to provide machine-readable compilations to the Secretary of the Senate and the Clerk of the House of Representatives no later than with the compilations due on May 31, 1991. OMB shall provide detailed specifications in a memorandum to these agencies.

(g) Non-major agencies are requested to provide machine-readable compilations to the Secretary of the Senate and the Clerk of the House of Representatives.

(h) Agencies shall keep the originals of all disclosure reports in the official files of the agency.


(a) The Inspector General, or other official as specified in paragraph (b) of this section, of each agency shall prepare and submit to Congress each year, commencing with submission of the President's Budget in 1991, an evaluation of the compliance of that agency with, and the effectiveness of, the requirements herein. The evaluation may include any recommended changes that may be necessary to strengthen or improve the requirements.

(b) In the case of an agency that does not have an Inspector General, the agency official comparable to an Inspector General shall prepare and submit the annual report, or, if there is no such comparable official, the head of the agency shall prepare and submit the annual report.

(c) The annual report shall be submitted at the same time the agency submits its annual budget justifications to Congress.

(d) The annual report shall include the following: All alleged violations relating to the agency's covered Federal actions during the year covered by the report, the actions taken by the head of the agency in the year covered by the report with respect to those alleged violations and alleged violations in previous years, and the amounts of civil penalties imposed by the agency in the year covered by the report.
APPENDIX A TO PART 28—CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure occurring on or before October 23, 1996, and of not less than $11,000 and not more than $110,000 for each such failure occurring after October 23, 1996.

Statement for Loan Guarantees and Loan Insurance

The undersigned certifies, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure occurring on or before October 23, 1996, and of not less than $11,000 and not more than $110,000 for each such failure occurring after October 23, 1996.

## DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure.)

<table>
<thead>
<tr>
<th>1. Type of Federal Action:</th>
<th>2. Status of Federal Action:</th>
<th>3. Report Type:</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. contract</td>
<td>a. bid solicitation</td>
<td>a. initial filing</td>
</tr>
<tr>
<td>b. grant</td>
<td>b. initial award</td>
<td>b. material change</td>
</tr>
<tr>
<td>c. cooperative agreement</td>
<td>c. post-award</td>
<td>For Material Change Only:</td>
</tr>
<tr>
<td>d. loan</td>
<td></td>
<td>year _____ quarter _____ date of last report</td>
</tr>
<tr>
<td>e. loan guarantee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>f. loan insurance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4. Name and Address of Reporting Entity:</th>
<th>5. If Reporting Entity in No. 4 is Subsidiary, Enter Name and Address of Prime:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prime</td>
<td>Congression District, if known:</td>
</tr>
<tr>
<td>Subsidiary</td>
<td>Congression District, if known:</td>
</tr>
<tr>
<td>Tier ______, if known:</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6. Federal Department/Agency:</th>
<th>7. Federal Program Name/Description:</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFDA Number, if applicable:</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>8. Federal Action Number, if known:</th>
<th>9. Award Amount, if known:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

10. a. Name and Address of Lobbying Entity of individual, last name, first name, MI:  
    b. Individuals Performing Services (including address if different from No. 10a)  
    last name, first name, MI:

11. Amount of Payment (check all that apply):
    $ ____________________  
    □ actual  □ planned

12. Form of Payment (check all that apply):
    □ a. cash  
    □ b. in-kind; specify: nature ___________________  
    value ___________________

13. Type of Payment (check all that apply):
    □ a. retainer  
    □ b. one-time fee  
    □ c. commission  
    □ d. contingent fee  
    □ e. deferred  
    □ f. other; specify: ___________________

14. Brief Description of Services Performed or to be Performed and Date(s) of Service, including officer(s), employee(s), or Member(s) contacted, for Payment Indicated in Item 11:

15. Continuation Sheet(s) SF-LLL-A attached:  
    □ Yes  □ No

16. Information required through this form is authorized by Title 2 U.S.C.  section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the contractor when this contract was made or amended into. This disclosure is required pursuant to 31 U.S.C. 1352. The information will be reported to the Congress semi-annually and will be available to the public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Signature: ____________________________  
Print Name: ____________________________  
Title: ____________________________  
Telephone No.: ____________________________ Date: ____________________________

Federal Use Only: Authorized for local Reproduction Standard Form - U.S.
INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an official or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Use the SF-LLL-A Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.

2. Identify the status of the covered Federal action.

3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.

4. Enter the full name, address, city, state, and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subawardee recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.

5. If the organization filing the report in item 4 checks "Subawardee", then enter the full name, address, city, state, and zip code of the prime Federal recipient. Include Congressional District, if known.

6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.

7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.

8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."

9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.

10. (a) Enter the full name, address, city, state and zip code of the lobbying entity engaged by the reporting entity identified in item 4 to influence the covered Federal action.

   (b) Enter the full names of the individual(s) performing services, and include full address if different from (a). Enter Last Name, First Name, and Middle Initial (MI).

11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (item 4) to the lobbying entity (item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.

12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.

13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.

14. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal official(s) or employee(s) contacted or the office(s), employer(s), or Member(s) of Congress that were contacted.

15. Check whether or not a SF-LLL-A Continuation Sheet(s) is attached.

16. The certifying official shall sign and date the form, print his/her name, title, and telephone number.
PART 29a—AUDIT REQUIREMENTS FOR STATE AND LOCAL GOVERNMENTS

Sec. 29a.1 Purpose.  
29a.2 Background.  
29a.3 Policy.  
29a.4 Definitions.  
29a.5 Scope of audit.  
29a.6 Frequency of audit.  
29a.7 Internal control and compliance reviews.  
29a.8 Subrecipients.  
29a.9 Relation to other audit requirements.  
29a.10 Cognizant agency responsibilities.  
29a.11 Illegal acts or irregularities.  
29a.12 Audit reports.  
29a.13 Audit resolution.  
29a.14 Audit workpapers and reports.
Office of the Secretary, Commerce

29a.15 Audit costs.
29a.16 Sanctions.
29a.17 Auditor selection.
29a.18 Small and minority audit firms.


Source: 50 FR 30419, July 26, 1985, unless otherwise noted. Redesignated at 56 FR 15993, Apr. 19, 1991.

§ 29a.1 Purpose.

Pursuant to the Single Audit Act of 1984, Pub. L. 98-502, this part established audit requirements for State and local governments that receive Federal aid, and defines Federal responsibilities for implementing and monitoring those requirements.

§ 29a.2 Background.

The Single Audit Act builds upon earlier efforts to improve audits of Federal aid programs. The Act requires State and local governments that receive $100,000 or more a year in Federal funds to have an audit made for that year.

§ 29a.3 Policy.

The Single Audit Act requires the following:

(a) State or local governments that receive $100,000 or more a year in Federal financial assistance shall have an audit made in accordance with this rule.

(b) State or local governments that receive between $25,000 and $100,000 a year shall have an audit made in accordance with this part, or in accordance with Federal laws and regulations governing the programs they participate in.

(c) State or local governments that receive less than $25,000 a year shall be exempt from compliance with the Act and Federal audit requirements. These State or local governments shall be governed by audit requirements prescribed by State or local law or regulation.

(d) Nothing in this paragraph exempts State or local governments from maintaining records of financial assistance or from providing access to such records to Federal agencies, as provided in Federal law or in Circular A-102, “Uniform requirements for grants to State of local governments.”

§ 29a.4 Definitions.

For the purpose of this part, the following definitions from the Single Audit Act apply:

(a) Cognizant agency means the Federal agency assigned by the Office of Management and Budget to carry out the responsibilities described in paragraph 8a.10 of this rule.

(b) Federal financial assistance means assistance provided by the Department in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations, but does not include direct Federal cash assistance to individuals. It includes awards received directly from the Department, or directly through other units of State or local governments.

(c) Federal agency has the same meaning as the term ‘agency’ in Section 551(1) of Title 5, United States Code.

(d) Generally accepted accounting principles has the meaning specified in the generally accepted government auditing standards.

(e) Generally accepted government auditing standards means the Standards For Audit of Government Organizations, Programs, Activities, and Functions, developed by the Comptroller General, dated February 27, 1981.

(f) Independent auditor means:

(1) A State or local government auditor who meets the independence standards specified in generally accepted government auditing standards; or

(2) A public accountant who meets such independence standards.

(g) Internal controls means the plan of organization and methods and procedures adopted by management to ensure that:

(1) Resource use is consistent with laws, regulations, and policies;

(2) Resources are safeguarded against waste, loss, and misuse; and

(3) Reliable data are obtained, maintained, and fairly disclosed in reports.

(h) Indian Tribe means any Indian tribe, band, nation, or other organized group or community, including any Alaskan Native village or regional or village corporation (as defined in, or established under, the Alaskan Native...
Claims Settlement Act) that is recognized by the United States as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(i) Local government means any unit of local government within a State, including a county, a borough, municipality, city, town, township, parish, local public authority, special district, school district, intrastate district, council of government, and any other instrumentality of local government.

(j) Major Federal Assistance Program, for State or local governments having Federal assistance expenditures between $100,000 and $100,000,000, means any program for which Federal expenditures during the applicable year exceed the larger of $300,000, or 3 percent of such total expenditures. Where total expenditures of Federal assistance exceed $100,000,000, the following criteria apply:

<table>
<thead>
<tr>
<th>Total expenditures of Federal financial assistance for all programs</th>
<th>Major Federal assistance program means any program that exceeds</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than $100 million</td>
<td>$1 billion</td>
</tr>
<tr>
<td>$1 billion</td>
<td>$2 billion</td>
</tr>
<tr>
<td>$2 billion</td>
<td>$3 billion</td>
</tr>
<tr>
<td>$3 billion</td>
<td>$4 billion</td>
</tr>
<tr>
<td>$4 billion</td>
<td>$5 billion</td>
</tr>
<tr>
<td>$5 billion</td>
<td>$6 billion</td>
</tr>
<tr>
<td>$6 billion</td>
<td>$7 billion</td>
</tr>
<tr>
<td>Over $7 billion</td>
<td></td>
</tr>
</tbody>
</table>

(k) Public accountants means those individuals who meet the qualifications standards included in generally accepted government auditing standards for personnel performing government audits.

(l) State means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any instrumentality thereof, and any multi-State, regional or interstate entity that has governmental functions and any Indian Tribe.

(m) Subrecipient means any person or government department, agency, or establishment that receives Federal financial assistance to carry out a program through a State or local government, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a direct recipient of Federal financial assistance.

§ 29a.5 Scope of audit.

The Single Audit Act provides that:

(a) The audit shall be made by an independent auditor in accordance with generally accepted government auditing standards covering financial and compliance audits.

(b) The audit shall cover the entire operations of a State or local government or, at the option of that government, it may cover departments, agencies or establishments that received, expended, or otherwise administered Federal financial assistance during the year. However, if a State or local government receives $25,000 or more in General Revenue Sharing Funds in a fiscal year, it shall have an audit of its entire operations. A series of audits of individual departments, agencies, and establishments for the same fiscal year may be considered a single audit.

(c) Public hospitals and public colleges and universities may be excluded from State and local audits and the requirements of this part. However, if such entities are excluded, audits of these entities shall be made in accordance with statutory requirements and the provisions of OMB Circular A-110, “Uniform requirements for grants to universities, hospitals, and other nonprofit organizations.”

(d) The auditor shall determine whether:

(1) The financial statements of the government, department, agency or establishment present fairly its financial position and the results of its financial operations in accordance with generally accepted accounting principles;

(2) The organization has internal accounting and other control systems to provide reasonable assurance that it is managing Federal financial assistance programs in compliance with applicable laws and regulations; and

(3) The organization has complied with laws and regulations that may have material effect on its financial statements and on each major Federal assistance program.
§ 29a.6 Frequency of audit.
Audits shall be made annually unless the State or local government has, by January 1, 1987, a constitutional or statutory requirement for less frequent audits. For those governments, the cognizant agency shall permit biennial audits, covering both years, if the government so requests. It shall also honor requests for biennial audits by governments that have an administrative policy calling for audits less frequent than annual, but only for fiscal years beginning before January 1, 1987.

§ 29a.7 Internal control and compliance reviews.
The Single Audit Act requires that the independent auditor determine and report on whether the organization has internal control systems to provide reasonable assurance that it is managing Federal assistance programs in compliance with applicable laws and regulations.

(a) Internal control review. In order to provide this assurance, the auditor must make a study and evaluation of internal control systems used in administering Federal assistance programs. The study and evaluation must be made whether or not the auditor intends to place reliance on such systems. As part of this review, the auditor shall:
(1) Test whether these internal control systems are functioning in accordance with prescribed procedures.
(2) Examine the recipient's system for monitoring subrecipients and obtaining and acting on subrecipient audit reports.

(b) Compliance review. The Law also requires the auditor to determine whether the organization has complied with laws and regulations that may have a material effect on each major Federal assistance program.

(i) In order to determine which major programs are to be tested for compliance, State and local governments shall identify in their accounts all Federal funds received and expended and the programs under which they were received. This shall include funds received directly from Federal agencies and through other State and local governments.

(ii) The review must include the selection and testing of a representative number of charges from each major Federal assistance program. The selection and testing of transactions shall be based on the auditor's professional judgment considering such factors as the amount of expenditures for the program and the individual awards; the newness of the program or changes in its conditions; prior experience with the program, particularly as revealed in audits and other evaluations (e.g., inspections, program reviews); the extent to which the program is carried out through subrecipients; the extent to which the program contracts for goods or services; the level to which the program is already subject to program reviews or other forms of independent oversight; the adequacy of the controls for ensuring compliance; the expectation of adherence or lack of adherence to the applicable laws and regulations; and the potential impact of adverse findings.

(iii) In making the test of transactions, the auditor shall determine whether:
(A) The amounts reported as expenditures were for allowable services, and
(B) The records show that those who received services or benefits were eligible to receive them.

(iii) In addition to transaction testing, the auditor shall determine whether:
(A) Matching requirements, levels of effort and earmarking limitations were met,
(B) Federal financial reports and claims for advances and reimbursements contain information that is supported by the books and records from which the basic financial statements have been prepared, and
(C) Amounts claimed or used for matching were determined in accordance with OMB Circular A-87, "Cost principles for State and local governments," and Attachment F of OMB Circular A-102, "Uniform requirements for grants to State or local governments."

(iii) The principle compliance requirements of the largest Federal aid programs may be ascertained by referring to the Compliance Supplement for Single Audits of State and Local Governments, issued by OMB and available.
§ 29a.8 Subrecipients.

State or local governments that receive Federal financial assistance and provide $25,000 or more of it in a fiscal year to a subrecipient shall:

(a) Determine whether State or local subrecipients have met the audit requirements of this part and whether subrecipients covered by Circular A-110, “Uniform requirements for grants to universities, hospitals, and other nonprofit organizations,” have met that requirement;

(b) Determine whether the subrecipient spent Federal assistance funds provided in accordance with applicable laws and regulations. This may be accomplished by reviewing an audit of the subrecipient made in accordance with this part, OMB Circular A-110, or through other means (e.g., program reviews) if the subrecipient has not yet had such an audit;

(c) Ensure that appropriate corrective action is taken within six months after receipt of the audit report in instances of noncompliance with Federal laws and regulations;

(d) Consider whether subrecipient audits necessitate adjustment of the recipient's own records; and

(e) Require each subrecipient to permit independent auditors to have access to the records and financial statement as necessary to comply with this part.

§ 29a.9 Relation to other audit requirements.

The Single Audit Act provides that an audit made in accordance with this part shall be in lieu of any financial or financial compliance audit required under individual Federal assistance programs. To the extent that a single audit provides the Department with information and assurance it needs to carry out its overall responsibilities, the Department shall rely upon and use such information. However, the Department shall make any additional audits which are necessary to carry out its responsibilities under Federal law and regulations. Any additional Federal audit effort shall be planned and carried out in such a way as to avoid duplication.

(a) The provisions of this part do not limit the authority of the Department to make, or contract for audits and evaluations of Federal financial assistance programs, nor does it limit the authority of the Inspector General or other Federal audit officials.

(b) The provisions of this part do not authorize any State or local government or subrecipient thereof to constrain the Department, in any manner, from carrying out additional audits.

(c) The Department, when making or contracting for audits in addition to the audits made by recipients pursuant to this part shall, consistent with other applicable laws and regulations, arrange for funding the cost of such additional audits. Such additional audits include economy and efficiency audits, program results audits, and program evaluations.

§ 29a.10 Cognizant agency responsibilities.

The Single Audit Act provides for cognizant Federal agencies to oversee the implementation of this part.

(a) The Office of Management and Budget will assign cognizant agencies for States and their subdivisions and larger local governments and their subdivisions. Other Federal agencies may participate with an assigned cognizant agency in order to fulfill the cognizant responsibilities. Such additional audits include economy and efficiency audits, program results audits, and program evaluations.

(b) A cognizant agency shall have the following responsibilities:
Office of the Secretary, Commerce  § 29a.12

(1) Ensure that audits are made and reports are received in a timely manner and in accordance with the requirements of this rule.

(2) Provide technical advice and liaison to State and local governments and independent auditors.

(3) Obtain or make quality control reviews of selected audits made by non-Federal audit organizations and provide the results, when appropriate, to other interested organizations.

(4) Promptly inform other affected Federal agencies and appropriate Federal law enforcement officials of any reported illegal acts or irregularities. They should also inform State or local law enforcement and prosecuting authorities, if not advised by the recipient, of any violation of law within their jurisdiction.

(5) Advise the recipient of audits that have been found not to have met the requirements set forth in this part. In such instances, the recipient will be expected to work with the auditor to take corrective action. If corrective action is not taken, the cognizant agency shall notify the recipient and Federal awarding agencies of any reported illegal acts or irregularities. They should also inform State or local law enforcement and prosecuting authorities, if not advised by the recipient, of any violation of law within their jurisdiction.

(6) Coordinate, to the extent practicable, audits made by or for Federal agencies that are in addition to the audits made pursuant to this rule, so that the additional audits build upon such audits.

(7) Oversee the resolution of audit findings that affect the programs of more than one agency.

§ 29a.11 Illegal acts or irregularities.

If the auditor becomes aware of illegal acts or other irregularities, prompt notice shall be given to recipient management officials above the level of involvement. (See also §29a.12(a)(3) for the auditor’s reporting responsibilities.)

The recipient, in turn, shall promptly notify the cognizant agency of the illegal acts or irregularities and of proposed and actual actions, if any. Illegal acts and irregularities include such matters as conflicts of interest, falsification of records or reports, and misappropriations of funds or other assets.

§ 29a.12 Audit reports.

Audit reports must be prepared at the completion of the audit. Reports serve many needs of State and local governments as well as meeting the requirements of the Single Audit Act.

(a) The audit report shall state that the audit was made in accordance with the provisions of this part. The reports shall be made up of at least:

(1) The auditor’s report on financial statements and on a schedule of Federal assistance; the financial statements; and a schedule of Federal assistance, showing the total expenditures for each Federal assistance program as identified in the Catalog of Federal Domestic Assistance. Federal programs or grants that have not been assigned a catalog number shall be identified under the caption “other Federal assistance.”

(2) The auditor’s report on the study and evaluation of internal control systems must identify the organization’s significant internal accounting controls, and make recommendations for followup action. Major inadequacies of repetitive substandard performance of independent auditors shall be referred to appropriate professional bodies for disciplinary action.

(3) The auditor’s report on compliance containing:

(i) A statement of positive assurance with respect to those items tested for compliance, including compliance with law and regulations pertaining to financial reports and claims for advances and reimbursements;

(ii) Negative assurance on those items not tested;

(iii) A summary of all instances of noncompliance; and

(iv) An identification of total amounts questioned, if any, for each Federal assistance award, as a result of noncompliance.

(b) The three parts of the audit report may be bound into a single report, or presented at the same time as separate documents.
(c) All fraud abuse, or illegal acts or indications of such acts, including all questioned costs found as the result of these acts that auditors become aware of, should normally be covered in a separate written report submitted in accordance with §29a.12(f).

(d) In addition to the audit report, the recipient shall provide comments on the findings and recommendations in the report, including a plan for corrective action taken or planned and comments on the status of corrective action taken on prior findings. If corrective action is not necessary, a statement describing the reason it is not should accompany the audit report.

(e) The reports shall be made available by the State or local government for public inspection within 30 days after the completion of the audit.

(f) In accordance with generally accepted government audit standards, report shall be submitted by the auditor to the organization audited and to those requiring or arranging for the audit. In addition, the recipient shall submit copies of the reports to each Federal department or agency that provided Federal assistance funds to the recipient. Subrecipients shall submit copies to recipients that provided them Federal assistance funds. The reports shall be sent within 30 days after the end of the audit period unless a longer period is agreed to with the cognizant agency.

(g) Recipients of more than $100,000 in Federal funds shall submit one copy of the audit report within 30 days after issuance to a central clearinghouse to be designated by the Office of Management and Budget. The clearinghouse will keep completed audits on file and follow up with State or local governments that have not submitted required audit reports.

(h) Recipients shall keep audit reports on file for three years from the date of their issuance.

§ 29a.13 Audit resolution.

(a) As provided in §29a.10, the cognizant agency shall be responsible for monitoring the resolution of audit findings that affect the programs of more than one Federal agency. Resolution of findings that relate to the programs of a single Federal agency will be the responsibility of the recipient and that agency. Alternate arrangements may be made on a case-by-case basis by agreement among the agencies concerned.

(b) Resolution shall be made within six months after receipt of the report by Federal departments and agencies. Corrective action should proceed as rapidly as possible.

§ 29a.14 Audit workpapers and reports.

Workpapers and reports shall be retained for a minimum of three years from the date of the audit report, unless the auditor is notified in writing by the cognizant agency to extend the retention period. Audit workpapers shall be made available upon request to the cognizant agency or its designee or the General Accounting Office, at the completion of the audit.

§ 29a.15 Audit costs.

The cost of audits made in accordance with the provisions of this part are allowable charges to Federal assistance programs.

(a) The charges may be considered a direct cost of an allocated indirect cost, determined in accordance with the provisions of OMB Circular A-87, "Cost Principles for State and local governments."

(b) Generally, the percentage of costs charged to Federal assistance programs for a single audit shall not exceed the percentage that Federal funds expended represent of total funds expended by the recipient during the fiscal year. The percentage may be exceeded, however, if appropriate documentation demonstrates higher actual cost.

§ 29a.16 Sanctions.

The Single Audit Act provides that no cost may be charged to Federal assistance programs for audits required by the Act that are not made in accordance with this part. In cases of continued inability or unwillingness to have a proper audit, Federal agencies must consider other appropriate sanctions including:

(a) Withholding a percentage of assistance payments until the audit is completed satisfactorily,
(b) Withholding or disallowing overhead costs, and
(c) Suspending the Federal assistance agreement until the audit is made.

§ 29a.17 Auditor selection.
In arranging for audit services State and local governments shall follow the procurement standards prescribed by Attachment O of OMB Circular A-102, “Uniform requirements for grants to State and local governments.” The standards provide that while recipients are encouraged to enter into intergovernmental agreements for audit and other services, analysis should be made to determine whether it would be more economical to purchase the services from private firms. In instances where use of such intergovernmental agreements are required by State statutes (e.g., audit services) these statutes will take precedence.

§ 29a.18 Small and minority audit firms.
Small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals shall have the maximum practicable opportunity to participate in contracts awarded to fulfill the requirements of this part. Recipients of Federal assistance shall take the following steps to further this goal:
(a) Assure that small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals are used to the fullest extent practicable.
(b) Make information on forthcoming opportunities available and arrange timeframes for the audit so as to encourage and facilitate participation by small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals.
(c) Consider in the contract process whether firms competing for larger audits intend to subcontract with small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals.
(d) Encourage contracting with small audit firms or audit firms owned and controlled by socially and economically disadvantaged individuals which have traditionally audited government programs and, in such cases where this is not possible, assure that these firms are given consideration for audit subcontracting opportunities.
(e) Encourage contracting with consortiums of small audit firms as described in paragraph (a) of this section when a contract is too large for an individual small audit firm or audit firm owned and controlled by socially and economically disadvantaged individuals.
(f) Use the services and assistance, as appropriate, of such organizations as the Small Business Administration in the solicitation and utilization of small audit firms or audit firms owned and controlled by socially and economically disadvantaged individuals.

PART 29b—AUDIT REQUIREMENTS FOR INSTITUTIONS OF HIGHER EDUCATION AND OTHER NONPROFIT ORGANIZATIONS

Sec.
29b.1 Purpose.
29b.2 Background.
29b.3 Policy.
29b.4 Definitions.
29b.5 Audit of nonprofit institutions.
29b.6 Cognizant agency responsibilities.
29b.7 Oversight agency responsibilities.
29b.8 Recipient responsibilities.
29b.9 Relation to other audit requirements.
29b.10 Frequency of audit.
29b.11 Sanctions.
29b.12 Audit costs.
29b.13 Auditor selection.
29b.14 Small and minority audit firms.
29b.15 Scope of audit and audit objectives.
29b.16 Internal controls over Federal awards: compliance reviews.
29b.17 Illegal acts.
29b.18 Audit reports.
29b.19 Audit resolution.
29b.20 Audit workpapers and reports.
29b.21 Availability of publications.

Authority: 5 U.S.C. 301.

Source: 56 FR 19993, Apr. 19, 1991, unless otherwise noted.

§ 29b.1 Purpose.
This part establishes audit requirements and defines the Department’s responsibilities for implementing and monitoring such requirements for institutions of higher education and other nonprofit organizations receiving Federal awards. The provisions of this part are effective April 19, 1991, and

267
§ 29b.2 Background.

§ 29b.3 Policy.
This part does not exempt institutions of higher education and other nonprofit organizations from maintaining records of financial assistance or from providing Federal agencies with access to such records as required by Federal law or OMB Circular A-110, “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations.”

§ 29b.4 Definitions.
For purposes of this part, the following definitions apply:
Award means financial assistance, and Federal cost-type contracts used to buy services or goods for the use of the Federal Government. It includes awards received directly from the Federal agencies or indirectly through recipients. It does not include procurement contracts to vendors under grants or contracts, used to buy goods or services. Audits of such vendors shall be covered by the terms and conditions of the contract.
Cognizant agency means the Federal agency assigned by OMB to carry out the responsibilities described in § 29b.6.
Coordinated audit approach means an audit wherein the independent auditor, and other Federal and non-Federal auditors consider each other’s work in determining the nature, timing, and extent of his or her own auditing procedures. A coordinated audit must be conducted in accordance with “Government Auditing Standards,” and meet the objectives and reporting requirements set forth in § 29b.15(b) and 29b.18, respectively. The objective of the coordinated audit approach is to minimize duplication of audit effort, but not to limit the scope of the audit work so as to preclude the independent auditor from meeting the objectives set forth in § 29b.15(b) or issuing the reports required in § 29b.18 in a timely manner.
Federal agency has the same meaning as the term ‘agency’ in section 551(1) of title 5, United States Code.
Federal financial assistance means assistance provided by a Federal agency to a recipient or sub-recipient to carry out a program. Such assistance may be in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, direct appropriations, or other non-cash assistance.
Federal financial assistance does not include direct Federal cash assistance to individuals.
Federal financial assistance does include awards received directly from Federal agencies, or indirectly when sub-recipients receive funds identified by recipients as Federal funds.
The granting agency is responsible for identifying the source of funds awarded to recipients. Recipients are responsible for identifying the source of funds awarded to sub-recipients.
Generally accepted accounting principles has the meaning specified in the “Government Auditing Standards.”
Independent auditor means:
(1) A Federal, State or local government auditor who meets the standards specified in the “Government Auditing Standards;” or
(2) A public accountant who meets such standards.
Internal control structure means the policies and procedures established to provide reasonable assurance that:
(1) Resource use is consistent with laws, regulations, and award terms;
(2) Resources are safeguarded against waste, loss, and misuse; and
(3) Reliable data is obtained, maintained, and fairly disclosed in reports.
Major program means an individual award or a number of awards in a category of Federal assistance or support for which total expenditures are the...
Office of the Secretary, Commerce

§ 29b.5 Audit of nonprofit institutions.

(a) Requirements based on awards received.

(1) Nonprofit institutions that receive $100,000 or more a year in Federal awards shall have an audit made in accordance with the provisions of this part. However, nonprofit institutions receiving $100,000 or more but receiving awards under only one program have
§ 29b.6

The option of having an audit of their institution prepared in accordance with the provisions of this part or having an audit made of the one program. For prior or subsequent years, when an institution has only loan guarantees or outstanding loans that were made previously, the institution may be required to conduct audits for those programs, in accordance with regulations of the Federal agencies providing those guarantees or loans.

(2) Nonprofit institutions that receive at least $25,000 but less than $100,000 a year in Federal awards shall have an audit made in accordance with this part or have an audit made of each Federal award, in accordance with Federal laws and regulations governing the programs in which they participate.

(3) Nonprofit institutions receiving less than $25,000 a year in Federal awards are exempt from Federal audit requirements, but records must be available for review by appropriate officials of the Federal grantor agency or subgranting entity.

(b) Oversight by federal agencies.

(1) To each of the larger nonprofit institutions, OMB will assign a Federal agency as the cognizant agency for monitoring audits and ensuring the resolution of audit findings that affect the programs of more than one agency.

(2) Smaller institutions not assigned a cognizant agency will be under the general oversight of the Federal agency that provides them with the most funds.

(3) Assignments to Federal cognizant agencies for carrying out responsibilities in this section are set forth under a supplement to OMB Circular A-133.

(4) Federal Government-owned, contractor-operated facilities at institutions or laboratories operated primarily for the Government are not included in the cognizance assignments. These will remain the responsibility of the contracting agencies. The listed assignments cover all of the functions in this part unless otherwise indicated.

OMB coordinates changes in agency assignments.

§ 29b.6 Cognizant agency responsibilities.

The cognizant agency shall:

(a) Ensure that audits are made and reports are received in a timely manner and in accordance with the requirements of this part;

(b) Provide technical advice and liaison to institutions and independent auditors;

(c) Obtain or make quality control reviews of selected audits made by non-Federal audit organizations, and provide the results, when appropriate, to other interested organizations;

(d) Promptly inform other affected Federal agencies and appropriate Federal law enforcement officials of any reported illegal acts or irregularities. A cognizant agency should also inform State or local law enforcement and prosecuting authorities, if not advised by the recipient, of any violation of law within their jurisdiction;

(e) Advise the recipient of audits that have been found not to have met the requirements set forth in this part. In such instances, the recipient will work with the auditor to take corrective action. If corrective action is not taken, the cognizant agency shall notify the recipient and Federal awarding agencies of the facts and make recommendations for follow-up action. Major inadequacies or repetitive substandard performance of independent auditors shall be referred to appropriate professional bodies for disciplinary action;

(f) Coordinate, to the extent practicable, audits or reviews made for Federal agencies that are in addition to the audits made pursuant to this part, so that the additional audits or reviews build upon audits performed in accordance with this part;

(g) Ensure the resolution of audit findings that affect the programs of more than one agency;

(h) Seek the views of other interested agencies before completing a coordinated program; and

(i) Help coordinate the audit work and reporting responsibilities among independent public accountants, State auditors, and both resident and non-resident Federal auditors to achieve the most cost-effective audit.
§ 29b.7 Oversight agency responsibilities.

An oversight agency shall provide technical advice and counsel to institutions and independent auditors when requested by the recipient. The oversight agency may assume all or some of the responsibilities normally performed by a cognizant agency.

§ 29b.8 Recipient responsibilities.

A recipient that receives a Federal award and provides $25,000 or more of it during its fiscal year to a sub-recipient shall:

(a) Ensure that nonprofit sub-recipients that receive $25,000 or more have met the audit requirements of this part, and that sub-recipients subject to part 29a, “Audit Requirements for State and Local Governments,” have met the audit requirements of that part;

(b) Ensure that appropriate corrective action is taken within six months after receipt of the sub-recipient audit report in instances of noncompliance with Federal laws and regulations;

(c) Consider whether sub-recipient audits necessitate adjustment of the recipient’s own records;

(d) Require each sub-recipient to permit independent auditors to have access to the records and financial statements as necessary for the recipient to comply with this part.

§ 29b.9 Relation to other audit requirements.

(a) An audit made in accordance with this part shall be in lieu of any financial audit required under individual Federal awards to the extent that it provides the Department with the information and assurances it needs to carry out its overall responsibilities, it shall rely upon and use such information. However, the Department shall make any additional audits or reviews necessary to carry out responsibilities under Federal law and regulations. Any additional Federal audits or reviews shall be planned and carried out in such a way as to build upon work performed by the independent auditor.

(b) Audit planning within the Department shall consider the extent to which reliance can be placed upon work performed by other auditors. Such auditors include Federal, State, local, and other independent auditors, and a recipient’s internal auditors. Reliance placed upon the work of other auditors should be documented and in accordance with “Government Auditing Standards.”

(c) The provisions of this part do not limit the authority of the Department to make or contract for audits and evaluations of Federal awards, nor do they limit the authority of the Inspector General or other Federal official.

(d) The provisions of this part do not authorize any institution or sub-recipient thereof to constrain the Department, in any manner, from carrying out additional audits, evaluations or reviews.

(e) The Department, when making or contracting for audits in addition to the audits made by recipients pursuant to this part, shall, consistent with other applicable laws and regulations, arrange for funding the cost of such additional audits. Such additional audits or reviews include financial audits, performance audits, and program evaluations.

§ 29b.10 Frequency of audit.

Audits shall usually be performed annually but not less frequently than every two years.

§ 29b.11 Sanctions.

No audit costs may be charged to Federal awards when audits required by this part have not been made or have been made but not in accordance with the provisions of this part. In cases of continued inability or unwillingness to have a proper audit made in accordance with this part, the Department shall consider appropriate sanctions including:

(a) Withholding a percentage of awards until the audit is completed satisfactorily;

(b) Withholding or disallowing overhead costs, or

(c) Suspending Federal awards until the audit is made.

§ 29b.12 Audit costs.

The cost of audits made in accordance with the provisions of this part are allowable charges to Federal awards. The charges may be considered
§ 29b.13 Auditor selection.

In arranging for audit services, institutions shall follow the procurement standards prescribed by OMB Circular A-110, “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Organizations.”

§ 29b.14 Small and minority audit firms.

(a) Small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals shall have the maximum practicable opportunity to participate in contracts awarded to fulfill the requirements of this part.

(b) Recipients of Federal awards shall take the following steps to further this goal:

1. Ensure that small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals are used to the fullest extent practicable;

2. Make information on forthcoming opportunities available and arrange timeframes for the audit to encourage and facilitate participation by small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals;

3. Consider in the contract process whether firms competing for larger audits intend to subcontract with small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals;

4. Encourage contracting with small audit firms or audit firms owned and controlled by socially and economically disadvantaged individuals which have traditionally audited government programs, and in cases where this is not possible, assure that these firms are given consideration for audit subcontracting opportunities;

5. Encourage contracting with consortiums of small audit firms as described in paragraph (b)(1) of this section when a contract is too large for an individual small audit firm or audit firm owned and controlled by socially and economically disadvantaged individuals; and

6. Use the services and assistance, as appropriate, of such organizations as the Small Business Administration in the solicitation and utilization of small audit firms or audit firms owned and controlled by socially and economically disadvantaged individuals.

§ 29b.15 Scope of audit and audit objectives.

(a) The audit shall be made by an independent auditor in accordance with “Government Auditing Standards” developed by the Comptroller General of the United States covering financial audits. An audit under this part should be an organization-wide audit of the institution. However, there may be instances where Federal auditors are performing audits or are planning to perform audits at nonprofit institutions. In these cases, to minimize duplication of audit work, a coordinated audit approach may be agreed upon between the independent auditor, the recipient, and the cognizant agency or the oversight agency. Those auditors who assume responsibility for any or all of the reports called for by § 29b.18 should follow guidance set forth in “Government Auditing Standards” in using work performed by others.

(b) The auditor shall determine whether:

1. The financial statements of the institution present fairly its financial position and the results of its operations in accordance with generally accepted accounting principles;

2. The institution has an internal control structure to provide reasonable assurance that the institution is managing Federal awards in compliance with applicable laws and regulations, and controls that ensure compliance with the laws and regulations that could have a material impact on the financial statements; and

3. The institution has complied with laws and regulations that may have a
direct and material effect on its financial statement amounts and on each major Federal program.

§ 29b.16 Internal controls over Federal awards: compliance reviews.

(a) General. The independent auditor shall determine and report on whether the recipient has an internal control structure to provide reasonable assurance that it is managing Federal awards in compliance with applicable laws, regulations, and contract terms, and that it safeguards Federal funds. In performing these reviews, independent auditors should rely upon work performed by a recipient’s internal auditors to the maximum extent possible. The extent of such reliance should be based upon the “Government Auditing Standards.”

(b) Internal control review. (1) In order to provide this assurance on internal controls, the auditor must obtain an understanding of the internal control structure and assess levels of internal control risk. After obtaining an understanding of the controls, the assessment must be made whether or not the auditor intends to place reliance on the internal control structure.

(2) As part of this review, the auditor shall:

(i) Perform tests of controls to evaluate the effectiveness of the design and operation of the policies and procedures in preventing or detecting material noncompliance. Tests of controls will not be required for those areas where the internal control structure policies and procedures are likely to be ineffective in preventing or detecting noncompliance, in which case a reportable condition or material weakness should be reported in accordance with § 29b.18(c)(2);

(ii) Review the recipient’s system for monitoring subrecipients and obtaining and acting on sub-recipient audit reports; and

(iii) Determine whether controls are in effect to ensure direct and indirect costs were computed and billed in accordance with the guidance provided in the general requirements section of the “Compliance Supplement for Single Audits of Educational Institutions and Other Nonprofit Organizations.”

(c) Compliance review. (1) The auditor shall determine whether the recipient has complied with laws and regulations that may have a direct and material effect on any of its major Federal programs. In addition, transactions selected for non-major programs shall be tested for compliance with Federal laws and regulations that apply to such transactions.

(2) In order to determine which major programs are to be tested for compliance, recipients shall identify, in their accounts, all Federal funds received and expended and the programs under which they were received. This shall include funds received directly from Federal agencies, through other State and local governments or other recipients. To assist recipients in identifying Federal awards, Federal agencies and primary recipients shall provide the “Catalog of Federal Domestic Assistance” (CFDA) numbers to the recipients when making the awards.

(3) The review must include the selection of an adequate number of transactions from each major Federal financial assistance program so that the auditor obtains sufficient evidence to support the opinion on compliance required by § 29b.18(c)(3). The selection and testing of transactions shall be based on the auditor’s professional judgment considering such factors as the amount of expenditures for the program; the newness of the program or changes in its conditions; prior experience with the program particularly as revealed in audits and other evaluations (e.g., inspections, program reviews, or system reviews required by the FAR); the extent to which the program is carried out through sub-recipients; the extent to which the program contracts for goods or services; the level to which the program is already subject to program reviews or other forms of independent oversight; the adequacy of the controls for ensuring compliance; the expectation of adherence or lack of adherence to the applicable laws and regulations; and the potential impact of adverse findings.

(4) In making the test of transactions, the auditor shall determine whether:

(i) The amounts reported as expenditures were for allowable services, and
(ii) The records show that those who received services or benefits were eligible to receive them.

(5) In addition to transaction testing, the auditor shall determine whether:
(i) Matching requirements, levels of effort and earmarking limitations were met,
(ii) Federal financial reports and claims for advances and reimbursement contain information that is supported by books and records from which the basic financial statements have been prepared, and
(iii) Amounts claimed or used for matching were determined in accordance with:
(A) OMB Circular A-21, “Cost Principles for Educational Institutions;”
(B) Matching or cost sharing requirements in OMB Circular A-110, “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Organizations;”
(C) OMB Circular A-122, “Cost Principles for Nonprofit Organizations;”
(D) FAR (48 CFR part 31) cost principles; and
(E) Other applicable cost principles or regulations.

(6) The principal compliance requirements of the largest Federal programs may be ascertained by referring to the “Compliance Supplement for Single Audits of Educational Institutions and Other Nonprofit Organizations,” and the “Compliance Supplement for Single Audits of State and Local Governments” issued by OMB and available from the Government Printing Office.

(7) Transactions related to other awards that are selected in connection with examinations of financial statements and evaluations of internal controls shall be tested for compliance with Federal laws and regulations that apply to such transactions.

§ 29b.17 Illegal acts.

If, during or in connection with the audit of a nonprofit institution, the auditor becomes aware of illegal acts, such acts shall be reported in accordance with the provisions of the “Government Auditing Standards.”

§ 29b.18 Audit reports.

(a) Audit reports must be prepared at the completion of the audit.

(b) The audit report shall state that the audit was made in accordance with the provisions of this part and OMB Circular A-133, “Audits of Institutions of Higher Education and Other Nonprofit Organizations.”

(c) The report shall be made up of at least the following three parts:

(1) The financial statements and a schedule of Federal awards and the auditor’s report on the statements and the schedule. The schedule should identify the major programs and show the total expenditures for each program. Individual major programs other than Research and Development and Student Aid should be listed by catalog number as identified in the CFDA. Expenditures for Federal programs other than major programs shall be shown under the caption “other Federal assistance.” Also, the value of non-cash assistance such as loan guarantees, food commodities or donated surplus properties or the outstanding balance of loans should be disclosed in the schedule.

(2) A written report of the independent auditor’s understanding of the internal control structure and the assessment of control risk. The auditor’s report should include at a minimum:
(i) The scope of the work in obtaining understanding of the internal control structure and in assessing the control risk;
(ii) The nonprofit institution’s significant internal controls or control structure. The auditor should identify the controls established to ensure compliance with laws and regulations that have a material impact on the financial statements and those that provide reasonable assurance that Federal awards are being managed in compliance with applicable laws and regulations; and

(iii) The reportable conditions, including the identification of material weaknesses, identified as a result of the auditor's work in understanding and assessing the control risk. If the auditor limits consideration of the internal control structure for any reason, the circumstances should be disclosed in the report.

(3) The auditor's report on compliance containing:
   (i) An opinion as to whether each major Federal program was being administered in compliance with laws and regulations applicable to the matters described in §29b.16(c)(3) of this part, including compliance with laws and regulations pertaining to financial reports and claims for advances and reimbursements;
   (ii) A statement of positive assurance of those items that were tested for compliance and negative assurance on those items not tested;
   (iii) Material findings of noncompliance presented in their proper perspective:
      (A) The size of the universe in number of items and dollars,
      (B) The number and dollar amount of transactions tested by the auditors, and
      (C) The number and corresponding dollar amount of instances of noncompliance.
   (iv) Where findings are specific to a particular Federal award, an identification of total amounts questioned, if any, for each Federal award, as a result of noncompliance and the auditor's recommendations for necessary corrective action.

(d) The three parts of the audit report may be bound into a single document, or presented at the same time as separate documents.

(e) Nonmaterial findings need not be disclosed with the compliance report but should be reported in writing to the recipient in a separate communication. The recipient, in turn, should forward the findings to the Federal grant or agencies or subgrantor sources.

(f) All fraud or illegal acts or indications of such acts, including all questioned costs found as the result of these acts that auditors become aware of, may be covered in a separate written report submitted in accordance with the "Government Auditing Standards."

(g) The auditor's report should disclose the status of known but uncorrected significant material findings and recommendations from prior audits that affect the current audit objective as specified in the "Government Auditing Standards."

(h) In addition to the audit report, the recipient shall provide a report of its comments on the findings and recommendations in the report, including a plan for corrective action taken for planned and comments on the status of corrective action taken on prior findings. If corrective action is not necessary, a statement describing the reason it is not should accompany the audit report.

(i) Copies of the audit report shall be submitted in accordance with the reporting standards for financial audits contained in the "Government Auditing Standards." Sub-recipient auditors shall submit copies to recipients that provided Federal awards. The report shall be due within 30 days after the completion of the audit, but the audit should be completed and the report submitted not later than 13 months after the end of the recipient's fiscal year unless a longer period is agreed to with the cognizant or oversight agency.

(j) Recipients of more than $100,000 in Federal awards shall submit one copy of the audit report within 30 days after issuance to a central clearinghouse to be designated by OMB. The clearinghouse will keep completed audit reports on file.

(k) Recipients shall keep audit reports, including sub-recipient reports, on file for free three years from their issuance. (OMB control number: 0991-0003)

§ 29b.19 Audit resolution.

(a) As provided in §29b.6, the cognizant agency shall be responsible for ensuring the resolution of audit findings that affect the programs of more than one Federal agency. Resolution of findings that relate to the programs of a single Federal agency will be the responsibility of the recipient and that agency. Alternate arrangements may be made on a case-by-case basis by
§ 29b.20 Audit workpapers and reports.

Workpapers and reports shall be retained for a minimum of three years from the date of the audit report, unless the auditor is notified in writing by the cognizant agency to extend the retention period. Audit workpapers shall be made available upon request to the cognizant agency or its designee or the General Accounting Office, at the completion of the audit.

§ 29b.21 Availability of publications.

(a) The following publications are available from the Government Printing Office, Superintendent of Documents, Washington, DC 20402:

(1) “Catalog of Federal Domestic Assistance’’;
(2) “Government Auditing Standards’’;
(3) “Compliance Supplement for Single Audits of Educational Institutions and Other Nonprofit Organizations’’; and
(4) “Compliance Supplement for Single Audits of State and Local Governments.’’

(b) The following publications may be obtained from the Grants Officer as identified in the award:

(1) OMB Circular A-21, “Cost Principles for Educational Institutions;’’
(2) OMB Circular A-110, “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations;’’
(3) OMB Circular A-122, “Cost Principles for Nonprofit Organizations;’’ and
(4) OMB Circular A-133, “Audits of Institutions of Higher Education and Other Nonprofit Organizations.’’

Subtitle B—Regulations Relating to Commerce and Foreign Trade
CHAPTER I—BUREAU OF THE CENSUS, DEPARTMENT OF COMMERCE

<table>
<thead>
<tr>
<th>Part</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>Foreign trade statistics</td>
<td>280</td>
</tr>
<tr>
<td>40</td>
<td>Training of foreign participants in census procedures and general statistics</td>
<td>311</td>
</tr>
<tr>
<td>50</td>
<td>Special services and studies by the Bureau of the Census</td>
<td>313</td>
</tr>
<tr>
<td>60</td>
<td>Public information</td>
<td>315</td>
</tr>
<tr>
<td>70</td>
<td>Cutoff dates for recognition of boundary changes for the 1990 census</td>
<td>316</td>
</tr>
<tr>
<td>80</td>
<td>Furnishing personal census data from census of population schedules</td>
<td>316</td>
</tr>
<tr>
<td>90</td>
<td>Procedure for challenging certain population and income estimates</td>
<td>318</td>
</tr>
<tr>
<td>100</td>
<td>Seal</td>
<td>321</td>
</tr>
<tr>
<td>101—199</td>
<td>[Reserved]</td>
<td></td>
</tr>
</tbody>
</table>
PART 30—FOREIGN TRADE STATISTICS

Subpart A—General Requirements—Exporters

Sec.
30.1 General statement of requirement for Shipper’s Export Declarations.
30.2 Related export control requirements.
30.3 Shipper’s Export Declaration forms.
30.4 Preparation and signature of Shipper’s Export Declarations.
30.5 Number of copies of Shipper’s Export Declaration required.
30.6 Requirements as to separate Shipper’s Export Declarations.
30.7 Information required on Shipper’s Export Declarations.
30.8 Additional information required on Shipper’s Export Declaration for In-Transit Goods (Form 7513).
30.9 Requirements for separation and alignment of items on Shipper’s Export Declarations.
30.10 Continuation sheets for Shipper’s Export Declaration.
30.11 Authority to require production of documents.
30.12 Time and place Shipper’s Export Declarations required to be presented.
30.13—30.14 [Reserved]
30.15 Procedure for presentation of declarations covering shipments from an interior point.
30.16 Corrections to Shipper’s Export Declarations.

Subpart B—General Requirements—Exporting Carriers

30.20 General statement of requirement for the filing of manifests and Shipper’s Export Declarations by carriers.
30.21 Requirements for the filing of manifests.
30.22 Requirements for the filing of Shipper’s Export Declarations by departing carriers.
30.23 Requirements for the filing of Shipper’s Export Declarations by pipeline carriers.
30.24 Clearance or departure of carriers under bond on incomplete manifest or Shipper’s Export Declarations.

Subpart C—Special Provisions Applicable Under Particular Circumstances

30.30 Values for certain types of transactions.
30.31 Identification of certain nonstatistical and other unusual transactions.
30.32 [Reserved]
30.33 Vessels, planes, cargo vans, and other carriers and containers sold foreign.
30.34 Return of exported cargo to the United States prior to reaching its final destination.
30.35—30.36 [Reserved]
30.37 Exceptions from the requirement for reporting complete commodity detail on the Shipper’s Export Declaration.
30.38 [Reserved]
30.39 Authorization for reporting statistical information other than by means of individual Shipper’s Export Declarations filed for each shipment.
30.40 Single declaration for multiple consignees.
30.41 “Split shipments” by air.

Subpart D—Exemptions from the Requirements for the Filing of Shipper’s Export Declarations

30.50 Procedure for shipments exempt from the requirements for Shipper’s Export Declarations.
30.51 Government shipments not generally exempt.
30.52 Special exemptions for shipments to the U.S. armed services.
30.53 Special exemptions for certain shipments to U.S. Government agencies and employees.
30.54 Special exemptions for mail shipments.
30.55 Miscellaneous exemptions.
30.56 Conditional exemptions.
30.57 Information on export declarations for shipments of types of goods covered by §30.56 not conditionally exempt.
30.58 Exemption for shipments from the United States to Canada.

Subpart E—General Requirements—Importers

30.70 Statistical information required on import entries.

Subpart F—Special Provisions for Particular Types of Import Transactions

30.80 Imports from Canada.
30.81 Imports of merchandise into Guam.
30.82 Identification of U.S. merchandise returned for repair and reexport.
30.83 Statistical copy of mail and informal entries.

Subpart G—General Administrative Provisions

30.90 Confidential information, import entries and withdrawals.
30.91 Confidential information, Shipper’s Export Declarations.
30.92 Statistical classification schedules.
30.93 Emergency exceptions.
30.94 Instructions to Customs.
30.95 Penalties for violations.


Court

Census Bureau, Commerce

§ 30.2 Related export control requirements.

(a) Under the provisions of the Export Administration Regulations of the Office of Export Administration in the International Trade Administration, U.S. Department of Commerce (15 CFR Parts 368-399), Shipper’s Export Declarations are also required for shipments of Merchandise from U.S. Possessions to foreign countries or areas. In these regulations, the term U.S. Possessions includes the Virgin Islands of the United States, Guam Island, American Samoa, Wake Island, Midway Island, and Canton and Enderbury Islands.

(b) For all shipments to foreign countries or areas, the Shipper’s Export Declaration is an export control document. In preparing and filing export declarations for shipments to foreign countries and areas, therefore, the shipper must comply with all pertinent export control regulations as well as the requirements of the statistical regulations of this part. For convenience, a few provisions of the Export Administration Regulations and of the Customs

(iii) To the Virgin Islands of the United States from the United States or Puerto Rico.

Shipper’s Export Declarations shall be filed for merchandise moving as described above regardless of the method of transportation. Instructions for the filing of Shipper’s Export Declarations for vessels, aircraft, railway cars, etc., when sold foreign appear in §30.33. Exemptions from these requirements and exceptions to some of the provisions of these regulations for particular types of transactions will be found in subparts C and D of this part.

§ 30.3 Shipper's Export Declaration forms.

(a) Official forms, or privately printed forms conforming in every respect to the official forms, shall be used in complying with requirements for Shipper's Export Declarations as follows:

(1) Except for shipments for which the Shipper’s Export Declaration for In-transit Goods (Commerce Form 7513) is required as specified below, the Shipper’s Export Declaration shall be prepared on Commerce Form 7525-V or on Commerce Form 7525-V-Alternate (Intermodal). The arrangement of Form 7525-V-Alternate (Intermodal) conforms to and is designed for simultaneous preparation with various other shipping documents commonly used, such as the dock receipt, short form bill of lading, etc. Form 7525-V-Alternate (Intermodal) is acceptable in lieu of Form 7525-V without limitation.

(2) For merchandise shipped in transit through the United States, Puerto Rico, or the Virgin Islands of the United States from one foreign country or area to another, including such merchandise destined from one foreign place to another and transshipped in ports of the United States, Puerto Rico, or the Virgin Islands of the United States, and for foreign merchandise exported from General Order Warehouses, the Shipper’s Export Declaration for In-transit Goods (Commerce Form 7513) shall be filed. Form 7513 shall also be filed for merchandise subject to government inspection, examination, or permit arriving from a foreign country which is rejected and exported. (Although Form 7513 provides that it is to be used for foreign merchandise, it should be used also for U.S. merchandise which after having been exported has been returned to or through the United States and is again being exported under any of the conditions described in this paragraph. Except for rejected merchandise, Form 7513 is not to be used for the reexportation of goods for which entry has been made on Customs Forms 7501 or 7502.)

(b) The Shipper’s Export Declaration and the Continuation Sheet to the Shipper’s Export Declaration (both forms designated Commerce Form 7525-V), and the Shipper’s Export Declaration for In-transit Goods (Commerce Form 7513) may be purchased for a nominal price from Customs Directors, Department of Commerce District Offices, and the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402, or they may be privately printed. Supplies of the Alternate Intermodal Shipper’s Export Declaration and the Continuation Sheet to the Alternate Intermodal Shipper’s Export Declaration are not available from Government sales offices but must be privately printed. Sample official Alternate Intermodal Forms and their Continuation Sheets may be obtained from the Foreign Trade Division, Bureau of the Census, Washington, D.C. 20233. Privately printed Shipper’s Export Declaration forms must conform strictly to the respective official form in size, wording, color, quality (weight of paper stock), and arrangement, including the Office of Management and Budget approval number printed in the upper-right hand corner of the face of form. The quality (weight) of paper stock used in printing the Shipper’s Export Declaration form is not less than 16 nor more than 20 pounds commercial substance. Occasional shippers may obtain copies of Shipper’s Export Declarations free of charge from local Customs Directors, Post Offices, and Department of Commerce District Offices.

3 See § 30.10 for instructions as to use of the continuations Sheet.
§ 30.4 Preparation and signature of Shipper's Export Declarations.

(a) The Shipper's Export Declaration shall be prepared and signed by the shipper, owner, or consignor, or his properly authorized agent. For shipments to foreign countries, if the Shipper's Export Declaration is prepared by an agent his authority to sign such declaration shall be in the form of a properly executed power of attorney, signed by the shipper, owner, or consignor, or in the less formal written authorization printed on the export declaration. The power-of-attorney shall be on file in the agent's office and available for inspection on demand. In every event the data required in the Shipper's Export Declaration shall be complete and correct and shall be based on personal knowledge of the facts stated, or on invoices or information furnished by the principal. Exporters who authorize the preparation of their export declarations by an agent shall provide the agent with information for this purpose which will in every respect meet the specifications in §30.7. Particular attention is called to the fact that invoices and other commercial documents furnished to the agent for other purposes may not necessarily contain all of the particular types of information needed for the preparation of the export declaration, and special arrangements should be made so that the information needed for the export declaration is noted upon or accompanies the commercial documents furnished to the agent, if he is to prepare the Shipper's Export Declaration.

(b) Shipper's Export Declarations shall be typewritten or prepared in ink or other permanent medium (except indelible pencil). The use of ditto, hectograph, or other duplicating process, as well as the overprinting of selected items of information, is acceptable.

(c) All copies of the Shipper's Export Declaration shall contain all of the information called for in the signature space as to name of firm, address, name of signer, capacity of signer, etc. The original Shipper's Export Declaration shall be signed in ink, but signature of other copies is not required. The use of signature stamps is acceptable as signature in ink. A duly signed legible carbon or other copy of the export declaration is acceptable as an "original" of the Shipper's Export Declaration.

§ 30.5 Number of copies of Shipper's Export Declaration required.

(a) Except as provided elsewhere in these regulations, the Shipper's Export Declaration shall be delivered to the carrier or postmasters, as specified in §§30.12 and 30.15, in the following number of copies:

(1) In duplicate for shipments, except by mail, destined to all foreign countries except Canada.

(2) One copy only for shipments to Canada (see §30.58 for exemption for shipments from the United States to Canada) and nonforeign areas.

(3) One copy only for mail shipments to all destinations.

(b) In addition to the standard requirements set forth in paragraph (a) of this section, additional copies of Shipper's Export Declarations may be required for export control purposes by the regulations of the Office of Export Administration or other Government agencies or in particular circumstances by the Customs Director or by the postmaster.

§ 30.6 Requirements as to separate Shipper's Export Declarations.

Except as specifically provided in subpart C, a separate Shipper's Export Declaration (in the required number of copies—see §30.5) is required for each shipment (consisting of one or more kinds of merchandise) from one consignor to one consignee on a single carrier. In addition, more than one declaration is required for an individual shipment as follows:

(a) For consignments by rail, truck, or other vehicle, requiring more than one rail car, truck, or other vehicle, a separate export declaration is required for the merchandise carried in each such rail car, truck, or other vehicle.
§ 30.7

However, Customs Directors are authorized to waive this requirement where multiple car shipments are made under a single bill of lading or other loading document and are cleared simultaneously.

(b) [Reserved]

[41 FR 9134, Mar. 3, 1976, as amended at 55 FR 47049, Nov. 9, 1990]

§ 30.7 Information required on Shipper’s Export Declarations.

The following information shall be furnished in the appropriate spaces provided on the Shipper’s Export Declaration and shall conform to the requirements set forth in this section. (See §30.92 for information as to the statistical classification Schedules B, C—E, and D referred to in this section. Also, see §30.8 for information required on Form 7513 in addition to these requirements.)

(a) Port of export. The name of the U.S. Customs port of exportation shall be entered in terms of Schedule D, Classification of Customs Districts and Ports. (See §30.20(c) for definition of port of exportation.) For shipments by mail, the name of the Post Office where the package is mailed shall be inserted in the space for U.S. port of export.

(b) Method of transportation. Except on Commerce Form 7513, the method of transportation by which the goods are exported (or shipped to a nonforeign area where the declaration covers such a shipment) i.e., vessel (including ferry), air, or other, shall be indicated by check mark in the appropriate space. For shipments by means of transportation other than vessel or air the specific method of transportation (rail, truck, pipeline, etc.) used should be entered. “Other” should be checked for exported aircraft being flown away, vessels exported under their own power or afloat, or for other vehicles exported other than aboard another carrier, and the manner in which exported should be specified; e.g., “flew away,” “in tow,” etc.

(c) Exporting carrier. Information concerning the specific exporting carrier shall be reported as follows:

(1) For shipments by vessel, the name and flag nationality of the ship and the number or name of the pier at which the goods were laden shall be shown.

(2) For shipments by air, the name of the airline shall be reported.

(3) For shipments by other than vessel or air, the carrier shall be identified by name and number or other available designation.

In all cases, the information shall be furnished as to the carrier which transports the merchandise to a foreign country or to an ultimate destination in a nonforeign area, and not as to a different carrier which may have transported the goods to the seaport, airport, or border port of export for final shipment.

(d) Name of exporter and exporter’s Employer Identification Number—(1) Name of exporter. In general, the exporter named on the Shipper’s Export Declaration shall be the principal or seller in the export transaction. For exports moving under validated license, the exporter named on the Shipper’s Export Declaration shall be the licensee named on the validated export license. The address of the exporter (number, street, place, state) shall also be shown. (On Form 7513, if an authorized agent is representing the exporter, the name of the exporter as defined herein should be shown on the line labeled “For account of” where “Principal or seller” is indicated below the line on the form.)

(2) Exporter’s Employer Identification Number. Exporters (or their agents) shall report the exporter’s Internal Revenue Service Employer Identification Number (EIN). If no internal Revenue Service EIN has been assigned, the exporter’s Social Security Number (SSN), preceded by the symbol “SS,” should be reported. The exporter’s SSN shall be reported if, and only if, no Internal Revenue Service EIN has been assigned to the exporter. If neither an Internal Revenue Service EIN nor an SSN has been assigned, for example, in case of a foreign entity as the exporter, the EIN or SSN reporting requirement does not apply.

(e) Agent of exporter (forwarding agent). The name and address of the duly authorized forwarding agent (if any) of the exporter shall be stated. (See §30.4.) (On Form 7513, the information as to agent (if any) should be shown on the line labeled “Exporter,”)
where "Actual shipper or agent" is indicated below the line on the form.)

(f) Ultimate consignee. The name and address (place, country) of the ultimate consignee whether by sale in the United States or abroad or by consignment shall be stated on the export declaration. For exports to foreign countries, the ultimate consignee shall be the same person so designated in the validated export license or authorized to be ultimate consignee under the applicable general license in conformity with Export Administration Regulations.

(g) Intermediate consignee. The name and address of the intermediate consignee (if any) shall be stated. For exports to foreign countries, the intermediate consignee shall be the person named as such in the validated export license or authorized to act as such under the applicable general license and in conformity with the Export Administration Regulations. If there is no intermediate consignee, the word "none" shall be entered on the Shipper’s Export Declaration. (On Form 7513 the name and address of the intermediate consignee (if any) in a foreign country must be shown below the description of commodities across columns 1 through 6.)

(h) Foreign port of unloading. For shipments by vessel and by air the foreign port and country of unloading (i.e., the foreign port and country at which the merchandise will be unladen from the exporting carrier) shall be shown on the Shipper’s Export Declaration in addition to the country of ultimate destination. The reporting of "optional" ports of unloading is not permissible except as provided in the Export Administration Regulations.\(^4\) Where optional ports of unloading are named on the Shipper’s Export Declaration under the permissible conditions, a photocopy, carbon, or other legible copy of the originally filed Shipper’s Export Declaration indicating the actual port of unloading shall be filed by the exporter or his agent with the Customs Director as soon as the actual port of unloading is known to the exporter. (See §30.16 of these regulations.) Information as to port of unloading is required for shipments by vessel and air only.

(i) Country of destination. Country of destination shall be reported on the Shipper’s Export Declaration in terms of the names designated in Schedule C-E, Classification of Country and Territory Designations for U.S. Export Statistics, as follows:

1. For shipments under validated export licenses, the country of ultimate destination shown on the export declaration shall conform to the country of ultimate destination as shown on the license.
2. For shipments not moving under validated export license, the country of ultimate destination as known to the exporter at the time of exportation shall be shown on the export declaration. "Country of ultimate destination" means the country in which the goods are to be consumed or further processed or manufactured. The country to which the goods are being shipped is not the country of ultimate destination for purposes of preparing the Shipper’s Export Declaration if the exporter has knowledge at the time the goods leave the United States that they are intended for reexport or transshipment in their present form to another known country. For goods shipped to Canada, Panama, Hong Kong, Belgium or The Netherlands for example, special care should be exercised before reporting these countries as the ultimate destination, since these are countries through which merchandise from the United States is frequently transshipped. If the shipper does not know the ultimate destination of the goods, the country of destination to be shown on the export declaration is the last country, as known to the exporter at the time of shipment from the United States, to which the goods are to be shipped in their present form. (For instructions as to the reporting of country of destination for vessels sold or transferred from the United States to foreign ownership, see §30.33.)

(j) Marks and numbers. For purposes of identification of the export declaration with the merchandise it covers, the marks, numbers, or other identification shown on the packages should

---

\(^4\) See Export Administration Regulations. (See footnote 2 to §30.2)
(k) Number and kind of packages. The number and kind of packages (i.e., boxes, barrels, baskets, bales, etc.) shall be stated.

(l) Description of commodities and Schedule B number. The correct commodity number as provided in Schedule B, Statistical Classification of Domestic and Foreign Commodities Exported from the United States, shall be entered in the space provided on the Shipper's Export Declaration form, and a description of the merchandise shall be supplied in the "Description of Commodities" column in sufficient detail to permit the verification of the Schedule B commodity number. The name of the commodity, in terms which can be identified or associated with the language used in Schedule B (usually the commercial name of the commodity), and any and all characteristics of the commodity which distinguish it from commodities of the same name covered by other Schedule B classifications shall be clearly and fully stated. Careful reference to the Schedule B classification scheme for related commodities as well as for the commodity being shipped is necessary in order to establish which particular characteristics must be stated in the description to permit verification of the correct Schedule B commodity number and to eliminate any question that some other commodity number might apply. A description of commodities in the kind of detail specified above is a separate requirement, and the furnishing of the correct Schedule B commodity number does not relieve the exporter of furnishing, in addition, a complete and accurate commodity description in accordance with this requirement. If the shipment is moving under a validated license, the description shown on the declaration shall conform with that shown on the validated export license. However, where the description on the license does not state all of the characteristics of the commodity which are needed to completely verify the commodity number, as described above, the missing characteristics, as well as the description shown on the license, shall be stated in the commodity description on the Shipper's Export Declaration.

(m) Export license number and expiration date (or general license symbol). For exports to foreign countries the export license number and expiration date, or the general license symbol shall be shown below the description of the commodity.

(n) Net quantity. Where a unit of quantity is specified in Schedule B for the commodity number in which the item is classified, net quantity is required to be reported in the specified unit, and the unit in which reported should be indicated on the declaration following the net quantity figure. Where the unit of quantity specified in Schedule B is "No." (number), "Each" or the abbreviation "Ea." may be indicated on the declaration as the unit of quantity. If no unit of quantity is specified in Schedule B for a numbered classification, but a validated export license for the item specifies a unit of quantity, the net quantity shall be reported on the declaration in terms of the unit of quantity specified in the validated license. If neither Schedule B nor an applicable validated license specifies a unit of quantity for the item, net quantity is not required to be reported, and an "X" should be entered in the "net quantity" column on the Shipper's Export Declaration. Where Schedule B calls for two units of quantity, net quantity shall be reported in terms of both units. Where the specified unit is in terms of weight (ounces, pounds, etc.) the net quantity should reflect the net weight, exclusive of the weight of barrels, boxes, or other bulky coverings, and exclusive of salt or pickle in the case of salted or pickled fish or meats. Note, however, that for a few commodities where "content lb.," "dry weight," or some similar weight unit is specified in Schedule B, the net quantity to be reported on the Shipper's Export Declaration may be less than the net weight. In the expression of net quantities, fractions of one-half unit or upward will be counted as a whole unit, and fractions of less than one-half unit will be ignored, except that where the total net quantity is less than one-half...
of the unit prescribed for the commodity in Schedule B “Less than one-half (unit)” should be reported. (For example, where the unit for a given commodity is in terms of “M board feet,” a net quantity of 8,400 board feet would be reported as “8 M bd. ft.” and a net quantity of 900 board feet would be reported as “1 M bd. ft.”; however, a total net quantity of 450 board feet should not be ignored but should be reported as “less than one-half M bd. ft.”.)

(o) Gross (shipping) weight. In addition to specifying the net quantity in the units required by Schedule B, the gross shipping weight in pounds, including the weight of containers, shall be shown for all shipments by vessel and air. However, for containerized cargo in lift vans, cargo vans, or similar substantial outer containers, the weight of such containers should not be included in the gross weight of the commodities. If gross shipping weight information is not available for individual Schedule B items for the reason that commodities covered by more than one Schedule B number are contained in the same shipping container, approximate shipping weights, estimated as accurately as is practicable, may be shown on the Shipper’s Export Declaration and is intended only for use in reporting on the Shipper’s Export Declaration and is intended only for use in reporting on the Shipper’s Export Declaration and is intended only for use in reporting on the Shipper’s Export Declaration.

(p) “D” (Domestic) or “F” (Foreign).

(1) The export declaration covering exports to foreign countries shall show foreign goods separately from goods of domestic production. Exports of foreign merchandise include those commodities which are the growth, produce, or manufacture of the United States, including U.S. Foreign Trade Zones, Puerto Rico, or U.S. Possessions (including commodities incorporating foreign components), and those articles of foreign origin which have been enhanced in value or changed from the form in which imported by further manufacture or processing in the United States, including U.S. Foreign Trade Zones, Puerto Rico, or U.S. Possessions.

(2) Exports of domestic merchandise include those commodities which are the growth, produce, or manufacture of the United States, including U.S. Foreign Trade Zones, Puerto Rico, or U.S. Possessions (including commodities incorporating foreign components), and those articles of foreign origin which have been enhanced in value or changed from the form in which imported by further manufacture or processing in the United States, including U.S. Foreign Trade Zones, Puerto Rico, or U.S. Possessions.

(3) The above distinction between domestic and foreign merchandise is intended only for use in reporting on the Shipper’s Export Declaration and is intended only for use in reporting on the Shipper’s Export Declaration.

(4) On the Shipper’s Export Declaration in the column headed “Specify ‘D’ or ‘F’ “, domestic merchandise shall be identified by the designation “D” and foreign merchandise shall be identified by the designation “F.” On the Shipper’s Export Declaration for In-Transit Goods, Form 7513, one of the following statements, whichever is appropriate, shall be shown across the body of the form within columns 1 through 6:

(i) For in-transit shipments of domestic (U.S.) merchandise, “The merchandise described herein is of the growth, production or manufacture of the United States;” and (ii) for in-transit shipments of foreign merchandise, “The merchandise described herein is of foreign origin.”

(q) Value. (1) In general, the value to be reported on the Shipper’s Export Declaration shall be the value at U.S. port of export (selling price or cost if not sold, including inland freight, insurance, and other charges to U.S. port of export) (nearest whole dollar; omit cents figures). Port of Export (Selling price or cost if not sold, including inland freight, insurance and other charges to U.S. port of export) (Nearest whole dollar; omit cents figures). “Selling price” for goods exported pursuant to sale is the exporter’s price to his customer net of any unconditional discounts from list price, but without deducting any discounts which are conditional upon a particular act or performance on the part of the customer.
Commissions to be paid by a U.S. exporter to his agent abroad, or to be deducted from the selling price by the exporter's agent abroad should be excluded. For goods shipped on consignment without a sale actually having been made at the time of export, the "selling price" to be reported on the Shipper's Export Declaration is the market value at the time of export at the United States port from which exported.

(2) The value reported on the Shipper's Export Declaration shall exclude: The cost of loading on the exporting vessel, aircraft, car or vehicle at the port of exportation; freight, insurance, and any other charges or transportation costs beyond the port of export; and any duties, taxes, or other assessments imposed by foreign countries. The value reported shall include inland or domestic freight or other charges to the seaport, airport, or border port of exportation.

(3) The value to be reported as defined above is (or is equivalent to) an f.a.s. (Free alongside ship) value. Therefore, where goods are sold f.o.b. a U.S. point other than the port of exportation, freight, insurance, and other costs to the border, sea, or airport of exportation shall be added to the selling price (as defined above) for purposes of reporting value on the Shipper's Export Declaration. If the actual amount of such domestic costs is not available, an estimate of the domestic costs shall be added. Where goods are sold at a "delivered" price, c.i.f. foreign destination, the cost of loading on the exporting carrier at the port of exportation, if any, and freight, insurance, and other costs beyond the port of exportation should be subtracted from the price for purposes of reporting value on the Shipper's Export Declaration. If the actual amount of such costs is not available, an estimate of the costs should be subtracted. Costs added to or subtracted from the selling price in accordance with the above instructions should not be itemized or shown separately on the Shipper's Export Declaration, but the value reported should be the value after the making of such adjustments, where they are required to arrive at "value at U.S. port of export." In the expression of values in export declarations, fractions of a dollar less than 50 cents should be ignored, and fractions of 50 cents or upward should be counted as $1.

(4) For definitions of the value to be shown on the Shipper's Export Declaration for special types of transactions where the commodities are not being exported pursuant to commercial sales, or where subsidies, government financing or participation, or other unusual conditions are involved, see §30.30.

(r) Date of exportation. Information as to date of exportation is not required to be reported for shipments by vessel or by mail. For other shipments, the date of departure (or date of clearance, if date of departure is not known) shall be shown on the Shipper's Export Declaration as the date of exportation.

(s) Designation of agent and signature. For information regarding the use of the space provided on Form 7525-V and 7525-V-Alternate (Intermodal) for authorization of agent, and for requirements as to signature, see §30.4.

(t) Point (state) of origin or Foreign Trade Zone number. (Not required for in-transit merchandise documented on Form 7513.) (1) The state in which the merchandise actually begins its movement in international trade; that is, the state in which the merchandise actually starts its journey to the port of export. For example, a Shipper's Export Declaration covering merchandise laden aboard a truck at a warehouse in Georgia for transport to Florida for loading onto a vessel for export to a foreign country shall show Georgia as the state of origin. This may not be the state where the merchandise was produced, mined, or grown, or necessarily the state where the exporter is located. The state designation to be shown shall be the U.S. Postal Service's standard two-letter state abbreviation.

(2) For shipments of multistate origin, reported on a single SED, report state of the commodity of the greatest value or, if such information is not known at the time of export, the state in which the commodities are consolidated for export.

(3) For merchandise exported from a U.S. Foreign Trade Zone, the letters "FTZ" followed by the Foreign Trade Zone number shall be reported.
§ 30.9 Requirements for separation and alignment of items on Shipper's Export Declarations.

For each Schedule B classification (see §30.7(f)) for which merchandise is included in the shipment, a separate item shall be shown on the Shipper's Export Declaration and the separate description of commodities, shipping weight, “D” or “F” designation, Schedule B commodity number, net quantity and value for the item shall be correctly aligned horizontally, and clearly distinguishable from information applying to other Schedule B items on the same declaration. However, where merchandise covered by a single Schedule B classification is moving under more than one general license, under more than one validated export license, or under a validated export license which shows two or more listings for the same Schedule B number, a separate item shall be shown on the Shipper's Export Declaration for each license or for each listing on the license. For merchandise moving under validated license, information required by export control regulations as to export license number and expiration date, and information as to whether the export is a partial or complete shipment against the license, shall be shown immediately below the corresponding description of commodities on the Shipper's Export Declaration. Where two or more items are classified under the same Schedule B number and moving under the same general license, or where no license is required, the quantities, values and shipping weights

(3) Date of arrival. The date on which the merchandise arrived in the United States shall be entered.

(d) Country of origin. The name of the country of origin as defined in §30.70(f) shall be indicated.

§ 30.8 Additional information required on Shipper's Export Declaration for In-Transit Goods (Form 7513).

In addition to the information required under §30.7, the following information shall be shown on the Shipper's Export Declaration for In-Transit Goods, Form 7513:

(a) U.S. port of arrival. The U.S. port at which the merchandise covered by the declaration arrived from a foreign country shall be shown.

(b) Country from which shipped. The name of the foreign country where the goods were loaded on the carrier which transported the merchandise to the United States from a foreign country shall be indicated.

(c) Date of arrival. The date on which the merchandise arrived in the United States shall be entered.

(d) Country of origin. The name of the country of origin as defined in §30.70(f) shall be indicated.

§ 30.9 Requirements for separation and alignment of items on Shipper's Export Declarations.

For each Schedule B classification (see §30.7(f)) for which merchandise is included in the shipment, a separate item shall be shown on the Shipper's Export Declaration and the separate description of commodities, shipping weight, “D” or “F” designation, Schedule B commodity number, net quantity and value for the item shall be correctly aligned horizontally, and clearly distinguishable from information applying to other Schedule B items on the same declaration. However, where merchandise covered by a single Schedule B classification is moving under more than one general license, under more than one validated export license, or under a validated export license which shows two or more listings for the same Schedule B number, a separate item shall be shown on the Shipper's Export Declaration for each license or for each listing on the license.

§ 30.9 Requirements for separation and alignment of items on Shipper's Export Declarations.

For each Schedule B classification (see §30.7(f)) for which merchandise is included in the shipment, a separate item shall be shown on the Shipper's Export Declaration and the separate description of commodities, shipping weight, “D” or “F” designation, Schedule B commodity number, net quantity and value for the item shall be correctly aligned horizontally, and clearly distinguishable from information applying to other Schedule B items on the same declaration. However, where merchandise covered by a single Schedule B classification is moving under more than one general license, under more than one validated export license, or under a validated export license which shows two or more listings for the same Schedule B number, a separate item shall be shown on the Shipper's Export Declaration for each license or for each listing on the license.

For merchandise moving under validated license, information required by export control regulations as to export license number and expiration date, and information as to whether the export is a partial or complete shipment against the license, shall be shown immediately below the corresponding description of commodities on the Shipper's Export Declaration. Where two or more items are classified under the same Schedule B number and moving under the same general license, or where no license is required, the quantities, values and shipping weights

(3) Date of arrival. The date on which the merchandise arrived in the United States shall be entered.

(d) Country of origin. The name of the country of origin as defined in §30.70(f) shall be indicated.

§ 30.8 Additional information required on Shipper's Export Declaration for In-Transit Goods (Form 7513).

In addition to the information required under §30.7, the following information shall be shown on the Shipper's Export Declaration for In-Transit Goods, Form 7513:

(a) U.S. port of arrival. The U.S. port at which the merchandise covered by the declaration arrived from a foreign country shall be shown.

(b) Country from which shipped. The name of the foreign country where the goods were loaded on the carrier which transported the merchandise to the United States from a foreign country shall be indicated.

(c) Date of arrival. The date on which the merchandise arrived in the United States shall be entered.

(d) Country of origin. The name of the country of origin as defined in §30.70(f) shall be indicated.

§ 30.9 Requirements for separation and alignment of items on Shipper's Export Declarations.

For each Schedule B classification (see §30.7(f)) for which merchandise is included in the shipment, a separate item shall be shown on the Shipper's Export Declaration and the separate description of commodities, shipping weight, “D” or “F” designation, Schedule B commodity number, net quantity and value for the item shall be correctly aligned horizontally, and clearly distinguishable from information applying to other Schedule B items on the same declaration. However, where merchandise covered by a single Schedule B classification is moving under more than one general license, under more than one validated export license, or under a validated export license which shows two or more listings for the same Schedule B number, a separate item shall be shown on the Shipper's Export Declaration for each license or for each listing on the license.

For merchandise moving under validated license, information required by export control regulations as to export license number and expiration date, and information as to whether the export is a partial or complete shipment against the license, shall be shown immediately below the corresponding description of commodities on the Shipper's Export Declaration. Where two or more items are classified under the same Schedule B number and moving under the same general license, or where no license is required, the quantities, values and shipping weights

(3) Date of arrival. The date on which the merchandise arrived in the United States shall be entered.

(d) Country of origin. The name of the country of origin as defined in §30.70(f) shall be indicated.
§ 30.10 Continuation sheets for Shipper’s Export Declaration.

When more horizontal lines than the number provided on the Shipper’s Export Declaration form are required to list all of the merchandise covered by the declaration, Continuation Sheets should be utilized. In lieu of official Continuation Sheets, additional copies of the Shipper’s Export Declaration form with no portion torn off or removed, may be used as continuation sheets. All continuation sheets shall be numbered in proper sequence and securely stapled to the first sheet, which must be the export declaration itself. Each continuation sheet shall show the Customs port of exportation and the country of ultimate destination for the shipment. The following statement with the blank filled in as appropriate shall be inserted on the last line of the description column of the Shipper’s Export Declaration itself:

“This declaration consists of this sheet and No. —— continuation sheets.”

[41 FR 9134, Mar. 3, 1976, as amended at 50 FR 23403, June 4, 1985]

§ 30.11 Authority to require production of documents.

For purposes of verifying the completeness and accuracy of the information reported as required under §§30.7 and 30.8, and for other purposes under the regulations in this part, Customs is authorized to require the owners and operators of exporting carriers, as well as the exporters or their agents, either at the time of exportation or within a period of 3 years subsequent thereto, to produce for inspection or copying shipping documents, invoices, orders, packing lists, correspondence, as well as any other relevant documents and to furnish other information bearing upon a particular exportation. The Bureau of the Census is similarly authorized to require the production of such documents. Customs shall refuse to accept Shipper’s Export Declarations containing known errors and omissions, and may require their correction, but acceptance by the Customs Director shall not be construed as evidence that all requirements have been met, and such acceptance shall not relieve the exporter of the responsibility to furnish complete and correct information at a later time if all requirements have in fact not been properly met.

§ 30.12 Time and place Shipper’s Export Declarations required to be presented.

For shipments by mail, the Shipper’s Export Declaration as required in §30.1 shall be presented to the postmaster with the packages at the time of mailing. For shipments other than by mail, except as otherwise provided, the Shipper’s Export Declaration in the number of copies required by §30.5 shall be delivered to the exporting carrier prior to exportation. It is the duty of the exporter (or his agent) to deliver the required number of copies of the Shipper’s Export Declaration to the exporting carrier prior to exportation; failure of the exporter (or his agent) to do so constitutes a violation of the provisions of these regulations, and renders such exporter (or his agent) subject to the penalties provided for in §30.95. For shipments by pipeline, the Shipper’s Export Declaration is not required to be presented prior to exportation, and
exportation will be permitted upon the understanding that the exporter or his agent, within 4 working days after the end of each calendar month, will file with the Customs Director having jurisdiction for the pipeline, a Shipper's Export Declaration in the number of copies specified in § 30.5 to cover exports to each consignee during the calendar month.

§§ 30.13—30.14 [Reserved]

§ 30.15 Procedure for presentation of declarations covering shipments from an interior point.

For shipments from an interior point, the Shipper's Export Declaration in the number of copies required in §30.5 may be prepared and delivered by the exporter or his agent to the inland carrier to accompany the merchandise to the exporting carrier at the seaport, airport, or border port of exportation, or it may be otherwise delivered directly to the exporting carrier. In either case, the Shipper's Export Declaration must be in the exporting carrier's possession prior to exportation. In either case, the Shipper's Export Declaration must be in the exporting carrier's possession prior to exportation. (See §30.6 for requirements for a separate set of Shipper's Export Declarations, for each car, truck or other vehicle, covering only the merchandise exported in that car, truck, or vehicle.)

§ 30.16 Corrections to Shipper's Export Declarations.

Exporters (or their agents) shall report corrections, cancellations, or amendments to information reported on Shipper's Export Declarations to the Customs Director at the port of exportation (or, in the case of mail shipments, to the Postmaster at the post office where the shipment was mailed) as soon as the need to such correction, cancellation, or amendment is determined. Such corrections, cancellations, or amendments may be made directly onto the originally filed Shipper's Export Declaration if the originally filed declarations have not already been mailed to the Bureau of the Census. If the originally filed Shipper's Export Declarations have already been mailed to the Bureau of the Census, a photocopy, carbon, or other legible copy of the originally filed Shipper's Export Declaration, on which the incorrect data are neatly lined out and the corrected data entered thereon, shall be promptly filed with the Customs Director at the port of exportation (or, in the case of mail shipments, with the Postmaster at the post office where the shipment was mailed). Such correction copies should have the words "CORRECTION COPY" conspicuously shown in the upper right portion of the form. The provisions of this paragraph relating to the reporting of corrections, amendments, or cancellations of information, shall not be construed as a relaxation of the requirements of the laws and regulations pertaining to the preparation and filing of Shipper's Export Declarations.

[42 FR 56604, Oct. 27, 1977]

Subpart B—General Requirements—Exporting Carriers

§ 30.20 General statement of requirement for the filing of manifests and Shipper's Export Declarations by carriers.

(a) Carriers transporting merchandise from the United States, Puerto Rico, or U.S. Possessions to foreign countries; from the United States or Puerto Rico to the Virgin Islands of the United States; or between Puerto Rico and the United States; shall not be granted clearance, where clearance is required, and shall not depart, where clearance is not required, until manifests (for vessels, aircraft, and rail carriers) and Shipper's Export Declarations have been filed with the Customs Director as specified in paragraphs (b) through (d) of this section, except as provided in §30.24. Where for reasons beyond the control of the exporting carrier, a given declaration (or declarations) has not been received prior to exportation or departure, and the merchandise has been laden, such carrier shall not as a result of this circumstance be required to off-load the merchandise, or to delay its clearance (where clearance is required) or departure (if clearance is not required). However, the provisions of §30.24 remain applicable.

(b) For carriers transporting merchandise from the United States to Puerto Rico, the complete manifest, as required, and all required Shipper's Export Declarations shall be filed within
§ 30.21 Requirements for the filing of manifests.

(a) Vessels. Vessels transporting merchandise as specified in §30.20 (except vessels exempted by paragraph (d) of this section) shall file a complete Cargo Declaration, Customs Form 1302, or a Cargo Declaration Outward With Commercial Forms, Customs Form 1302-A, either form with copies of bills of lading or equivalent commercial forms relating to all cargo encompassed by the manifest attached thereto. The manifest shall be filed with the Customs Director at the respective ports where the merchandise is laden (for shipments from the United States to Puerto Rico, the manifest shall be filed with the Customs Director in the port where the merchandise is unladen in Puerto Rico), and shall show the destination of the vessel and list all the cargo so laden. For each item of cargo, the manifest shall show a description of the articles, contents, quantities, and values; however, a notation on the Cargo Declaration that values are as stated on the Shipper’s Export Declarations, copies of which are attached to such manifest, will be accepted. There shall also be shown for each item of cargo the bill of lading number on the Shipper’s Export Declaration covering the item, except that bill of lading numbers are not required on manifests covering cargo destined for Canada or a nonforeign area. If an item on a Cargo Declaration is one for which a Shipper’s Export Declaration is not required, a notation shall be inserted on the Cargo Declaration as to the basis for the exemption with a reference to the number of the section in the regulations where the particular exemption is provided. The bills of lading, cargo lists, or other commercial forms must be securely attached to the Cargo Declaration in such manner as to constitute one document; that they are incorporated by suitable reference on the face of the form such as “Cargo as per bills of lading attached,” or “Cargo as per commercial forms attached,” and that there is shown on the face of each bill the information required by the Cargo Declaration for the cargo covered by that document. The manifest of vessels (including vessels taking bunker fuel to be laden aboard vessels on the high seas) clearing for foreign countries shall also show the quantities and values of bunker fuel taken aboard at that port for fueling use of the vessel, apart from such quantities as may have been laden on vessels as cargo. The quantity of coal shall be reported in metric tons (2240 pounds), and the quantity of fuel oil shall be reported in barrels of 158.98 liters (42 gallons). Fuel oil shall be described in such manner as to identify diesel oil as distinguished from other types of fuel oil.

(b) Aircraft. Aircraft transporting merchandise as specified in §30.20 shall file a complete manifest on Customs
Form 7509. Such manifest shall be filed with the Customs Director at the respective ports where the merchandise is laden (for shipments from the United States to Puerto Rico, the manifests shall be filed with the Customs Director in the port where the merchandise is unladen in Puerto Rico) aboard the aircraft that is to carry the merchandise to the foreign country or to its ultimate destination in a nonforeign area, and shall list all the cargo so laden and show, for each item, the air waybill number or marks and numbers on packages, the number of packages, and the nature of the goods, except as otherwise provided in this paragraph (b). In addition, for any item for which a Shipper’s Export Declaration is not required under the regulations in this part, a notation as to the basis for the exemption with a reference to the number of the section in this part where the particular exemption is provided, shall be inserted on the manifest, or on the waybill filed in lieu of listing on the manifest. In the case of shipments on an air waybill, a copy of each document may be attached to the cargo manifest, the numbers of such air waybills listed in the body of the manifest, and the statement “Cargo as per Air Waybills Attached” noted on the manifest. On direct departures only, for shipments requiring a Shipper’s Export Declaration a copy of each declaration may be attached to the cargo manifest. In such case the air waybill numbers of such declarations shall be listed on the cargo manifest in the column for air waybill numbers, and the statement “Cargo as per SEDs Attached” noted on the manifest. Under this alternative procedure, any shipments not requiring a Shipper’s Export Declaration shall be listed on the manifest, and a notation as to the basis for the exemption with a reference to the number of the section in this part where the particular exemption is provided, shall be shown.

(c) Rail carriers. Rail carriers transporting merchandise as specified in §30.20 shall file a car manifest. Such manifest shall be filed with the Customs Director at the border port of exportation, giving the marks and numbers, the name of the shipper or consignor, description of goods and the destination thereof. The manifest may be a waybill, or a copy thereof, or a copy of the manifest prepared for foreign customs. For any item for which a Shipper’s Export Declaration is not required by these regulations, a notation on the manifest, or an oral declaration to the Customs Director, shall be made by the carrier as to the basis for the exemption.

(d) Carriers not required to file manifests. These regulations do not require the filing of manifests by carriers other than vessels, aircraft and rail carriers, nor by vessels under 5 net tons engaged in trade with a foreign country otherwise than by sea, nor by vessels specifically exempted from entry by section 441, Tariff Act of 1930, as amended.


§ 30.22 Requirements for the filing of Shipper’s Export Declarations by departing carriers.

(a) To meet the requirements of §30.20 for the filing of Shipper’s Export Declarations, every departing carrier transporting merchandise as specified in §30.20, including vessels, aircraft, rail carriers, trucks and other vehicles, ferries, and every other carrier shall deliver to the Customs Director at the port of exportation (for shipments from the United States to Puerto Rico, at the port of arrival in Puerto Rico), with the manifest of the carrier, if a manifest is required by the regulations in this part, Shipper’s Export Declarations prepared and signed by the exporters, or their agents, covering all
§ 30.23 Requirements for the filing of Shipper’s Export Declarations by pipeline carriers.

The operator of a pipeline may transport merchandise to a foreign country without prior filing of Shipper’s Export Declarations, on the condition that within 4 days following the end of each calendar month the pipeline operator will deliver to the Customs Director of the pipeline’s Export Declarations prepared by the exporter or his agent covering the cargo for which such Shipper’s Export Declarations are required by the regulations in this part.

(b) The exporting carrier shall be responsible for the accuracy of the following items of information (where required) on the declaration: Name of carrier (including flag if vessel carrier), U.S. Customs port of exportation, method of transportation from the United States, foreign port of unloading, the bill of lading or air waybill number, and whether or not containerized. For shipments to Canada exempt from Shipper’s Export Declaration filing requirements (See § 30.58), the exporting carrier shall enter the U.S. Customs port of exportation and method of transportation from the United States on the bill of lading, air waybill, or other documents that they prepare.

(c) Except as provided in paragraph (d) of this section, when a transportation company finds, prior to the filing of declarations and manifest as provided in paragraph (a) of this section, that due to circumstances beyond the control of the transportation company or to inadvertence, a portion of the merchandise covered by an individual Shipper’s Export Declaration has not been exported on the intended carrier, the transportation company shall correct the descriptions and the quantity, value and shipping weight (if any) amounts shown on the declaration to reflect the amount actually exported on the carrier named in the Shipper’s Export Declaration. If a short shipment of this type is discovered by the carrier after the Shipper’s Export Declaration in question has been delivered to the District Director of Customs, the transportation company will immediately notify the District Director of Customs so that a correction can be made by the Director on all copies of the declaration if it is still in his possession. If the statistical copy of the declaration has been transmitted by the Director to the Bureau of the Census at the time of such notification, the Director will require the exporter (or his agent) to file a “Correction Copy” of the originally filed Shipper’s Export Declaration as described in § 30.16 of these regulations. If the balance of the short-shipped merchandise is subsequently exported, a new Shipper’s Export Declaration, complete in all detail, will be required. If the short-shipped merchandise is exported on a carrier of the transportation company named in the original declaration, and if such exportation is made within a reasonable period, the District Director of Customs may accept a declaration executed by such transportation company; otherwise the new declaration shall be executed by the exporter or his agent. In any event, the new declaration shall contain the following statement:

These commodities or technical data were included, but not shipped, on a Shipper’s Export Declaration filed at ______ (Port) on ______ (Date).

(d) When a shipment by air covered by a single Shipper’s Export Declaration is divided by the transportation company and exported in more than one aircraft of the transportation company, the “split shipment” procedure provided in § 30.41 shall be followed by the transportation company in delivering manifests and Shipper’s Export Declarations to the District Director of Customs.

(e) Exporting carriers are authorized to amend incorrect shipping weights reported on Shipper’s Export Declarations, and to prorate total shipping weights among the individual commodities, where such carriers are able to do so based upon information in their possession.


all exportations through the pipeline to each consignee during the month.

§ 30.24 Clearance or departure of carriers under bond on incomplete manifest or Shipper’s Export Declarations.

(a) For purposes of the regulations in this part, except when carriers are transporting merchandise from the United States to Puerto Rico, clearance (where clearance is required) or permission to depart (where clearance is not required) may be granted to any carrier by the Customs Director prior to the filing of a complete manifest as required under the regulations in this part, or prior to the filing by the carrier of all required Shipper’s Export Declarations, provided that a bond as specified in paragraph (b) of this section is filed with the Customs Director. The condition of the bond shall be that a complete manifest, where a manifest is required by the regulations in this part and all required Shipper’s Export Declarations, shall be filed by the carrier not later than the fourth business day after clearance (where clearance is required) or departure (where clearance is not required) of the carrier except as otherwise specifically provided in paragraphs (a) (1) and (2) of this section. For carriers transporting merchandise from the United States to Puerto Rico, if the complete manifest, as required, and all required Shipper’s Export Declarations are not filed with the Customs Director in Puerto Rico within one business day after arrival, a bond, as specified in paragraph (b) of this section shall be filed with the Customs Director in Puerto Rico.

(1) For shipments aboard a U.S. flag carrier between the United States and Puerto Rico, or from the United States or Puerto Rico to the Virgin Islands of the United States, the condition of the bond shall be that a complete manifest (where a manifest is required) and all required Shipper’s Export Declarations shall be filed by the carrier not later than the seventh business day after departure or in the case of shipments from the United States to Puerto Rico, the seventh business day after arrival.

(2) For rail carriers to Canada, the condition of the bond shall be that the manifest and all required Shipper’s Export Declarations shall be filed not later than the 15th business day after departure.

In the event that any required manifest and all required Shipper’s Export Declarations are not filed by the carrier within the period provided by the bond, then a penalty of $50 shall be exacted for each day’s delinquency beyond the allowed period of 4 days, 7 days, or 15 days, as appropriate; and if the completed manifest, where required, and all required Shipper’s Export Declarations are not filed within 3 days following the period of 4 days, 7 days, or 15 days, allowed under the bond, then for each succeeding day of delinquency a penalty of $100 shall be exacted, but no penalty shall exceed $1,000 in total. Remission or mitigation of the penalties provided herein may be granted in those cases where, in the judgment of the administering authority provided in paragraph (b) of this section, the penalties were incurred without willful negligence or fraud, or other circumstances justify a remission or mitigation.

(b) Bonds filed in accordance with the provisions of this § 30.24 may take the form of a single entry bond on Customs Form 7567 in the amount of $1,000 or of a term or blanket bond on Customs Form 7569 in the amount of $10,000 or such larger amount as the Secretary of the Treasury may prescribe, or in other approved form. Except as provided below in this paragraph, there shall be shown on the bond, or on a separate listing which refers to and is made a part of the bond, a pro forma list of shipments on board the departing carrier for which Shipper’s Export Declarations have not been filed with the Customs Director. The list shall show for each such shipment the name of the shipper, the country to which exported, marks and numbers of the packages, the number and kind of packages, a description of the goods and the value (or estimated value). However, where such waiver will not interfere with the ability of the Customs Director to check on performance under the bond, or with the identification of the shipment for purposes of obtaining statistical information in the event of failure of performance under the bond, the Customs Director may waive the requirement...
Subpart C—Special Provisions Applicable Under Particular Circumstances

§ 30.30 Values for certain types of transactions.

The following special arrangements govern the values to be reported for shipments of the following unusual types:

(a) Subsidized exports of agricultural products. Where provision is made for the payment of an export subsidy to the exporter for the exportation of agricultural commodities under a program of the Department of Agriculture, the value required to be shown on the export declaration is the f.a.s. value as defined in §30.7(q), based on the selling price paid by the foreign importer, excluding the amount of the subsidy.

(b) GSA exports of excess personal property. For exports of General Services Administration excess personal property, the value to be shown on the Shipper's Export Declaration will be the total of the estimated “fair value,” if any, at which the property was transferred to GSA by the holding agency, plus charges, when applicable, to the port of export, such as packing, rehabilitation, inland freight or drayage. The estimated “fair value” may be zero, or it may be a percentage of the original or estimated acquisition costs. Export Declarations for such shipments will bear the notation “Excess Personal Property, GSA Regulations 1-III, 303.03.”

§ 30.31 Identification of certain non-statistical and other unusual transactions.

In order to enable the Bureau of the Census to make a judgment as to the statistical or other status of certain export transactions, Shipper's Export Declarations covering the following types of transactions should carry a statement beneath the commodity description clearly identifying the transactions as such:

(a) Merchandise exported for repair only, and other temporary exports to be returned to the United States which are not sold and do not enter the trade of the country to which shipped, e.g., merchandise for exhibition (not for exhibition and possible sale), horses or other animals for breeding or grazing, etc.

(b) The return of merchandise previously imported for repair only and other returns to the foreign shipper of temporarily imported merchandise (declared as such on importation) on which no alteration or processing has been performed; e.g., foreign merchandise being returned to the country of origin after importation into the United States for exhibition only.

(c) Shipments of material in connection with construction, maintenance, and related work being done on projects for the U.S. Armed Forces. Equipment and other material shipped for temporary use on such projects and intended for return to the United States should be identified separately from construction material or other goods which will become a part of or which will be consumed in the construction or maintenance work.

§ 30.32 [Reserved]

§ 30.33 Vessels, planes, cargo vans, and other carriers and containers sold foreign.

(a) Vessels, locomotives, rail cars, ferries, trucks, other vehicles, trailers, pallets, cargo vans, lift vans, or similar shipping containers are not considered “shipped” in terms of these regulations in this part when they are moving, either loaded or empty, without transfer of ownership or title, in their capacity...
§ 30.37 Exceptions from the requirement for reporting complete commodity detail on the Shipper's Export Declaration.

(a) When it can be determined that particular types of U.S. Government shipments, or shipments for Government projects, are of such nature that they should not be included in the export statistics, and further, where no detriment to the export control program would be imported, special arrangements can sometimes be made to

§ 30.34 Return of exported cargo to the United States prior to reaching its final destination.

(a) When a vessel carrying cargo which cleared from a port in the U.S. Customs area returns to the U.S. Customs area before it reaches its destination and discharges any or all of its cargo in the United States, the Customs Director at the port of unloading shall notify the Foreign Trade Division, Bureau of the Census, of this fact. The letter of notification shall contain the following information: Name of the carrier, dates of clearance, manifest numbers assigned at the various Customs ports at which cargo was laden and the final disposition of all cargo. If the vessel returns to the port at which the cargo was originally laden, the letter of notification shall also include the bill of lading numbers shown on each export declaration filed at the time of clearance.

(b) However, Shipper’s Export Declarations shall be filed for such items, when moving as merchandise pursuant to sale or other transfer from ownership in the United States to ownership abroad. When a new vessel built in the United States for foreign account clears under a certificate of record (Commerce Form 1316) a Shipper’s Export Declaration must be furnished by the agents or prepared by Customs for statistical purposes. If a vessel, car, vehicle, or container, whether in service or newly built or manufactured, is sold or transferred to foreign ownership while in the Customs area of the United States or at a port in such area, Shipper’s Export Declarations shall be filed in accordance with the general requirements of the regulations in this part, at the port through or from which the vessel, car, vehicle, or container first leaves the United States after sale or transfer. If the vessel, car, vehicle, or shipping container is outside the Customs area of the United States at the time of sale or transfer to foreign ownership, Shipper’s Export Declarations shall be filed at the last port of clearance or departure from the United States prior to sale or transfer. The country of destination to be shown on the Shipper’s Export Declaration for vessels sold foreign is the country of new ownership. The country for which the vessel clears, or the country of registry of the vessel, should not be reported as the country of destination on the Shipper’s Export Declaration unless such country is the country of new ownership.

§§ 30.35–30.36 [Reserved]
 waived compliance with specific portions of the requirements of §30.7 with respect to the reporting of detailed information on the Shipper’s Export Declaration. Such exceptions will be made only upon application by the exporter and specific authorization to the Customs Director and the exporter for the particular project or shipment, approved by both the Bureau of the Census and the Office of Export Administration, and will be conditioned upon a prescribed identification which must appear upon the declarations. The particular types of shipments for which such exceptions may be possible are as follows:

1. Shipments to a contractor under a Department of Defense or other armed service contract for the construction of facilities for the use of the U.S. armed services.
2. Temporary exports by or to U.S. Government agencies.
3. Shipments of supplies and material to contractors in the Panama Canal Zone for the construction and/or maintenance of the Panama Canal Zone and its facilities.

(b) Special exemptions to specific portions of the requirements of §30.7 with respect to the reporting of detailed information on the Shipper’s Export Declaration may also be granted by the Bureau of the Census with the concurrence of the Office of Export Administration for certain Department of Defense shipments, or shipments made on behalf of the Department of Defense, to foreign governments under the cash reimbursable provisions of the Mutual Defense Assistance Program (military sales). If and when arrangements have been made for the Bureau of the Census to obtain the desired statistical information other than through the reporting of complete commodity detail on the Shipper’s Export Declaration.

§ 30.38 [Reserved]  

§ 30.39 Authorization for reporting statistical information other than by means of individual Shipper’s Export Declarations filed for each shipment.  

(a) A Customs Director, if he finds that no administrative difficulties are involved, may authorize the filing of one Shipper’s Export Declaration per month, in lieu of a declaration for each shipment as required by §30.6, for the following types of frequently recurring shipments by air from a single consignor from one U.S. airport to one country of destination and one port of unloading via a single airline:
1. Newspapers and magazines.
2. Newsreel films, mats, proofs, etc.
3. Airline timetables being shipped by the airline.

(4) Shipments of registered carrier stores handled by a United States or Canadian airline to each of its installations or agents abroad which are exported under General License RCS of the Export Administration Regulations set forth in §371.12(d) of this title. Such authorization will be subject to the requirement that a declaration covering all such shipments made during the month named on the declaration will be filed by the consignor with the Customs Director no later than the fifth working day of the month following the month covered, and also except for shipments under paragraph (a)(4) of this section, subject to the requirement that a Continuation Sheet or other attachment filed with the declaration will list the names of the individual consignees and the number of items shipped to each.

(b) In addition to the procedures authorized in paragraph (a) of this section, the Bureau of the Census, with the concurrence of the Office of Export Administration, may, on an individual case basis, authorize exemption from the requirement of §30.6 that an export declaration be filed for each shipment, the exemption to be conditioned upon the filing, after the close of each month, of a single export declaration or other statistical report, in an approved format including punch cards, computer tapes, etc., covering shipments made during the month to all destinations except countries prohibited by the Export Administration Regulations of the Office of Export Administration (Parts 368-399 of this title), as follows:

7 Country groups are established and maintained by the Office of Export Administration. See Export Administration Regulations (15 CFR Parts 368-399) for lists of countries included in each country group.
(1) Application for permission to file export information on a monthly basis may be made directly to the Foreign Trade Division, Bureau of the Census, Washington, D.C. 20233, with a copy sent to the Office of Export Administration, International Trade Administration, Washington, D.C. 20230.

(2) Authorization will be issued only when in the judgment of the Bureau of the Census complete and accurate information will be available on a monthly basis from the records of the applicant, and where the exemption from the filing of a Shipper's Export Declaration for individual shipments represents a reduction of reporting procedure in the individual case. (In general, these special reporting procedures will be limited to shippers who, on a continuing basis, make at least twenty (20) shipments per month out of an individual port by each of any one or more methods of transportation, and who are able to furnish summary data each month in all the detail required for statistical processing in terms of the various classifications and cross-classifications now required for statistical purposes, such as commodity data by port, by method of transportation and/or by name of carrier.) Where export control is a consideration, such authorizations will be granted when in the judgment of the Office of Export Administration the applicant also has demonstrated that it has established adequate internal operating procedures and has taken other satisfactory safeguards to assure compliance with Export Administration Regulations without government review of individual declarations.

(3)(i) Procedures for clearing individual shipments through Customs without the presentation of a declaration, and the exact type of monthly or other report to be delivered, will be discussed and specifications developed in connection with each application.

(ii) Such authorizations will be subject to the requirement that declarations or other approved summarizations containing the necessary statistical information for all such shipments made during a given month will be submitted no later than the fifth working day of the month following the month of export. Moreover, records must be maintained in such a manner that the Bureau of the Census, the Office of Export Administration, or the U.S. Customs Service may, if desired, verify that a given shipment was, in fact, included in a particular monthly report.

(c) Authorization for the filing of monthly declarations or other summarizations under paragraphs (a) and (b) of this section may be terminated at any time.

(d) Part 396 of the Department of Commerce Export Administration Regulations contains complete information on the requirements of the Office of Export Administration in connection with the granting of authorizations for the filing of monthly summaries of export shipments.

(e) Exporters (or their agents) of merchandise for storage in Canada but ultimately destined for third countries, the specific country of destination being unknown at the time of exportation to Canada, must report statistical information directly to the Bureau of the Census in lieu of filing individual Shipper's Export Declarations for each shipment. The information required will be no more detailed than that which would be reported on a Shipper's Export Declaration.

§ 30.40 Single declaration for multiple consignees.

As a further exception to the requirements of §30.6, shipper's are authorized, subject to the approval of the Customs Director, to file one Shipper's Export Declaration (in duplicate) for all shipments, other than those made to U.S. Government agencies, offices, establishments, or representatives of any of these which are laden on one vessel or aircraft and destined to go to one port in Puerto Rico, the Virgin Islands of the United States, or the Canal Zone. For such shipments no consignee information needs to be furnished whether such shipments are made to one or several consignees.

§ 30.41 “Split shipments” by air.

When a shipment by air covered by a single Shipper’s Export Declaration is divided by the exporting transportation company at the port where the declaration is filed, and part of the shipment is exported on one aircraft and part on another aircraft of the same transportation company, the following procedure shall apply:

(a) The carrier will deliver the manifest copy of the declaration to the District Director of Customs with the manifest covering the flight on which the first part of the split shipment is exported, and will make no changes on the declaration. However, the manifest will show in the “number of packages” column the actual portion of the declared total quantity being carried and will carry a notation to indicate “Split Shipment.”

(b) On each subsequent manifest covering a flight on which any part of a split shipment is exported, a prominent notation “SPLIT SHIPMENT” will be made adjacent to the item on the manifest for ready identification. For the last shipment the notation will read “SPLIT SHIPMENT, FINAL.”

Each subsequent manifest covering a part of a split shipment shall also show in the “number of packages” column only the merchandise carried on that particular flight and a reference to the total amount originally declared for export, e.g., 5 of 11, or 5/11; and immediately following the line showing the portion of the split shipment carried on that flight, a notation will be made showing the air waybill number shown on the original Shipper’s Export Declaration and the portions of the originally declared total carried on each previous flight together with the number and date of each such previous flight, e.g., original Shipper’s Export Declaration AWB 123; 2 of 11 flight 36A, June 6; 4 of 11 flight 40X, June 10.

(c) Export declarations will not be required for these subsequent shipments.

§ 30.50 Procedure for shipments exempt from the requirements for Shipper’s Export Declarations.

Except as provided below, where an exemption from the requirement for the filing of a Shipper’s Export Declaration is provided in this subpart, a notation describing the basis for the exemption shall be made on the bill of lading, air waybill, or other loading document for carrier use, with a reference to the number of the section in this part where the particular exemption is provided so that the carrier at the time of lading, and the Customs Director at the time of exportation, may verify that no declaration is required.

If none of the above named documents is used, the person transporting the merchandise must be prepared to identify to the Customs Director at the port of exportation, at the time of exportation but prior to departure, any merchandise which is exempt from the requirement for the filing of a Shipper’s Export Declaration and explain to the Customs Director the basis for the exemption. Where shipments are exempt from the requirement for Shipper’s Export Declarations on the basis of value and destination, the appearance of the value and destination on the bill of lading, air waybill, or other loading document for carrier use, shall be acceptable as evidence of the exemption, and no reference need be made to the particular section of these regulations where the exemption is provided.

§ 30.51 Government shipments not generally exempt.

Except as provided below in this subpart, Shipper’s Export Declarations are required for exports by or to U.S. Government agencies, whether or not shipped on a Government bill of lading. No general exemption is provided for Government shipments, as such.
§ 30.52 Special exemptions for shipments to the U.S. armed services.

Shipper’s Export Declarations are not required for the following types of shipments to the U.S. armed services:

(a) All commodities, whether shipped commercially or through government channels, consigned to the U.S. armed services for their exclusive use, including shipments to armed services exchange systems. (This exemption does not apply to shipments which are for the ultimate use of the U.S. armed services but which are not consigned to the U.S. armed services. However, special exceptions to the requirements of these regulations which may in some circumstances apply to shipments for the ultimate use of the U.S. armed services but not so consigned are provided in §30.37.)

(b) Department of Defense Military Assistance Program Grant-Aid shipments being transported as Department of Defense cargo under the provisions of Customs Circular Letters VES-5-MA, March 8, 1954, (MC 133), VES-5-MA, June 17, 1954 (MC 133 S.1), VES-5-MA, May 24, 1956 (MC 133 S.2) and RES-20-MC, January 25, 1960 (CC 76). Under arrangements with the Department of Defense, information on these shipments for inclusion in U.S. export statistics will be furnished directly to the Bureau of the Census by the Department of Defense. This exception from the filing of Shipper’s Export Declarations does not apply to Military Assistance Program Grant-Aid shipments to which a foreign government has taken title before exportation or to any Grant-Aid Military-Aid Program shipment moving in any manner other than as Department of Defense cargo. (See §30.37 for possible exceptions to the full reporting requirements of §30.7 for certain military sales shipments not exempt from the requirement for the Shipper’s Export Declaration.)

§ 30.53 Special exemptions for certain shipments to U.S. Government agencies and employees.

Shipper’s Export Declarations are not required for the following types of shipments to U.S. Government agencies and employees:

(a) Office furniture, office equipment, and office supplies shipped to and for the exclusive use of U.S. Government offices.

(b) Household goods and personal property shipped to and for the exclusive and personal use of U.S. Government employees.

(c) Food, medicines, and related items and other commissary supplies shipped to U.S. Government offices or employees for the exclusive use of such employees, or to U.S. Government employee cooperative or other associations for subsequent sale or other distribution to such employees.

(d) Books, maps, charts, pamphlets, and similar articles shipped by U.S. Government offices to U.S. or foreign libraries, government establishments or similar institutions.

(e) All commodities shipped to and for the exclusive use of the Panama Canal Zone Government or the Panama Canal Company.

§ 30.54 Special exemptions for mail shipments.

Shipper’s Export Declaration are not required for the following kinds of shipments by mail:

(a) Shipments (except shipments requiring a validated export license) where one or more of the following conditions are present:

(1) Either the consignor or the consignee is not a business concern.

(2) The shipment is valued at $500 or under.

(3) The goods are not mailed for commercial consideration.

(b) Technical data regardless of value, licensing requirements, and the other criteria set forth in paragraph (a) of this section.


§ 30.55 Miscellaneous exemptions.

Shipper’s Export Declarations are not required for the following kinds of shipments:

(a) Diplomatic pouches and their contents.

(b) Human remains and accompanying appropriate receptacles and flowers.
(c) Shipments from one point in the United States to another thereof by routes passing through Mexico.

(d) Shipments from one point in Mexico to another point thereof by routes through the United States.

(e) Shipments, other than by vessel, or merchandise for which no validated export licenses are required, transported in bond through the United States, and exported from another U.S. port, or transshipped and exported directly from the port of arrival.

(f) Shipments to foreign libraries, government establishments, or similar institutions, as provided in §30.53(d).

(g) Shipments of single gift parcels as encompassed by Office of Export Administration General License GIFT.

(h) Except as noted below, shipments destined to Canada, Country Groups T or V (See Supplement No. 1 to part 770 of the Export Administration Regulations—15 CFR), Puerto Rico, or the Virgin Islands of the United States where the value of commodities, shipped from one exporter to one consignee on a single exporting carrier, classified under the individual Schedule B number(s) is $2,500 or less.

1. This exemption applies to individual Schedule B commodity numbers regardless of the total shipment value. In instances where a shipment, meeting the above criteria, contains a mixture of individual Schedule B commodity numbers valued over $2,500 and less and individual Schedule B commodity numbers valued over $2,500, thus necessitating the preparation of a Shipper’s Export Declaration, those commodity numbers valued over $2,500 should not be reported on the declaration.

2. This exemption does not apply to shipments:
   (i) Exported through the U.S. Postal Service (See §30.54).
   (ii) Requiring a Department of Commerce validated export license (Individual, Project, Distribution, and Service Supply) (15 CFR, parts 772 and 773).
   (iii) Requiring a Department of State, Office of Defense Trade Controls export license under the International Traffic in Arms Regulations (ITAR—22 CFR, parts 121–130).
   (iv) Subject to the ITAR but exempt from license requirements.

(v) Requiring a Department of Justice, Drug Enforcement Administration export permit (21 CFR, part 1312).

This exemption shall be conditioned upon the filing of such reports as the Bureau of the Census shall periodically require to compile statistics on $2500 and under shipments.

(i) Shipments of interplant correspondence, executed invoices and other documents, and other shipments of company business records from a U.S. firm to its subsidiary or affiliate.

(j) Shipments of pets as baggage, accompanied or unaccompanied, of persons leaving the United States, including members of crews on vessels and aircraft.

(k) Shipments for use in connection with NASA tracking systems under Office of Export Administration Project License DL–5355–S.

(l) Shipments of aircraft parts and equipment, and food, saloon, slop chest, and related stores, provisions, and supplies for use on aircraft, by a U.S. airline to its own installations, aircraft, and agents abroad, under Department of Commerce, Office of Export Administration General License RCS.

(m) Shipments for use in connection with NOAA operations under the Office of Export Administration General License G–NOAA.


§ 30.56 Conditional exemptions.

Shipper’s Export Declarations are not required for the following classes of commodities when they are not shipped as cargo under a bill of lading or an air waybill and do not require a validated export license, but the exporter should be prepared to make oral declaration to the Customs Director, if required:

(a) Baggage and personal effects, accompanied or unaccompanied, of persons leaving the United States, including members of crews on vessels and aircraft, such as:

1. Usual and reasonable kinds and quantities of wearing apparel, articles of personal adornment, toilet articles,
medicinal supplies, food, souvenirs, games, and similar personal effects and their containers.

(2) Usual and reasonable kinds and quantities of furniture, household effects, household furnishings, and their containers.

(3) Usual and reasonable kinds and quantities of vehicles, such as passenger cars, station wagons, trucks, trailers, motorcycles, bicycles, tricycles, perambulators, and their containers.

Provided, That the above-indicated baggage and personal effects (i) shall include only such articles as are owned by such person or members of his immediate family; (ii) shall be in his possession at the time of or prior to his departure from the United States for the foreign country; (iii) are necessary and appropriate for the use of such person or his immediate family; (iv) are intended for his use or the use of his immediate family; and (v) are not intended for sale.

(b) Tools of trade are usual and reasonable kinds and quantities of commodities and software, and their containers, that are intended for use by individual exporters or by employees or representatives of the exporting company in furthering the enterprises and undertakings of the exporter abroad. Commodities and software eligible for this exemption are those that do not normally require an export license or that are exported without a license as specified in 15 CFR 740.9 of the EAR (15 CFR chapter VII, subchapter C) and are subject to the following provisions:

(1) Are owned by the individual exporter or exporting company;
(2) Accompany the individual exporter, employee or representative of the exporting company;
(3) Are necessary and appropriate and intended for the personal and/or business use of the individual exporter, employee or representative of the company or business;
(4) Are not for sale; and
(5) Are returned to the United States no later than one year from the date of export.

(c) Carriers' stores (including merchandise carried in ships aboard carriers for sale to passengers), supplies, and equipment for departing vessels, planes, or other carriers, including usual and reasonable kinds and quantities of bunker fuel, deck engine and steward department stores, provisions and supplies, medicinal and surgical supplies, food stores, slop chest articles, and saloon stores or supplies for use or consumption on board and not intended for unlading in a foreign country, and including usual and reasonable kinds and quantities of equipment and spare parts for permanent use on the carrier when necessary for proper operation of such carrier and not intended for unlading in a foreign country. Hay, straw, feed, and other appurtenances necessary to the care and feeding of livestock while enroute to a foreign destination are considered part of carriers' stores of carrying vessels, trains, planes, etc.

(d) Dunnage of usual and reasonable kinds and quantities necessary and appropriate to stow or secure cargo on the outgoing or any immediate return voyage of an exporting carrier, when exported solely for use as dunnage and not intended for unlading in a foreign country.

§ 30.57 Information on export declarations for shipments of types of goods covered by § 30.56 not conditionally exempt.

(a) In those cases where Shipper's Export Declarations are required for articles enumerated in § 30.56 (a) through (d) only by virtue of their being shipped under a bill of lading or an air waybill (no validated license is required) the export declaration should clearly show in the column for commodity description, in lieu of the complete commodity description a statement that the shipment consists of baggage, personal effects, household effects, ship's stores, crew's effects, or as appropriate. In such cases, Schedule B commodity numbers should not be shown on the declarations.

(b) In those cases where the articles enumerated in § 30.56 (a) through (d) require a validated export license (whether or not shipped under a bill of lading or an air waybill) the Shipper's Export Declaration must identify the shipment as baggage, personal effects,
§ 30.58 Exemption for shipments from the United States to Canada.

(a) Except as noted in paragraph (c) of this section, shipments originating in the United States where the country of ultimate destination (see § 30.7(i)) is Canada are exempt from the Shipper’s Export Declaration requirements of this part. This exemption also applies to shipments from one point in the United States or Canada to another point thereof by routes passing through the other country.

(b) The Harbor Maintenance Fee applies to shipments by vessel exempt from Shipper’s Export Declaration requirements by virtue of being destined to Canada.

(c) This exemption does not apply to the following shipments: (The Bureau of the Census also reserves the right to reinstate the Shipper’s Export Declaration requirements of this part in specific instances for the purpose of ensuring statistical accuracy.)

(1) Requiring a Department of Commerce validated export license.

(2) Requiring a Department of State, Office of Defense Trade Controls, export license under the International Traffic in Arms Regulations (ITAR—22 CFR parts 121-130).

(3) Subject to the ITAR but exempt from license requirements.

(4) Requiring a Department of Justice, Drug Enforcement Administration, export declaration (21 CFR part 1313).

(5) For storage in Canada but ultimately destined for third countries, the specific country of destination being unknown at the time of export to Canada (see § 30.39 for reporting requirements).

§ 30.70 Statistical information required on import entries.

Information for statistics on merchandise entering the United States from foreign countries, U.S. Foreign Trade Zones, and from the Virgin Islands of the United States, and other nonforeign areas (except Puerto Rico), is required to be reported by importers on the following Customs entry and withdrawal forms respectively required by U.S. Customs regulations for individual transactions: Custom Forms 7500, 7501, 7502, 7505, 7506, 7519, 7521, and 7535, and on Customs Form 7512 when used as an intransit entry to document immediate exportation or transportation and exportation. The following items of information for statistics shall be reported on the respective forms:

(a) District and port code. (All forms.) The Customs district code number and the port code number (as shown in Schedule D, Classification of Customs Districts and Ports) for the Customs port of entry or filing shall be supplied. (Where Customs does not require that the District and Port codes be inserted by importers, the codes will be filled in by Customs so that all entries and withdrawals received by the Bureau of the Census will bear these codes.)

(b) Importing vessel or carrier. (Not required for merchandise entering U.S. Customs territory from U.S. Foreign Trade Zones.) (1) (Customs Forms 7501, 7502, 7512, and 7521.) Information is required as to the carrier or means of transportation by which the merchandise was transported from a foreign country to the first port of unloading in the United States. If the merchandise has been further transported in bond between ports in the United

9 The information required for statistical purposes is in most cases also required by Customs regulations for other purposes. (See § 30.80 for special reporting instructions for merchandise entering United States Customs Territory from United States Foreign Trade Zones.)
States after having been unladen from the carrier on which it arrived in the United States, the name of the domestic carrier shall not be substituted, and the information furnished shall reflect the name of the carrier or means of transportation by which the merchandise arrived in the first U.S. port of unloading.

(2) For merchandise arriving in the United States by vessel, the name of the importing vessel is required. The importing vessel is the vessel which transported the merchandise from the foreign port of lading to the first U.S. port of unloading.

(3) For merchandise arriving in the United States by air, the name and nationality of the importing airline is required. The importing airline is the airline which carried the merchandise from the foreign port of lading to the first U.S. port of unloading, and not a domestic airline carrying the merchandise after the initial unloading in the United States.

(4) For merchandise arriving in the United States by means of transportation other than vessel or air, the means of transportation from the foreign country is required, in such terms as "parcel post," "registered mail," "railroad," "trucks," "pipeline," etc.

(c) Foreign port of lading. (1) (Customs Forms 7501, 7502, 7512 and 7521.) For merchandise arriving in the United States by vessel or air, the name and nationality of the importing airline is required. The importing airline is the airline which carried the merchandise from the foreign port of lading to the first U.S. port of unloading, and not a domestic airline carrying the merchandise after the initial unloading in the United States.

(2) When merchandise is transported in bond from the U.S. port where unloaded from the importing vessel or carrier to another U.S. port or ports to be entered for consumption or warehouse, the port of unloading required to be shown on the consumption or warehouse entry is the port or point where the merchandise was unloaded from the importing vessel or carrier before transportation in bond.

(e) Date of importation. (All forms.) For merchandise arriving in the United States by vessel, the month, day, and year on which the importing vessel transporting the merchandise from the foreign country arrived within the limits of the U.S. port at which the merchandise was or is to be unladen is required. The date of importation to be reported for merchandise arriving in the United States other than by vessel is the date on which the merchandise was unloaded from the importing vessel or air carrier before transportation in bond.
§ 30.70 15 CFR Ch. I (1–1–98 Edition)

arrives within the limits of the United States.

(f) Country of origin. (1) (All forms.) Country of origin shall be reported in the "marks and numbers and country of origin" column on entry and withdrawal forms (in the "marks and numbers" column on Forms 7512 and 7500), the "country of origin" space on the Special Customs Invoice form, and in a conspicuous place on commercial invoices supplied to Customs where the Special Customs Invoice form is not required. On multipage entries, country of origin should be shown on each page.

(2) Country of origin shall be reported in terms of the names designated in Schedule C-I, "Classification of Country and Territory Designations for U.S. Import Statistics," unless a more specific geographic area is required to be shown for other purposes. The country of origin is defined as the country in which the product was mined, grown or manufactured. Further labor, work or material added to an article in another foreign country or the Virgin Islands of the United States must effect a substantial transformation in order to render such other country the "country of origin." Such substantial transformations include smelting of ores, refining of crude products, and the like. The country of origin is not changed when the merchandise is subjected in another country merely to minor manipulations, such as sorting, grading, and the like. When the merchandise is invoiced in or exported from a country other than that in which it originated, the actual country of origin shall be specified rather than the country of invoice or exportation. The country of origin for imports of scrap and waste is the country in which the merchandise was reduced to scrap or waste. In the case of such commodities as industrial diamonds or antiques, if the origin of the merchandise is not known or cannot be ascertained with reasonable effort, the country from which the merchandise has been shipped shall be shown and shall be indicated as the "Country of Shipment."

(3) Except as provided below, the country of origin shown on import entries and withdrawals should be based on information furnished by the foreign supplier on import invoices. The importer should inform his foreign supplier of the requirements and definitions of this section and instruct the foreign supplier to furnish information on the invoice as to country of origin in accordance with the above definition. If an invoice from the foreign supplier is not available at the time of entry, the importer shall enter the correct country of origin according to his best knowledge. In any case where the importer has reliable knowledge that the country of origin shown on the invoice is incorrect, he shall enter on the form the correct country of origin according to his best knowledge, indicating that it is a correction.

(4) When a single Customs form covers merchandise from more than one country of origin, the country of origin shall be indicated separately against each item (or group of items).

(g) Description of merchandise. (All forms.) Except on Customs Form 7512 when used as an Immediate Exportation or Transportation and Exportation entry, the description of merchandise shall be in terms of the Tariff Act in accordance with the Tariff Schedules of the United States Annotated for Statistical Reporting (TSUSA) and in sufficient detail to permit the identification of the TSUSA statistical reporting number to which each commodity properly belongs. The name of the commodity and any and all characteristics of the commodity which distinguish it from commodities of the same name covered by other TSUSA statistical reporting numbers shall be clearly and fully stated. For merchandise classified in TSUSA classifications for which the instruction "specify by name" is shown in TSUSA the specific name of the commodity or a further identifying description in addition to the description in the more general terms of the commodity classification definition is required. When Customs Form 7512 is used as an Immediate Exportation or Transportation and Exportation entry importers need only report in terms of the first five digits of TSUSA (i.e., in terms of TSUS).

(h) Gross weight in pounds. (Customs Forms 7501, 7502, 7512, and 7521, for merchandise transported to the United States by vessel or air only.) Gross
shipping weight in pounds shall be reported in column (2a) immediately below the description of merchandise (in “Gross Weight in Pounds” column on Form 7512 on the same horizontal line with value). Separate gross weight information is required for the merchandise covered by each reporting number, but if gross weight is not available for each reporting number included in one or more packages, approximate shipping weight for each item shall be estimated and reported. The total of these estimated weights should equal the actual gross shipping weight of the entire package or packages. However, for containerized cargo carried in lift vans, cargo vans, or similar substantial outer containers, the weight of such containers should not be included in the gross shipping weight of the merchandise covered by each reporting number.

(i) Net quantity. (All forms except 7535.) When a unit of quantity is specified in TSUSA for the reporting number under which the item is reported, net quantity shall be reported in the specified unit, and (except where the unit is “No.” (number)) the unit in which reported shall also be shown on the entry following the net quantity figure. In cases where two units of quantity are shown for the commodity in TSUSA, net quantity shall be reported on the import entry in each of the specified units with the unit indicated in each case. The quantity in terms of the unit marked with a superior “v” in TSUSA should be shown on the entry on the same horizontal line with the value. The quantity in terms of any other units specified in TSUSA should be shown below the first quantity and should be enclosed in parentheses. If no unit of quantity is specified in TSUSA for the reporting number under which the item is reported, net quantity is not required to be reported on the import entry, and an “X” shall be entered in the “net quantity” column. Where the unit of quantity specified in TSUSA is “tons,” long tons of 2,240 pounds shall be reported unless short tons of 2,000 pounds are specified in TSUSA. Quantities shall be shown in whole units unless fractions of units are required for Customs purposes.

(j) Value. (All forms.) Except on Customs Form 7512 when used as an Immediate Expor- tation or Transportation and Exportation entry, the dollar value shall be reported on the forms in accordance with the definitions set forth in the Tariff Schedules of the United States Annotated (TSUSA) and sections 402 and 402a of the Tariff Act of 1930, as amended. Moreover, the value shall be reported in accordance with the format prescribed in the U.S. Customs Regulations. (On Customs Form 7512 when used as an Immediate Exportation entry, only the Customs value in accordance with sections 402 and 402a of the Tariff Act of 1930, as amended, need be reported.)

(k) TSUSA reporting number. (All forms.) Except on Customs Form 7512 when used as an in-transit entry, the reporting number according to the current edition of the Tariff Schedules of the United States Annotated shall be shown in the column provided on the form. The reporting number assigned shall reflect the correct TSUSA classification of the merchandise and be consistent with the rate of duty applicable to the commodity. Where correct reporting as indicated in TSUSA requires the use of more than one TSUSA commodity number, all required reporting numbers will be shown for an item on the Customs form. On Customs Form 7512 when used as an Immediate Exportation or Transportation and Exportation entry, the reporting number, in terms of the first five digits of TSUSA (TSUS), is required to be shown in the column provided on the form for “Description and Quantity of Merchandise.” This code should appear to the right of that column, on the same line as the reported gross weight and value.

§ 30.80 Imports from Canada.

(a) When certain softwood lumber products described under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 4407.1000, ...
§ 30.81 Imports of merchandise into Guam.

(a) Carriers of merchandise to Guam shall not be permitted to unload cargo in Guam until the master or other person in charge of the carrier shall deliver to the Government of Guam at the place of unloading a manifest, cargo list, freight list or equivalent document showing a detailed account of merchandise destined for Guam on board such carrier, with the numbers and description of the packages according to their usual name or designation.

(b) For each shipment imported into Guam except as listed in paragraph (d) of this section, the importer in Guam shall furnish to the Government of Guam at the port of entry of the merchandise at the time of or prior to taking possession of such merchandise, the commercial invoice covering the shipment attached to a copy of the bill of lading or air waybill signed by the carrier. (Where the shipment is one for which no bill of lading (or air waybill) is utilized only a copy of the commercial invoice need be furnished.) In individual cases, where warranted in the opinion of the Government of Guam,
the Government of Guam may release merchandise to the consignee prior to receipt of the commercial invoice and/or bill of lading or air waybill in the case of perishable articles or other merchandise, the immediate delivery of which is necessary.

(c) Information concerning individual transactions furnished to the Government of Guam pursuant to these regulations may not be disclosed by those having possession of or access to any copies of such information for official purposes, to anyone other than the exporter or importer except as specifically directed by the Bureau of the Census.

(d) The following kinds of shipments are not to be included in the statistics on shipments from the United States to Guam and the documentation prescribed in paragraphs (a) and (b) of this section shall not be required for statistical purposes:

(1) Shipments to the U.S. Armed Forces;
(2) Shipments of office furniture, office equipment, and office supplies, to and for the exclusive use of U.S. Government offices;
(3) Baggage and personal effects, accompanied or unaccompanied, of persons leaving the U.S., and tools of trade, as described in §30.56(a) and (b).

§30.82 Identification of U.S. merchandise returned for repair and reexport.

Import entries covering U.S. merchandise imported temporarily for repair or alteration and reexport are required to show the following statement: “Imported for Repair and Reexport.”

§30.83 Statistical copy of mail and informal entries.

A legible copy of all mail and informal entries is required for statistical purposes. In addition to the information required to be shown for customs purposes, the value is also required to be shown for all merchandise including that not subject to duty.
§ 30.92 Statistical classification schedules.

The following statistical classification schedules referred to in the regulations in this part are hereby incorporated by reference. Information as to where copies may be obtained is indicated. Copies are available for public inspection at the offices of local Customs Directors and Department of Commerce District Offices.

TSUSA—Tariff Schedules of the United States Annotated for Statistical Reporting. As currently revised, shows the 7-digit statistical reporting number to be used in preparing import entries and withdrawal forms. TSUSA may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, local Customs Directors, or Department of Commerce District Offices located in principal cities. Purchase price includes the basic schedule plus revisions as currently issued for an indefinite period.

Schedule B—Statistical Classification of Domestic and Foreign Commodities Exported from the United States. As currently revised, shows the detailed commodity classification requirements and 7-digit statistical reporting numbers to be used in preparing Shipper’s Export Declarations, as required by these regulations. Schedule B may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington.
Census Bureau, Commerce  § 40.1

D.C. 20402, local Customs Directors, or Department of Commerce District Offices located in principal cities. Purchase price includes the basic schedules and supplements issued irregularly, covering revision in the schedule for an indefinite period.


(13 U.S.C. 302; 5 U.S.C. 301; Reorganization Plan No. 5 of 1950; Department of Commerce Organization Order No. 35±2A, Aug. 4, 1975, 40 FR 42765)

§ 30.93 Emergency exceptions.

In individual cases of emergency, where strict enforcement of the regulations in this part would create undue hardship, the Foreign Trade Division of the Bureau of the Census, with the concurrence of the Office of Export Administration in cases where export control requirements are also involved, may authorize such postponements of or exceptions to the requirements of the regulation in this part as are warranted by the circumstances and not inconsistent with the aims of this chapter.

§ 30.94 Instructions to Customs.

Instructions of a continuing nature to Customs with respect to the forwarding of statistical copies of forms and the preparation of special statistical reports not involving requirements upon the public will not be included in the regulations in this part, but will, instead be transmitted to Customs through appropriate administrative channels.

§ 30.95 Penalties for violations.

Any person who violates any provisions of this part, except for violations of the provisions relating to delayed filing of documents under bond as provided by §30.24, shall be liable to the United States in civil penalty not exceeding $1,000 for each violation, as authorized by section 305 of Chapter 9 of Title 13 of the United States Code.

§ 30.99 OMB control numbers assigned pursuant to the Paperwork Reduction Act.

(a) Purpose. This subpart will comply with the requirements of section 3507(f) of the Paperwork Reduction Act (PRA) which requires that agencies display a current control number assigned by the Director of OMB for each agency information collection requirement.

(b) Display.

<table>
<thead>
<tr>
<th>15 CFR section where identified and described</th>
<th>Current OMB control no.</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.1 through 30.7</td>
<td>0607±0001, ±0018, −0150, −0152</td>
</tr>
<tr>
<td>30.8</td>
<td>0607±0001</td>
</tr>
<tr>
<td>30.9 through 30.11</td>
<td>0607±0001, ±0018, −0152</td>
</tr>
<tr>
<td>30.12 and 30.15</td>
<td>0607±0001, ±0018, −0152</td>
</tr>
<tr>
<td>30.16</td>
<td>0607±0001, ±0018, −0150, −0152</td>
</tr>
<tr>
<td>30.20 through 30.24</td>
<td>0607±0001, ±0018, −0150, −0152</td>
</tr>
<tr>
<td>30.30 through 30.31</td>
<td>0607±0018, ±0150, −0152</td>
</tr>
<tr>
<td>30.33 through 30.35 and 30.37</td>
<td>0607±0001, ±0018, −0150, −0152</td>
</tr>
<tr>
<td>30.39</td>
<td>0607±0018, ±0150, −0152</td>
</tr>
<tr>
<td>30.40, 30.41, and 30.50 through 30.53</td>
<td>0607±0001, ±0018, −0150, −0152</td>
</tr>
<tr>
<td>30.54</td>
<td>0607±0018</td>
</tr>
<tr>
<td>30.55 through 30.57</td>
<td>0607±0001, ±0018, −0150, −0152</td>
</tr>
<tr>
<td>30.82</td>
<td>0607±0018, ±0152</td>
</tr>
<tr>
<td>30.91 through 30.95</td>
<td>0607±0001, ±0018, −0150, −0152</td>
</tr>
</tbody>
</table>

[48 FR 56744, Dec. 23, 1983]

PART 40—TRAINING OF FOREIGN PARTICIPANTS IN CENSUS PROCEDURES AND GENERAL STATISTICS

Sec.
40.1 Type of grant.
40.2 Qualifications.
40.3 Cooperation with bilateral technical assistance programs of the United States.
40.4 Administrative provisions on selection of participants and funding of costs.
40.5 Other cooperative arrangements.


SOURCE: 28 FR 119, Jan. 4, 1963, unless otherwise noted.

§ 40.1 Type of grant.

Training grants will be awarded by the Agency for International Development (AID), in its capacity as the bilateral technical assistance agency for
the United States Government, to foreign participants for training, observation, and research in the fields of censuses and statistics at the Bureau of the Census. In compliance with the needs of the participants and consistent with the resources of the Bureau, training programs will be developed along the lines of a combined internetraining and/or training-in research types, and may include any or all of the following:

(a) Conference courses designed to provide the trainee with adequate background information on (1) organization and administration of the United States Bureau of the Census, (2) subject-matter areas for which the Bureau of the Census collects and compiles statistical information, (3) nature and scope of the major statistical programs maintained by other federal government agencies, (4) techniques and scope of the periodic censuses and statistical surveys, and statistical compilations undertaken by the Bureau of the Census, and (5) relation of censuses to other statistical data collected and analyzed by U.S. agencies.

(b) Seminars, laboratory exercises, and observation of work in the Census Bureau and other agencies with specific applicability to the participant such as (1) development of census and survey questionnaires, (2) methods of field and mail enumeration, (3) procedures for editing and coding statistical forms, (4) use of office machines, electromechanical tabulation equipment, and automatic data processing systems for mass processing of statistical data, (5) definitions and scope of the subject matters involved in the censuses and statistical programs of the Bureau of the Census, (6) classification of industrial and business establishments, (7) classification of imports and exports, (8) techniques of making intercensal estimates of population, (9) sampling techniques and quality control procedures, (10) analyses and publication of data, and development of certain indexes; and (11) other topics, particularly in the development of new statistical programs and techniques.

(c) Formal courses at a college or university to supplement the seminars, conference-courses, and individual statistical projects developed, presented, or assigned by the Bureau; or enrolled on a full-time basis in a college or university to obtain the appropriate academic background for further work in the field of statistics in accordance with the needs of participants and/or the program requirements of their countries.

(d) Observation trips to various academic institutions with recognized statistical activities, to private marketing and research agencies, to regional field offices of the Bureau, to government statistical agencies of Canada, and to such activities that will supplement or illustrate the application and end use of statistical data.

(e) Case study workshops on selected census and statistical activities presented at the Bureau, in other locations in the United States, or outside the continental limits of the United States.

(f) Such field training, special research, or university programs as appears advisable to the Director of the Bureau of the Census in accordance with the technical needs of the participants.

§ 40.3 Cooperation with bilateral technical assistance programs of the United States.

In compliance with the provisions contained in the Memorandum of Agreement executed between the Department of Commerce and the Foreign Operations Administration (now AID) on June 10, 1954, the Bureau of the Census is authorized within its areas of competence and available resources to
continue its training of foreign nationals under the general guidance of the Department of Commerce and in cooperation with the bilateral technical assistance programs of the United States Government.

§ 40.4 Administrative provisions on selection of participants and funding of costs.

(a) Within the framework of the aforementioned Memorandum of Agreement, the Bureau of the Census will arrange at the request and expense of the Agency for International Development, a program for technical training of foreign participants in censuses and statistics. The Bureau of the Census will be furnished biographic materials, information about the training objectives including, where appropriate, each participant's education and experience, type of training desired, present and future positions with descriptions of duties, and the terms of the training project for each participant or group as far in advance of his arrival in the United States as possible.

(b) The Bureau reserves the right to accept, based on biographical information to be furnished in advance, only those participants whom it finds qualified to make satisfactory use of its training facilities and resources. The Bureau would prefer to develop programs for foreign participants with substantive experience in the statistical activities of their home country.

(c) Arrangements for security clearances, insurance, orientation, international travel, housing, and other administrative responsibilities will be the responsibility of AID under the provisions of the Memorandum of Agreement (Reference: Appendix II, Training of Foreign Nationals).

§ 40.5 Other cooperative arrangements.

The Bureau of the Census also undertakes the training of foreign nationals proposed through the Department of State under the International Exchange Service (IES) or under the sponsorship of public international agencies.

PART 50—SPECIAL SERVICES AND STUDIES BY THE BUREAU OF THE CENSUS

Sec.

50.1 General.

50.5 Fee structure for age search and citizenship information.

50.10 Fee structure for special population censuses.

50.30 Fee structure for foreign trade and shipping statistics.

50.40 Fee structure for statistics for city blocks in the 1980 Census of Population and Housing.


§ 50.1 General.

(a) Fee structure for age search and citizenship service, special population censuses, and for foreign trade and shipping statistics.

(b) In accordance with the provisions of the acts authorizing the Department of Commerce to make special statistical surveys and studies, and to perform other specified services upon the payment of the cost thereof, the following fee structure is hereby established. No transcript of any record will be furnished under authority of these acts which would violate existing or future acts requiring that information furnished be held confidential.

(c) Requests for age search and citizenship service should be addressed to the Personal Census Search Unit, Data Preparation Division, Bureau of the Census, P.O. Box 1545, Jeffersonville, Indiana 47131. Application forms may be obtained at Department of Commerce field offices or Social Security offices or by writing to the Jeffersonville, Indiana office.

(d) If a search is unsuccessful and additional information for a further search is requested by the Bureau, such information must be received within 120 days of the request or the case will be considered closed. Additional information received after 120 days must be accompanied by a new fee and will be considered as a new request.
§ 50.5 Fee structure for age search and citizenship information.

<table>
<thead>
<tr>
<th>Type of service</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Searches of one census for one person and one transcript</td>
<td>$40.00</td>
</tr>
<tr>
<td>Each additional copy of one census transcript</td>
<td>2.00</td>
</tr>
<tr>
<td>Each full schedule requested</td>
<td>10.00</td>
</tr>
</tbody>
</table>

NOTE.—The $10.00 for each full schedule requested is in addition to the fee increase to $40.00.

§ 50.10 Fee structure for special population censuses.

The Bureau of the Census is authorized to conduct special population censuses at the request of and at the expense of the community concerned. To obtain a special population census, an authorized official of the community should write a letter to the Associate Director for Demographic Fields, Bureau of the Census, Washington, D.C. 20233, requesting detailed information and stating the approximate present population. The Associate Director will reply giving an estimate of the cost and other pertinent information. Title 13, United States Code, section 196, Special Censuses, requires payment to the Bureau of the actual or estimated cost of each such special census.

§ 50.30 Fee structure for foreign trade and shipping statistics.

(a) The Bureau of the Census is willing to furnish on a cost basis foreign trade and shipping statistics provided there is no serious interruption of the Bureau’s regular work program.

(b) In instances where information requested is not shown separately or not summarized in the form desired, it is necessary to conduct a preliminary investigation at the requestor’s expense to determine whether the information can be compiled from the basic records and what the total cost will be. The preliminary investigation normally costs $250 but may be more depending on the circumstances. The total cost of the final report generally ranges from $500 to several thousand dollars for data covering a 12-month period.

(c) Upon receipt of a request, information will be furnished as to whether the statistics are available and if so, the cost; or that a preliminary investigation must be conducted. When an investigation is completed, information will be furnished as to the cost of preparing the material, or as to the reason if the statistics cannot be compiled from our basic records.

§ 50.40 Fee structure for statistics for city blocks in the 1980 Census of Population and Housing.

(a) As part of the regular program of the 1980 census, the Census Bureau will publish printed reports containing certain summary population and housing statistics for each city block, drawn from the subjects which are being covered on a 100-percent basis. For these subjects, a substantial amount of additional data by block will be available on computer tape.

(b) The 1980 block data under the regular program will be prepared for:

1. Each urbanized area in the United States. An urbanized area is delineated by the Census Bureau in each standard metropolitan statistical area and generally consists of a city or group of contiguous cities with a 1970 population of 50,000 or more, together with adjacent densely populated land (i.e., land having a population density of at least 1,000 persons per square mile).

2. And, outside urbanized areas, for each incorporated place (such as a city or village) that was reported as having 10,000 or more inhabitants in:

   (i) The 1970 census, or

   (ii) The 1973, 1975, or 1976 official population estimates published by the Bureau, or

   (iii) A special census conducted by the Bureau on or before December 31, 1977.

(c) Outside the above-mentioned urbanized areas and places, State and local government authorities will be able to contract with the Bureau of the Census to produce block data for their areas. In undertaking this contract,
the requesting authority will be required to pay a fee, supply certain maps, and meet certain time deadlines as follows:

(1) Fee: (i) Population size:

| Under 2,500 | 500 |
| 2,500 to 4,999 | 600 |
| 5,000 to 9,999 | 700 |

(ii) The final fee will be based upon the 1980 census population counts. A refund or additional charge will be made if the contracting area is in a different population size group as a result of the census.

(iii) The cost for an area with a population of 10,000 or more will be determined on an individual basis.

(iv) Multiple area contracts may be negotiated at a savings.

(v) The fee is based on estimated 1980 costs. If the 1980 cost exceeds the estimated cost, an additional fee may be requested from the contracting area. If actual costs are less than the estimated cost, a refund may be made.

(vi) Any incorporated place which contracts for block statistics and which reaches a population of 10,000 or more in the 1980 census will have the fee completely refunded, as the place will then be considered to be part of the regular block statistics program.

(vii) If the area submits maps which are not adequate for the Bureau’s purposes and therefore have to be redrafted by the Bureau, a surcharge of $300 per map sheet requiring revision will be imposed.

(2) Maps: (i) In order for the Bureau to provide data on a block-by-block basis, it must have a map which clearly delineates each block. The contracting government authority must supply such maps. A copy of the specifications for preparing the block maps will be provided upon request and, in any event, will accompany the copy of the contract which is sent to the government authority for signature.

(ii) The maps must be furnished to the Census Bureau within 30 calendar days after the government authority signs the contract.

(iii) The Bureau will review the maps and, if revision is necessary, return them within 30 calendar days to the government authority.

(iv) Within 30 calendar days thereafter, the revised maps must be transmitted to the Bureau and, if they are still inadequate and must therefore be redrafted by the Bureau, the above-mentioned surcharge of $300 per map sheet requiring revision will be imposed.

(3) Timing: (i) The contract must be signed, and a downpayment of $250 per area made, by April 1, 1978. A check or money order should be made payable to “Commerce—Census.”

(ii) If an area decides to withdraw after signing a contract and making a downpayment, the cost of work performed to date will be deducted from the refund.

(iii) The balance of the fee must be mailed to the Bureau by January 1, 1980.

(d) In consideration of the fees paid and maps supplied, the Bureau will:

(1) Identify the individual blocks in its records and tabulations.

(2) Make available the block data for the particular area in the same manner as for areas in the regular block statistics program (i.e., both in terms of printed reports and computer summary tapes). Two copies of the printed report (including the printed maps) which contain the block statistics for the particular area will be furnished to the contracting government authority.

(e) Requests for participation in the contract block statistics program or for further information should be addressed to the Director, Bureau of the Census, Washington, DC 20233.


PART 60—PUBLIC INFORMATION


§ 60.1 Public information.

The rules and procedures regarding public access to the records of the Bureau of the Census are found at 15 CFR part 4.

[57 FR 40841, Sept. 8, 1992]
PART 70—CUTOFF DATES FOR RECOGNITION OF BOUNDARY CHANGES FOR THE 1990 CENSUS

Sec.
70.1 Cutoff dates and effect on enumeration and data tabulation.
70.2 “Municipality” and “county subdivision” defined for census purposes.
70.3 Effect of boundary changes occurring or reported after the cutoff dates.

AUTHORITY: 13 U.S.C. 4; 32 FR 15154; and Department of Commerce Organization Order 35-2A (40 FR 42765).

SOURCE: 51 FR 24653, July 8, 1986, unless otherwise noted.

§ 70.1 Cutoff dates and effect on enumeration and data tabulation.

For the tabulation and publication of data from the 1990 Census of Population and Housing, the Bureau of the Census will recognize only those boundaries legally in effect on January 1, 1990 that have been reported officially to the Bureau of the Census no later than March 1, 1990. The Bureau of the Census enumerates respondents on the date of the decennial census as residing within the legal limits of municipalities, county subdivisions, counties, States, and equivalent areas as those limits exist on January 1, 1990.

§ 70.2 “Municipality” and “county subdivision” defined for census purposes.

For the purposes of this part, the Bureau of the Census defines “municipalities” and “county subdivisions” to include the areas identified as incorporated places (such as cities and villages) and minor civil divisions (such as townships and magisterial districts). A more complete description appears on pages A1 and A2 of 1980 Census of Population, Volume I, Chapter A.

§ 70.3 Effect of boundary changes occurring or reported after the cutoff dates.

The Bureau of the Census will not recognize changes in boundaries that become effective after January 1, 1990 in taking the 1990 Decennial Census; the Bureau of the Census will enumerate the residents of any area that are transferred to another jurisdiction after that date and report them for the 1990 census as residents of the area in which they resided on January 1, 1990. The Bureau of the Census will not recognize in the data tabulations prepared for the 1990 census changes occurring on or before January 1, 1990, but not submitted officially to the Bureau of the Census until after March 1, 1990 except as necessary to conduct decennial census operations.

PART 80—FURNISHING PERSONAL CENSUS DATA FROM CENSUS OF POPULATION SCHEDULES

Sec.
80.1 General requirements.
80.2 Rules pertaining to records of the living.
80.3 Rules applicable to deceased persons and estates.
80.4 Signature of persons unable to sign their name.
80.5 Detrimental use of information.
80.6 False statements.


§ 80.1 General requirements.

(a) Data from records of decennial census of population questionnaires pertaining to an individual will be released only in accordance with these rules.

(b) Census information contains only the responses recorded by the Census enumerator; no changes of any of these entries have been or can be made.

(c) Requests for information from decennial census of population records (herein “Census information”) should be made on Form BC-600, which is available from offices of the Bureau of the Census at Suitland, Maryland 20233 and Pittsburg, Kansas 66762, all county courthouses, Social Security field offices, and Immigration and Naturalization Service offices. A letter request—without Form BC-600—will be accepted only if it contains the information necessary to complete a Form BC-600. No application will be processed without payment of the required fee as set forth in 15 CFR 50.5.

(d) The Bureau may require verification of the identity of the applicant requesting Census information and it may require the applicant to submit the following notarized statement:
I, ---------------- (Printed name), do hereby certify that I am the individual to whom the requested record pertains or that I am within the class of persons authorized to act on his behalf in accordance with 15 CFR, Part 80.

(Signature) ---------------------------------

(Date)------------------

In the County of ------------------------

State of -----------------------------

On this ______ day of ______, 19--,

--------------- (Name of individual) who is personally known to me, did appear before me and sign the above certificate.

(Signature) ---------------------------------

(Date)------------------

(S) My commission expires ------------------

(e) Except as otherwise provided, Census information will be provided only to the individual to whom the record pertains. It will include the names of the subject and the head of the household, the relationship of the subject to the head of the household, and the subject’s age and birthplace.

(f) Similar Census information pertaining to other members of a household will be furnished only upon written authorization of the individual whose record is requested, except as provided in § 80.3.

(g) Census information may be provided to others only upon signed request by an individual entitled to receive the information which indicates the person and address to which the information is to be sent.

(Approved by the Office of Management and Budget under control number 0607-0117)


§ 80.4 Signature of persons unable to sign their name.

A person requesting Census information who is unable to sign his or her name shall make an “X” mark where signature is required, and the mark must be witnessed by two persons who know the applicant. They must also sign the application certifying the applicant’s identity. In the case of such persons who are unable to make an “X” mark, Census information can be released upon receipt of a physician’s.
§ 80.5 Detrimental use of information.

Section 8 of Title 13, United States Code requires that,

In no case shall information furnished under the authority of this section be used to the detriment of the persons to whom such information relates.

[40 FR 53232, Nov. 17, 1975]

§ 80.6 False statements.

Any false statement or forgery on the application or supporting papers required to obtain Census information is punishable by a fine and/or imprisonment pursuant to section 1001 of Title 18 of the United States Code.

[40 FR 53232, Nov. 17, 1975]

PART 90—PROCEDURE FOR CHALLENGING CERTAIN POPULATION AND INCOME ESTIMATES

Sec.
90.1 Scope and applicability.
90.2 Policy of the Bureau of the Census.
90.3 Definitions.
90.4 General.
90.5 When an informal challenge may be filed.
90.6 Where to file challenge.
90.7 Evidence required.
90.8 Review of challenge.
90.9 When formal procedure may be invoked.
90.10 Form of formal challenge and time limit for filing.
90.11 Appointment of hearing officer.
90.12 Qualifications of hearing officer.
90.13 Offer of hearing.
90.14 Hearing.
90.15 Decision by Director.
90.16 Notification of adjustment.
90.17 Timing for hearing and decision.
90.18 Representation.


Source: 44 FR 20647, Apr. 6, 1979, unless otherwise noted.
§ 90.4 General.

This part provides a procedure for a State or unit of local government to challenge the population or per capita income estimates of the Bureau. The Bureau shall receive these challenges and attempt to resolve them informally with the locality. If the challenge is not resolved informally, the challenging State or unit of local government may then, at its option, proceed formally.

§ 90.5 When an informal challenge may be filed.

An informal challenge to the population or per capita income estimates may be filed any time up to 180 days after the release of the estimates by the Bureau of the Census. Publication by the Bureau of the Census and simultaneous publication of a release notification in the Federal Register shall constitute release. A challenge to any estimate may also be filed any time up to 180 days from the date the Census Bureau, on its own initiative, revises that estimate.

If, however, a state or unit of local government has sufficiently meritorious reason for not filing in a timely manner, the Census Bureau has the discretion to accept the challenge.

[50 FR 28768, July 16, 1985]

§ 90.6 Where to file challenge.

A challenge must be prepared in writing by the unit of government and is to be filed with the Chief, Population Division, Bureau of the Census, Room 2011, Federal Building 3, Washington, D.C. 20233.

§ 90.7 Evidence required.

The challenging State or unit of local government shall provide whatever evidence it has relative to the challenge at the time the challenge is filed. The Bureau may request further evidence.

§ 90.8 Review of challenge.

The Chief, Population Division, Bureau of the Census, or the Chief's designee shall review the challenge and the evidence supporting the challenge and shall attempt to resolve the challenge.

§ 90.9 When formal procedure may be invoked.

In the event the Chief, Population Division, is unable to resolve the challenge to the satisfaction of the challenging State or unit of local government, the challenging State or unit of local government shall be informed in writing of the reasons for the outcome and of its right to proceed formally.

§ 90.10 Form of formal challenge and time limit for filing.

The formal challenge shall be in writing and may be mailed or hand delivered to the Director, Bureau of the Census, Washington, D.C. 20233. The formal challenge shall include a list indicating the material submitted to the Chief, Population Division, during the informal stage, and shall include any additional relevant material it chooses to submit. The formal challenge shall be filed within 30 days of the date the State or unit of local government receives notification by certified mail (return receipt requested) of its right to proceed formally. If, however, a State or unit of local government has a sufficiently meritorious reason for not filing in a timely manner, the Bureau has the discretion to accept the formal challenge.

§ 90.11 Appointment of hearing officer.

Upon receipt of a formal challenge filed in accordance with this part, the Director will appoint a hearing officer to receive written and oral evidence.

§ 90.12 Qualifications of hearing officer.

The hearing officer, a person not involved in the preparation of the estimates being challenged, shall be appointed by the Director from a roster of employees of the Bureau of the Census who have been approved in advance by the Assistant Secretary for Administration, Department of Commerce.

§ 90.13 Offer of hearing.

The hearing officer shall receive the formal challenge and shall notify the State or unit of local government in writing of (a) its right to a hearing prior to the development of a recommended decision for the consideration of the Director; and (b) its right
§ 90.14 Hearing.

(a) The hearing shall be conducted by the same hearing officer who collected the documentary evidence, if possible, and shall be held at Bureau of the Census headquarters in Suitland, Md., unless the hearing officer determines that the hearing should be held elsewhere.

(b) The hearing shall be conducted in a manner so as to bring out the pertinent facts relating to the challenge.

(c) The rule of evidence will not be strictly enforced but irrelevant and unduly repetitious testimony shall be excluded.

(d) Cross-examination of all witnesses is permitted and all testimony shall be received under oath or affirmation.

(e) The hearing officer shall have the authority to: (1) Administer oaths or affirmations, (2) rule on the admissibility of evidence, (3) limit the number of witnesses, (4) exclude any person from the hearing room for contumacious conduct or misbehavior that obstructs the hearing, (5) perform other such acts as are necessary or appropriate to the efficient conduct of any proceeding, and (6) make initial findings, analyses, and recommendations.

(f) The hearing shall be recorded but no written record will be prepared unless the Bureau so orders or unless the challenging locality desires one in whole or part and pays the costs of such a written record, or the apportioned costs should the Bureau also desire a written record.

(g) The hearing officer shall prepare findings, analyses, and recommendations and shall transmit them along with all documentary evidence received and the tape or written record (if any) of the hearing to the Director.

[44 FR 20647, Apr. 6, 1979, as amended at 50 FR 18990, May 6, 1985]
authorized representative as designated by the chief executive officer in writing to the Bureau.

PART 100—SEAL

§ 100.1 Authority.

Pursuant to section 3 of Title 13, United States Code, the Bureau of the Census official seal and design thereof, which accompanies and is made a part of this document, is hereby approved.

§ 100.2 Description.

Seal: On a shield an open book beneath which is a lamp of knowledge emitting rays above in base two crossed quills. Around the whole a wreath of single leaves, surrounded by an outer band bearing between two stars the words “U.S. Department of Commerce” in the upper portion and “Bureau of the Census” in the lower portion, the lettering concentric with an inner beaded rim and an outer dentilated rim.

§ 100.3 Custody.

The seal shall remain in the custody of the Director, Bureau of the Census or such officer or employee of the Bureau as he designates and shall be affixed to all certificates and attestations that may be required from the Bureau.
CHAPTER II—NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY, DEPARTMENT OF COMMERCE

SUBCHAPTER A—MEASUREMENT SERVICES

Part Page
200 Policies, services, procedures, and fees ..................... 325

SUBCHAPTER B—STANDARD REFERENCE MATERIALS

230 Standard reference materials .............................. 334

SUBCHAPTER C—TRANSCRIPT SERVICES—[RESERVED]

SUBCHAPTER D—STANDARDS FOR BARRELS

240 Barrels and other containers for lime ....................... 336
241 Barrels for fruits, vegetables and other dry commodities, and for cranberries ....................... 338

SUBCHAPTER E—FELLOWSHIPS AND RESEARCH ASSOCIATES

255 Fellowships in laboratory standardization and testing for qualified citizens of other American Republics ............................................. 343
### 15 CFR Ch. II (1-1-98 Edition)

<table>
<thead>
<tr>
<th>Part</th>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>256</td>
<td></td>
<td>Research Associate Program</td>
<td>344</td>
</tr>
<tr>
<td>265</td>
<td></td>
<td>Regulations governing traffic and conduct on the grounds of the National Institute of Standards &amp; Technology, Gaithersburg, Maryland, and Boulder and Fort Collins, Colorado</td>
<td>346</td>
</tr>
<tr>
<td>270</td>
<td></td>
<td>Procedures for the evaluation of energy-related inventions</td>
<td>350</td>
</tr>
<tr>
<td>280</td>
<td></td>
<td>Fastener quality</td>
<td>355</td>
</tr>
<tr>
<td>285</td>
<td></td>
<td>National Voluntary Laboratory Accreditation Program</td>
<td>395</td>
</tr>
<tr>
<td>286</td>
<td></td>
<td>National Voluntary Conformity Assessment System Evaluation (NVCASE) Program</td>
<td>410</td>
</tr>
<tr>
<td>290</td>
<td></td>
<td>Regional Centers for the Transfer of Manufacturing Technology</td>
<td>414</td>
</tr>
<tr>
<td>291</td>
<td></td>
<td>Manufacturing extension partnership; environmental projects</td>
<td>419</td>
</tr>
<tr>
<td>292</td>
<td></td>
<td>Manufacturing extension partnership; infrastructure development projects</td>
<td>428</td>
</tr>
<tr>
<td>295</td>
<td></td>
<td>Advanced Technology Program</td>
<td>435</td>
</tr>
<tr>
<td>296-299</td>
<td></td>
<td>[Reserved]</td>
<td></td>
</tr>
</tbody>
</table>


SUBCHAPTER A—MEASUREMENT SERVICES

PART 200— POLICIES, SERVICES, PROCEDURES, AND FEES

§ 200.100 Statutory functions.

(a) The National Institute of Standards & Technology (NIST) has been assigned the following functions (15 U.S.C. 271 et seq.):

(1) The custody, maintenance, and development of the national standards of measurement, and the provision of means and methods for making measurements consistent with those standards, including the comparison of standards used in scientific investigations, engineering, manufacturing, commerce, and educational institutions with the standards adopted or recognized by the Government.

(2) The determination of physical constants and properties of materials when such data are of great importance to scientific or manufacturing interests and are not to be obtained with sufficient accuracy elsewhere.

(3) The development of methods for testing materials, mechanisms, and structures, and the testing of materials, supplies, and equipment, including items purchased for use of Government departments and independent establishments.

(4) Cooperation with other governmental agencies and with private organizations in the establishment of standard practices, incorporated in codes and specifications.

(5) Advisory service to Government agencies on scientific and technical problems.

(6) Invention and development of devices to serve special needs of the Government.

(b) The calibration and testing activities of NIST stem from the functions in paragraphs (a) (1) and (3) of this section. NIST provides the central basis within the United States for a complete and consistent system of measurement; coordinates that system, and the measurement systems of other nations; and furnishes essential services leading to accurate and uniform physical measurements throughout this Nation's scientific community, industry, and commerce.

(c) The provision of standard reference materials for sale to the public is assigned to the Office of Standard Reference Materials of the National Measurement Laboratory, NIST. That Office evaluates the requirements of science and industry for carefully characterized reference materials, stimulates efforts of NIST to develop methods for production of needed reference materials and directs their production and distribution. For further information on standard reference materials see Subchapter B, Chapter II, Part 230, of this title.

§ 200.101 Measurement research.

(a) The NIST staff continually reviews the advances in science and the trends in technology, examines the measurement potentialities of newly discovered physical phenomena, and uses these to devise and improve standards, measuring devices, and measurement techniques. As new requirements appear, there are continual shifts of program emphasis to meet the most urgent needs for the measurement of additional quantities, extended ranges, or improved accuracies.
§ 200.102 Types of calibration and test services.

(a) NIST has developed instrumentation and techniques for realizing standards for the seven base units of the International System of Units, as agreed upon by the General Conference of Weights and Measures. Reference standards have been established not only for these seven base units, but also for many derived quantities and their multiples and submultiples. Such reference standards, or equivalent working standards, are used to calibrate laboratory and plant standards for other organizations. Accuracy is maintained by stability checks, by comparison with the standards of other national and international laboratories, and by the exploration of alternative techniques as a means of reducing possible systematic error.

(b) Calibrations for many types of instruments and ranges of physical quantities are described in the NIST Special Publication 250 (SP 250). (See §200.115 for details relating to the description of service items and listing of fees.)

(c) In recent years NIST has offered to the public new measurement services called measurement assurance programs. These programs are designed for laboratories whose measurement process involves the calibration of other standards. A measurement assurance program is a measurement quality control process. By use of carefully designed redundant measurements and measurements made on NIST transport standards a total uncertainty of the laboratories measurement process can be determined by NIST. The results of these tests are then reported to the customer as uncertainties of the customer's measurements relative to national standards.

(d) Special measurements not listed in SP 250 may be made upon request. These might involve unusual physical quantities, upper or lower extremes of range, higher levels of accuracy, fast response speeds, short durations, broader ranges of associated parameters, or special environmental conditions. Such inquiries should describe clearly the measurement desired. Indication of the scientific or economic basis for the requirements to be satisfied will be helpful in determining future NIST programs. Fees for work accepted will be based upon actual costs incurred.

(e) The principal emphasis of NIST is on those calibrations and other tests requiring such accuracy as can be obtained only by direct comparison with its standards.

(f) Other services which may be obtained include:

1. Tests of measuring instruments to determine compliance with specifications or claims, when the evaluation is critical in national scientific or technical operations, and when suitable facilities are not available elsewhere; and

2. Referee tests in important cases when clients are unable to agree upon the method of measurement, the results of tests, or the interpretation of these results, but have agreed in advance in writing to accept and abide by the findings of NIST.

(g) NIST reserves the right to decline any request for services if the work would interfere with other activities deemed by the Director to be of greater importance. In general, measurement services are not provided when available from commercial laboratories.

(h) Suggestions will be offered on measurement techniques and on other sources of assistance on calibration or measurement problems when the equipment and personnel of NIST are unable to undertake the work. The National Conference of Standards Laboratories issues a Directory of Standards Laboratories in the United States which perform calibration work (obtainable from NCSL Secretariat, c/o National Institute of Standards & Technology, Boulder, CO 80303). Those laboratories which perform testing are listed in the

§ 200.103 Consulting and advisory services.
(a) In areas of its special competence, NIST offers consulting and advisory services on various problems related to measurement, e.g., details of design and construction, operational aspects, unusual or extreme conditions, methods of statistical control of the measurement process, automated acquisition of laboratory data, and data reduction and analysis by computer. Brief consultation may be obtained at no charge; the fee for extended effort will be based upon actual costs incurred. The services outlined in this paragraph do not include services in connection with legal proceedings not involving the United States as a named party, nor to testimony or the production of data, information, or records in such legal proceedings which is governed by the policies and procedures set forth in Subchapter H, Chapter II, Part 275, of this title.

(b) To enhance the competence of standards laboratory personnel, NIST conducts at irregular intervals several group seminars on the precision measurement of specific types of physical quantities, offering the opportunity of laboratory observation and informal discussion. A brochure describing the current series of seminars can be obtained by writing the Office of Measurement Services, National Institute of Standards & Technology, Washington, DC 20234.

Often the performance of a device or structure can be evaluated at the user’s laboratory by comparing its response to unknown materials with its response to a stable, homogeneous reference specimen which has been well-characterized with regard to the physical or chemical property being measured. For information regarding carefully characterized materials see Subchapter B, Chapter II, Part 230, of this title. The Office of Standard Reference Materials in the NIST National Measurement Laboratory administers a program to provide many types of well-characterized materials that are needed to calibrate a measurement system or to produce scientific data that can be readily referred to a common base. NIST SP 260 is a catalog of Standard Reference Materials available from NIST.

§ 200.105 Standard reference data.
Data on the physical and chemical properties of the large variety of substances used in science and technology need to be compiled and evaluated for application in research, development, engineering design, and commerce. The Office of Standard Reference Data (OSRD) in the NIST National Measurement Laboratory provides coordination of and access to a number of governmental and nongovernmental data centers throughout this country and the world which are responsive to user needs for data. The OSRD’s present program is assembled under a series of tasks which include data for application in energy, environment and health, industrial process design, materials durability, and resource recovery. The subject data are disseminated as hard-copy information in the Journal of Physical and Chemical Reference Data, published jointly with the American Chemical Society and the American Institute of Physics, in the National Standard Reference Data System reports as the NSRDS-NIST series, and as NIST special reports. Magnetic tapes of data on selected topics are also issued through the OSRD and the National Technical Information Service. A newsletter, “Reference Data Report,” is issued bimonthly describing current activities. Information concerning the above is available upon request from the OSRD.

§ 200.106 Publications.
PUBLICATIONS provide the primary means of communicating the results of the NIST programs and services to its varied technical audiences, as well as to the general public. NIST issues some

(a) Technical services. The NIST radio stations WWV at Fort Collins, Colorado, and WWVH on the island of Kauai, Hawaii, broadcast a number of technical services continuously night and day. These services are:

(1) Standard radio frequencies, 2.5, 5, 10, 15, and 20 MHz (WWV) and 2.5, 5, 10, and 15 MHz (WWVH); (2) standard time signals; (3) time intervals; (4) UTI corrections; (5) standard audio frequencies; (6) standard musical pitch; (7) a slow time code; (8) Omega Navigation System status reports; (9) geophysical alerts; and (10) marine storm warnings. NIST also broadcasts time and frequency signals from its low frequency station, WWVB, also located at Fort Collins, Colorado.

(b) Time announcements. Once per minute voice announcements are made from WWV and WWVH. The two stations are distinguished by a female voice from WWVH and a male voice from WWV. The WWVH announcement occurs first, at 15 seconds before the minute, while the WWV announcement occurs at 7 1/2 seconds before the minute. Coordinated Universal Time (UTC) is used in these announcements.

(c) Time corrections. The UTC time scale operates on atomic frequency, but by means of step adjustments is made to approximate the astronomical UT1 scale. It may disagree from UT1 by as much as 0.9 second before step adjustments of exactly 1 second are made. These adjustments, or leap seconds, are required about once per year and will usually be made on December 31 or June 30. For those who need astronomical time more accurately than 0.9 second, a correction to UTC is encoded by the use of double ticks after the start of each minute. The first through the eighth seconds ticks will indicate a “plus” correction, and from the ninth through the 16th a “minus” correction. The correction is determined by counting the number of double ticks. For example, if the first, second, and third ticks are doubled, the correction is “plus” 0.3 second. If the

1 Single copies available free from the National Institute of Standards & Technology, Washington, DC 20234.

2 For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402, for a subscription price. The annual subscription price for the NIST Journal of Research on the date of the publication of these regulations is $13.00 and for Dimensions/NIST it is $11.00. Prices, however, for these publications are subject to change without notice.

3 The annual subscription rate at the date of the publication of these regulations for this service is $25.00, North American Continent, $575.00 all others.
ninth, 10th, 11th, and 12th ticks are doubled, the correction is "minus" 0.4 second.

(d) Standard time intervals. An audio pulse (5 cycles of 1000 Hz on WWV and 6 cycles of 1200 Hz on WWVH), resembling the ticking of a clock, occurs each second of the minute except on the 29th and 59th seconds. Each of these 5-millisecond second pulses occur within a 40-millisecond period, wherein all other modulation (voice or tone) is removed from the carrier. These pulses begin 10 milliseconds after the modulation interruption. A long pulse (0.8 second) marks the beginning of each minute.

(e) Standard frequencies. All carrier and audio frequencies occur at their nominal values according to the International System of Units (SI). For periods of 45-second duration, either 500-Hz or 600-Hz audio tones are broadcast in alternate minutes during most of each hour. A 440-Hz tone, the musical pitch A above middle C, is broadcast once per hour near the beginning of the hour.

(f) Accuracy and stability. The time and frequency broadcasts are controlled by the NIST atomic frequency standards, which realize the internationally defined cesium resonance frequency with an accuracy of 1 part in $10^{13}$. The frequencies transmitted by WWV and WWVH are held stable to better than $\pm 12$ parts in $10^{13}$ at all times. Deviations at WWV are normally less than 1 part in $10^{12}$ from day to day. Incremental frequency adjustments not exceeding 1 part in $10^{12}$ are made at WWV and WWVH as necessary. Changes in the propagation medium (causing Doppler effect, diurnal shifts, etc.) result in fluctuations in the carrier frequencies as received which may be very much greater than the uncertainties described above.

(g) Slow time code. A modified IRIG H time code occurs continuously on a 100-Hz subcarrier. The format is 1 pulse per second with a 30-minute time frame. It gives day of the year, hours, and minutes in binary coded decimal form.

(h) Omega announcements. Omega Navigation System status reports are broadcast in voice from WWV at 16 minutes after the hour and from WWVH at 47 minutes after the hour. The International Omega Navigation System is a very low frequency (VLF) radio navigation aid operating in the 10 to 14 kHz frequency band. Eight stations are in operation around the world. Omega, like other radio navigation systems, is subject to signal degradation caused by ionospheric disturbances at high latitudes. The Omega announcements on WWV and WWVH are given to provide users with immediate notification of such events and other information on the status of the Omega system.

(i) Geophysical alerts. These occur in voice at the 18th minute of each hour from WWV. They point out outstanding events which are in process, followed by a summary of selected solar and geophysical events in the past 24 hours and a forecast for the next 24 hours. They are provided by the Space Environment Laboratory, National Oceanic and Atmospheric Administration, Boulder, CO 80303.

(j) Marine storm information. Weather information about major storms in the Atlantic and eastern North Pacific are broadcast in voice from WWV at 8, 9, and 10 minutes after each hour. Similar storm warnings covering the eastern and central North Pacific are given from WWVH at 48, 49, and 50 minutes after each hour. An additional segment (at 11 minutes after the hour on WWV and at 51 minutes on WWVH) may be used when there are unusually widespread storm conditions. The brief messages are designed to tell mariners of storm threats in their areas. If there are no warnings in the designated areas, the broadcasts will so indicate. The ocean areas involved are those for which the U.S. has warning responsibility under international agreement. The regular times of issue by the National Weather Service are 0500, 1100, 1700, and 2300 UTC for WWV and 0000, 0600, 1200, and 1800 UTC for WWVH. These broadcasts are updated effective with the next scheduled announcement following the time of issue.

(k) “Silent” periods. These are periods with no tone modulation during which the carrier, seconds ticks, minute time announcements, and 100 Hz modified IRIG H time code continue. They occur during the 18th through the 20th minute on WWVH and the 46th through the 51st minute on WWV.
§ 200.108

(l) WWVB. This station (antenna coordinates 40°40'28.3" N., 105°02'39.5" W.; radiated power 12 kw.) broadcasts on 60 kHz. Its time scale is the same as for WWV and WWVH, and its frequency accuracy and stability are the same. Its entire format consists of a 1 pulse per second special binary time code giving minutes, hours, days, and the correction between its UTC time scale and UT1 astronomical time. Identification of WWVB is made by its unique time code and a 45° carrier phase shift which occurs for the period between 10 minutes and 15 minutes after each hour. The useful coverage area of WWVB is within the continental United States. Propagation fluctuations are much less with WWVB than with high-frequency reception, permitting frequency comparisons to be made to a few parts in $10^{11}$ per day.

(m) Special Publication 432. This publication describes in detail the standard frequency and time service of NIST. Single copies may be obtained at no charge upon request from the National Institute of Standards & Technology, Time & Frequency Services Group, 524.06, Boulder, CO 80303. Quantities may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402, at a nominal charge per copy.

§ 200.109 Shipping, insurance, and risk of loss.

(a) Shipment of apparatus to NIST for calibration or other test should be made only after the customer has accepted the estimate of cost and the tentative scheduling. Repairs and adjustments on apparatus submitted should be attended to by the owner, since NIST will not undertake them except by special arrangement. Apparatus not in good condition will not be calibrated. If defects are found after calibration has begun, the effort may be terminated, a report issued summarizing such information as has been found, and a fee charged in accordance with the amount of work done.

(b) The customer should pack apparatus sent to NIST so as to minimize the...
likelihood of damage in shipment and handling. Suggestions on packing and shipping are made in some sections of SP 250. In every case, the sender should consider the nature of the apparatus, pack it accordingly, and clearly label shipments containing fragile instruments or materials, such as glass and the like.

(c) To minimize damage during shipment resulting from inadequate packing, the use of strong reusable containers is recommended. As an aid in preventing loss of such containers, the customer’s name should be legibly and permanently marked on the outside. In order to prolong the container’s useful life, the notation “REUSABLE CONTAINER, DO NOT DESTROY” should be marked on the outside.

(d) Shipping and insurance coverage instructions should be clearly and legibly shown on the purchase order for the calibration or test. The customer must pay shipping charges to and from NIST; shipments from NIST will be made collect. The method of return transportation should be stated, and it is recommended that return shipments be insured, since NIST will not assume liability for their loss or damage. For long-distance shipping, air express and air freight provide an advantage in reduction of time in transit. If return shipment by parcel post is requested or is a suitable mode of transportation, shipments will be prepaid by NIST, but without covering insurance. When no shipping or insurance instructions are furnished, return shipment will be made by common carrier collect, but uninsured.

(e) NIST will not be responsible for the risk of loss or damage to any item during shipment to or from NIST. Any arrangements for insurance covering this risk must be made by the customer. Return shipment will be made by NIST as indicated in paragraph (d) of this section. The purchase order should always show the value of the equipment, and if transit insurance is carried by the customer, this fact should be stated.

(f) The risk of loss or damage in handling or testing of any item by NIST must be assumed by the customer, except when it is determined by NIST that such loss or damage was occasioned solely by the negligence of NIST personnel.

(g) When a test number has been assigned prior to shipment to NIST, this number should be clearly marked on the shipping container. When a test number has not been assigned, an invoice, copy of the purchase order, or letter should be enclosed in the shipment to insure proper identification. The original purchase order should be forwarded as appropriate to:


(h) The calibrations listed in SP 250 are performed at Boulder, Colorado and Gaithersburg, Maryland.

§ 200.110 Priorities and time of completion.

Schedule work assignments for calibrations and other tests will generally be made in the order in which confirmed requests are received. However, Government work may be given priority. On the regular services, the workload is usually such that the turn-around interval, between the date a customer’s apparatus is received and the date it is prepared for return shipment, will be not more than 45 days. Some types of instruments may require considerably longer, particularly if their abnormal behavior requires re-runs to check reliability. The customer who can spare the instrument for only a short time can usually arrange by letter or telephone call for shipping it to NIST just as the assigned starting date approaches. A notice will be sent acknowledging receipt of the customer’s standard and/or purchase order. If both a confirmed purchase order (or equivalent) and the apparatus have been received, estimates of the completion date and the calibration fee will be sent upon request.

§ 200.111 Witnessing of operations.

NIST welcomes scientists and engineers who may wish to visit its laboratories and discuss its methods. Ordinarily visitors will not be permitted to witness the actual carrying out of highly precise measurements because their presence introduces distraction.
that may lead to errors or delays. This policy may be waived in those cases where NIST determines that the visitor can be of service in setting up apparatus of a new or unusual nature, in the case of referee tests, or in other cases in which the legal validity of the result may require the presence of duly authorized witnesses.

§ 200.112 Reports.

(a) Results of calibrations and other tests are issued to the customer as formal reports entitled, "National Institute of Standards & Technology Report of Calibration," "National Institute of Standards & Technology Report of Test," or "National Institute of Standards & Technology Report of Analysis," as appropriate. Copies are not supplied to other parties except under applicable Federal law. Whenever formal certification is required by law, or to meet special conditions adjudged by NIST to warrant it, a letter will be provided certifying that the particular item was received and calibrated or tested, and identifying the report containing the results.

(b) NIST reports of calibration generally include in sentence form a statement of the uncertainty attached to the numerical values reported. Limits of uncertainty usually comprise an estimate of systematic error plus a value of imprecision. Details on how these estimates are arrived at are in many cases included in the calibration report. Additional information may be found in SP 250.

(c) The NIST practice is to express data given in calibration or test reports in the SI or International System of Units. The International System of Units (SI) was defined and given official status by the 11th General Conference of Weights and Measures, 1960. A complete listing of SI units is presented in detail in NIST SP 330. The NIST will express data in SI units unless this makes communication excessively complicated. For example, commercial gage designations, commonly used items identified by nominal dimensions, or other commercial nomenclatures or devices (such as drill sizes, or commercial standards for weights and measures) expressed in customary units are an exception from this practice. However, even in such instances, when practical and meaningful, SI and customary units may be given in parallel. Users of NIST calibration services may specify the units to be used in the calibration, especially for commercial devices and standards using customary units or units having some legal definition.

§ 200.113 Use of results or reports.

(a) As the national standards laboratory of the United States, NIST maintains and establishes the primary standards from which measurements in science and industry ultimately derive. It is therefore sometimes desirable for manufacturers or users of measurement standards to make appropriate reference to the relationship of their calibrations to NIST calibrations. The following considerations must be borne in mind, and shall be understood as constituting an agreement on the part of the NIST customer to be bound thereby in making reference to NIST calibration and test reports.

(b) The results of calibrations and tests performed by NIST are intended solely for the use of the organization requesting them, and apply only to a particular device or specimen at the time of its test. The results shall not be used to indicate or imply that they are applicable to other similar items. In addition, such results must not be used to indicate or imply that NIST approves, recommends, or endorses the manufacturer, the supplier, or the user of such devices or specimens, or that NIST in any way "guarantees" the later performance of items after calibration or test.

(c) NIST declares it to be in the national interest that it maintain an impartial position with respect to any commercial product. Advertising the findings on a single instrument could be misinterpreted as an indication of performance of other instruments of identical or similar type. There will be no objection, however, to a statement that the manufacturer’s primary standards have been periodically calibrated by NIST, if this is actually the case, or that the customer might arrange to have NIST calibrate the item purchased from the manufacturer.
(d) NIST does not approve, recommend, or endorse any proprietary product or proprietary material. No reference shall be made to NIST, or to reports or results furnished by NIST in any advertising or sales promotion which would indicate or imply that NIST approves, recommends, or endorses any proprietary product or proprietary material, or which has as its purpose an intent to cause directly or indirectly the advertised product to be used or purchased because of NIST test reports or results.

In its own activities as a scientific institution, NIST uses many different materials, products, types of equipment, and services. This use does not imply that NIST has given them a preferential position or a formal endorsement. Therefore, NIST discourages references, either in advertising or in the scientific literature, which identify it as a user of any proprietary product, material, or service. Occasionally, effective communication of results by NIST to the scientific community requires that a proprietary instrument, product, or material be identified in an NIST publication. Reference in an NIST publication, report, or other document to a proprietary item does not constitute endorsement or approval of that item and such reference should not be used in any way apart from the context of the NIST publication, report, or document without the advance express written consent of NIST.

§ 200.114 Fees and bills.

(a) In accordance with 15 U.S.C. 271 et seq., fees are charged for all measurement services performed by NIST, unless waived by the Director, or the Director’s designee, when deemed to be in the interest of the Government. The above-mentioned statutes authorize the issuance from time to time of appropriate regulations regarding the payment of fees, the limits of tolerance on standards submitted for verification, and related matters.

(b) The minimum fee for any service request accepted by NIST is $10, unless otherwise indicated in SP 250. If apparatus is returned without testing, a minimum charge of $10 may be made to cover handling. Charges commensurate with the work performed will be assessed for calibrations which cannot be completed because of faulty operation of the customer’s device. Fees for calibrations or tests include the cost of preparation of an NIST report. Remittances should be made payable to the National Institute of Standards & Technology.

§ 200.115 Description of services and list of fees, incorporation by reference.

(a) NIST Special Publication 250, "Calibration and Related Measurement Services of the National Institute of Standards & Technology" is hereby incorporated by reference, pursuant to 5 U.S.C. 552(a)(1) and 1 CFR Part 51. SP 250 states the authority under which NIST performs various types of measurement services including calibrations and tests and charges fees therefor, states the general conditions under which the public may secure such services, describes these services in considerable detail, and lists the fees to be charged, and sets out the instructions for requesting them in an appendix which is reviewed, revised and reissued semi-annually (December and June). The Director, Office of the Federal Register, approved the incorporation by reference on December 28, 1967.

(b) SP 250 is available at the following places:


(2) Technical Information and Publications Division, National Institute of Standards & Technology, Washington, DC 20234.

(3) District Offices of the U.S. Department of Commerce.

(4) Federal Depository Libraries.

(c) Revisions of SP 250 will be issued from time to time by the National Institute of Standards & Technology, Washington, DC 20234.

(d) Further information concerning policies, procedures, services, and fees may be obtained by writing the Office of Measurement Services, National Institute of Standards & Technology, Washington, DC 20234.
PART 230—STANDARD REFERENCE MATERIALS

Subpart A—General Information

§ 230.1 Introduction.
This part states the procedure for ordering Standard Reference Materials (SRM's) issued by the National Institute of Standards & Technology. SRM's are used to calibrate measurement systems, evaluate measurement methods, or produce scientific data that can be referred to a common base. NIST Special Publication 260, “Catalog of NIST Standard Reference Materials,” lists and describes the SRM’s issued by NIST. SP 260 is periodically revised to include new SRM’s and eliminate those that have been discontinued. Between editions of SP 260, supplements are issued that list new or renewal SRM's not listed in SP 260. In addition, these supplements list the fees charged for available SRM's.

The SRM’s are listed by category in SP 260 and by sequential number in the supplements. The number uniquely identifies a particular SRM. Renewals are indicated by the addition of a letter to the original number. Thus, 11a is the first, 11b the second, and 11c the third renewal of SRM 11, Basic Open-Hearth Steel, 0.2 percent carbon. In this way, a particular number or number and letter always represent a material of fixed or approximately fixed composition.

§ 230.3 New Standard Reference Materials.
When new SRM’s or renewals of old ones are issued, announcements are made in SP 260, its supplement, and in scientific and trade journals.

Subpart B—Purchase Procedure

§ 230.4 Ordering.
Orders should be addressed to the Office of Standard Reference Materials, National Institute of Standards & Technology, Washington, DC 20234. Orders should give the amount (number of units), catalog number and name of the standard requested. For example:

1 each, SRM 11h, Basic Open-Hearth Steel, 0.2 percent C. These materials are distributed only in the units listed.

§ 230.5 Terms and shipping.
(a) Prices are given in the SP 260 supplement. These prices are subject to revision and orders will be billed for prices in effect at the time of shipment. No discounts are given on purchases of SRM’s.

(b) Payment need not accompany a purchase order. Payment is due within 30 days of receipt of an invoice.

(c) SRM’s are shipped in the most expeditious manner that complies with transportation and postal laws and regulations.
§ 230.6 Standard Reference Materials out of stock.

Orders for out-of-stock SRM's will be returned with information as to future availability.

Subpart C—Description of Services and List of Fees

§ 230.7 Description of services and list of fees, incorporation by reference.


(b) SP 260 describes the SRM's that are available and states the procedure for ordering the materials. SP 260 is available at the following places:


(c) Supplements are issued when needed to reflect additions, deletions, and corrections to SP 260, and to list fees charged for the SRM's. Supplements are available from the Office of Standard Reference Materials, National Institute of Standards & Technology, Washington, DC 20234.

[41 FR 8472, Feb. 27, 1976, as amended at 55 FR 38315, Sept. 11, 1990]
PART 240—BARRELS AND OTHER CONTAINERS FOR LIME

Sec.
240.1 Title of act.
240.2 Application.
240.3 Permissible sizes.
240.4 Definitions.
240.5 Required marking.
240.6 Tolerances.


SOURCE: 13 FR 8372, Dec. 28, 1948, unless otherwise noted.

§ 240.1 Title of act.


§ 240.2 Application.

The rules and regulations in this part are to be understood and construed to apply to lime in barrels, or other containers packed, sold, or offered for sale for shipment from any State or Territory or the District of Columbia to any other State or Territory or the District of Columbia; and to lime in containers of less capacity than the standard small barrel sold in interstate or foreign commerce; and to lime imported in barrels from a foreign country and sold or offered for sale; also to lime not in barrels or containers of less capacity than the standard small barrel, sold, charged for, or purported to be delivered as a large or small barrel or a fractional part of said small barrel of lime, from any State or Territory or the District of Columbia to any other State or Territory or the District of Columbia.

§ 240.3 Permissible sizes.

Lime in barrels shall be packed only in barrels containing 280 pounds or 180 pounds, net weight. For the purposes of this section the word “barrel” is defined as a cylindrical or approximately cylindrical vessel, cask or drum.


§ 240.4 Definitions.

(a) The term container of less capacity than the standard small barrel, as mentioned in section 3 of the law and as used in the rules and regulations in this part, is defined as any container not in barrel form containing therein a net weight of lime of less than 180 pounds.

(b) The term label as used in the rules and regulations in this part is defined as any printed, pictorial, or other matter upon the surface of a barrel or other container of lime subject to the provisions of this act, or upon cloth or paper or the like which is permanently affixed to it by pasting or in a similar manner.

(c) The term tag is defined as a tough and strong strip of cloth or paper or the like, bearing any printed, pictorial, or other matter, which is loose at one end and which is secured to a container of lime subject to the provisions of the act.


§ 240.5 Required marking.

(a) The lettering required upon barrels of lime by section 2 of the law shall be as follows: The statement of net weight shall be in boldface capital letters and figures at least 1 inch in height and not expanded or condensed; it shall be clear, legible, and permanent, and so placed with reference to the other lettering that it is conspicuous. The name of the manufacturer of the lime and where manufactured, and, if imported, the name of the country from which it is imported, shall be in boldface letters at least one-half inch in height and not expanded or condensed, and shall be clear, legible, conspicuous, and permanent. None of these letters and figures shall be superimposed upon each other, nor shall any other characters be superimposed upon the required lettering or otherwise obscure it. All the above statements shall form parts of the principal label.
(b) The information required upon containers of lime of less capacity than the standard small barrel shall be included in a label: Provided, however, That in order to allow the utilization of second-hand or returnable bags made of cloth, burlap, or the like, such information may be upon a tag firmly attached to the container in a prominent and conspicuous position. In case a tag is used to give the required information there must not be any label or another tag upon the container which bears any statement having reference to lime, or any statement of weight whatever, which is not identical with the information upon the tag mentioned above; if a container is to be utilized which bears any such inaccurate information upon a label, such container shall be turned inside out or such information shall be obliterated in so far as it is inaccurate by blotting out the letters or figures; or if such inaccurate information is upon a tag, by removing such tag.

(c) If the required lettering is upon a label, the statement of net weight shall be in bold-face capital letters and figures at least three-fourths inch in height and not expanded or condensed; it shall be clear, legible, and permanent, and so placed with reference to the other lettering that it is conspicuous. The word "net" shall form part of the statement of weight. The name of the manufacturer of the lime, and the name of the brand, if any, under which it is sold, and, if imported, the name of the country from which it is imported, shall be in bold-face letters and figures not less than one-eighth inch in height (12-point capitals), and not expanded or condensed, and shall be clear, legible, conspicuous, and permanent. None of these letters and figures shall be superimposed upon each other nor shall any other characters be superimposed upon the required lettering or otherwise obscure it. All the above statements shall be included upon the same side of the tag.

(d) If the required lettering is upon a tag, the statement of net weight shall be in bold-face capital letters and figures not less than one-half the height of the largest letters or figures used upon such tag: Provided, however, That in every case they shall be not less than one-eighth inch in height (12-point capitals), and not expanded or condensed. The word "net" shall form part of the statement of weight. The statement shall be clear, legible, and permanent, and so placed with reference to the other lettering that it is conspicuous. The name of the manufacturer of the lime, and the name of the brand, if any, under which it is sold, and, if imported, the name of the country from which it is imported, shall be in bold-face letters and figures not less than one-eighth inch in height (12-point capitals), and not expanded or condensed, and shall be clear, legible, conspicuous, and permanent. None of these letters and figures shall be superimposed upon each other nor shall any other characters be superimposed upon the required lettering or otherwise obscure it. All the above statements shall be included upon the same side of the tag.

(e) In case the lime is actually packed in barrels or in containers of less capacity than the standard small barrel by some person other than the manufacturer of the lime, the information mentioned above must be given in the manner there described, and in addition there must be a statement to this effect: "Packed by _______ _______" (giving the name and address of the packer). This statement shall be in letters not smaller than is specified for the general statement required in the case of barrels and containers of less capacity than the standard small barrel, respectively (see paragraphs (a) and (b) of this section); it shall not be obscured and shall form part of the principal label or be upon the same side of the tag as in those cases provided.

(f) In the case of all lime sold in barrels, the actual place of manufacture of the lime shall be stated on the barrel. In general, this will be the name of the post office nearest or most accessible to the plant. However, when the actual place of manufacture of the lime and the offices of the company are separated but are within the boundaries of the same county of a State, or when, though not within the boundaries of the same county they are so close together that the post-office address of the offices represents substantially and to all intents and purposes the actual
§ 240.6

place of manufacture of the lime, then the post-office address of the offices of the company will be sufficient: Provided, however, that the address given shall always correctly show the State in which the lime is actually manufactured.

(g) More than one place of manufacture of a manufacturer shall not be shown on the same barrel unless the one at which the particular lime in question is manufactured is pointed out.

(h) If the location of the home offices is stated and this is not the place of manufacture within the meaning of the above definition, an additional statement must be included to this effect: “Manufactured at __________” (giving the location of the plant).


§ 240.6 Tolerances.

(a) When lime is packed in barrels the tolerance to be allowed on the large barrel or the small barrel of lime shall be 5 pounds in excess or in deficiency on any individual barrel: Provided, however, that the average error on 10 barrels of the same nominal weight and packed by the same manufacturer shall in no case be greater than 2 pounds in excess or in deficiency. In case all the barrels available are not weighed, those which are weighed shall be selected at random.

(b) When lime is packed in containers of less capacity than the standard small barrel, the tolerance to be allowed in excess or in deficiency on individual containers of various weights, shall be the values given in the column headed “Tolerance on individual package,” of the following table: Provided, however, that the average error on 10 containers of the same nominal weight and packed by the same manufacturer shall in no case be greater than the values given in the column headed “Tolerance on average weight,” of the following table. In case all the containers available are not weighed, those which are weighed shall be selected at random.

(c) When lime in bulk is sold, charged for, or purported to be delivered as a definite number of large or small barrels, the tolerance to be allowed in excess or in deficiency on such amounts of lime shall be 15 pounds per 1,800 pounds (10 small barrels), or 25 pounds per 2,800 pounds (10 large barrels).

### Table: Tolerance on individual package

<table>
<thead>
<tr>
<th>Weight of packaged</th>
<th>Tolerance on individual package (pounds)</th>
<th>Tolerance on average weight (pounds)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not greater than 50 lbs</td>
<td>1 1/2</td>
<td>1/4</td>
</tr>
<tr>
<td>More than 50 lb. and not greater than 100 lbs</td>
<td>2</td>
<td>1/4</td>
</tr>
<tr>
<td>More than 100 lb. and not greater than 150 lb</td>
<td>3</td>
<td>1/4</td>
</tr>
<tr>
<td>More than 150 lb. and less than 180 lb</td>
<td>4</td>
<td>1/4</td>
</tr>
</tbody>
</table>

### PART 241—BARRELS FOR FRUITS, VEGETABLES AND OTHER DRY COMMODITIES, AND FOR CRANBERRIES

Sec. 241.1 Capacities.
241.2 Legal standard barrels.
241.3 Application of tolerance for “distance between heads.”
241.4 Application of tolerance for “diameter of head.”
241.5 Standard dimensions.
241.6 Classes of barrels for tolerance application.
241.7 Tolerances to be allowed.


**SOURCE:** 13 FR 8873, Dec. 28, 1948, unless otherwise noted.

**NOTE:** The rules and regulations in this part refer entirely to individual barrels, and no separate tolerance has been placed on the average content of a number of barrels taken at random from a shipment. It is not believed that barrels can be so made as to take advantage of the tolerances, and, of course, no attempt should be made to do this. It is, therefore, expected that as many barrels will be above as below the standard capacity.

§ 241.1 Capacities.

(a) The capacities of the standard barrel for fruits, vegetables, and other dry commodities, other than cranberries, and its subdivisions, are as follows:
§ 241.2 Legal standard barrels.

(a) Any barrel having the dimensions specified for a standard barrel for fruits, vegetables, and other dry commodities, other than cranberries, in section 1 of the standard-barrel law, or any barrel or a subdivision thereof having the contents specified in section 1 of the standard-barrel law and in §241.1(a) regardless of its form or dimensions, is a legal standard barrel for fruits, vegetables, or other dry commodities other than cranberries, or a legal subdivision thereof. No other barrel or subdivision in barrel form is a legal container for fruits, vegetables, or other dry commodities other than cranberries.

(b) Any barrel having the dimensions specified for a standard barrel for cranberries in section 1 of the standard-barrel law, or any subdivision thereof having the contents specified in §241.1(b), regardless of its form or dimensions, is a legal standard barrel for cranberries or a legal subdivision thereof. No other barrel or subdivision in barrel form is a legal container for cranberries.


§ 241.3 Application of tolerance for “distance between heads.”

The tolerance established in this part for the dimension specified as “distance between heads” shall be applied as follows on the various types of barrels in use:

(a) When a barrel or subdivision thereof has two heads, the tolerance shall be applied to the distance between the inside surfaces of the heads and perpendicular to them.

(b) When a barrel or subdivision thereof has but one head and a croze ring or other means for the insertion of a head, such as an inside hoop, etc., at the opposite end, the tolerance shall be applied to the distance from the inside surface of the bottom head and perpendicular to it to the inside edge of the croze ring, or to a point where the inside surface of a head would come were such head inserted in the barrel.

(c) When a barrel or subdivision thereof has but one head and no croze ring or other means for the insertion of a head, such as an inside hoop, etc., at the opposite end, the tolerance shall be applied to the distance from the inside surface of the bottom head and perpendicular to it to the inside edge of the croze ring, or to a point where the inside surface of a head would come were such head inserted in the barrel.

§ 241.4 Application of tolerance for “diameter of head.”

(a) The tolerance established in this part for the dimension specified as “diameter of head” shall be applied to the diameter of the head over all, including the part which fits into the croze ring of the completed barrel.

(b) When a barrel or subdivision thereof has but one head and a croze ring or other means for the insertion of a head, such as an inside hoop, etc., at the opposite end, the tolerance shall be applied to the distance from the inside surface of the bottom head and perpendicular to it to the inside edge of the croze ring, or to a point where the inside surface of a head would come were such head inserted in the barrel.

(c) When a barrel or subdivision thereof has but one head and no croze ring or other means for the insertion of a head, such as an inside hoop, etc., at the opposite end, the tolerance shall be applied to the distance from the inside surface of the bottom head and perpendicular to it to the inside edge of the croze ring, or to a point where the inside surface of a head would come were such head inserted in the barrel.

§ 241.4 Application of tolerance for “diameter of head.”

(a) The tolerance established in this part for the dimension specified as “diameter of head” shall be applied to the diameter of the head over all, including the part which fits into the croze ring of the completed barrel.
§ 241.5

(b) The tolerance established in this part for the dimension specified as “effective diameter of head” shall be applied as follows on the various types of barrels and subdivisions in use:

(1) When a barrel or subdivision thereof has two heads, the tolerance shall be applied to the mean of the average diameters from inside to inside of staves at the inner edges of the heads.

(2) When a barrel or subdivision thereof has but one head and a croze ring or other means for the insertion of a head at the opposite end, the tolerance shall be applied to the mean of the average diameters, one taken from inside to inside of staves at the inner edge of the head, the other from inside to inside of staves at the inner edge of the croze ring, or from inside to inside of staves at a point where the inside surface of a head would come were such head inserted in the barrel.

(3) When a barrel or subdivision thereof has but one head and no croze ring or other means for the insertion of a head at the opposite end, the tolerance shall be applied to the mean of the average diameters, one taken from inside to inside of staves at a point 1 1/8 inches from the end of the staves in the case of a barrel or 3/4 barrel, or at a point 1 inch or 7/8 inch from the end of the staves in the case of a 1/2 barrel or 1/3 barrel, respectively.

(c) The standard allowance for depth of croze ring shall be 3/8 inch. Therefore, the standard “effective diameter of head” in the case of the standard barrel is 16 3/4 inches and in the case of the standard cranberry barrel is 15 7/8 inches.

§ 241.5 Standard dimensions.

Whenever in the rules and regulations in this part the error on a dimension is mentioned, this error shall be determined by taking the difference between the actual measured dimension and the standard dimension. The error is an error in excess and is to be preceded by a plus sign when the measured dimension is greater than the standard dimension. The error is an error in deficiency and is to be preceded by a minus sign when the measured dimension is less than the standard dimension.

(a) The standard dimensions of a barrel for fruits, vegetables, and other dry commodities other than cranberries, and of a barrel for cranberries, with which the actual measured dimensions are to be compared, are as follows:

(b) In the case of all subdivisions of the barrel for fruits, vegetables, and other dry commodities other than cranberries, and all subdivisions of the barrel for cranberries, the following dimensions are hereby standardized for the purpose of the application of tolerances, and the actual measured dimensions are to be compared with these:

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Barrel for fruits, vegetables, and other dry commodities other than cranberries (inches)</th>
<th>Barrel for cranberries (inches)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diameter of head</td>
<td>17 1/8</td>
<td>16 3/4</td>
</tr>
<tr>
<td>Effective diameter of head (see § 241.4)</td>
<td>16 3/4</td>
<td>15 3/4</td>
</tr>
<tr>
<td>Distance between heads</td>
<td>26</td>
<td>25 1/4</td>
</tr>
<tr>
<td>Circumference of bulge, outside measurement</td>
<td>64</td>
<td>58 1/2</td>
</tr>
<tr>
<td>Length of stave</td>
<td>28 1/2</td>
<td>28 1/2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>% barrel (inches)</th>
<th>% barrel (inches)</th>
<th>% barrel (inches)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective diameter of head (see § 241.4)</td>
<td>15 1/4</td>
<td>13 3/4</td>
<td>11 3/4</td>
</tr>
<tr>
<td>Distance between heads</td>
<td>23 1/2</td>
<td>20 1/2</td>
<td>18</td>
</tr>
<tr>
<td>Circumference of bulge, outside measurement</td>
<td>58 1/2</td>
<td>51 1/2</td>
<td>45 1/2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Subdivisions of barrel for fruits, vegetables, and other dry commodities other than cranberries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective diameter of head (see § 241.4)</td>
<td>14 1/4</td>
</tr>
<tr>
<td>Distance between heads</td>
<td>23</td>
</tr>
<tr>
<td>Circumference of bulge, outside measurement</td>
<td>53</td>
</tr>
</tbody>
</table>

§ 241.6 Classes of barrels for tolerance application.

For the purpose of the application of tolerances, barrels for fruits, vegetables, and other dry commodities other than cranberries, are hereby divided into two classes as follows:

(a) Class 1 shall include (1) all barrels no dimension of which is in error by more than the following amounts, and
(2) all barrels one or more of the dimensions of which are in error by more than the following amounts, and which in addition have no dimension in error in the opposite direction:

<table>
<thead>
<tr>
<th></th>
<th>Error, inches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective diameter of head</td>
<td>1/4</td>
</tr>
<tr>
<td>Distance between heads</td>
<td>1/4</td>
</tr>
<tr>
<td>Circumference of bulge, outside measurement</td>
<td>1 1/2</td>
</tr>
</tbody>
</table>

(b) Class 2 shall include all barrels at least one dimension of which is in error by more than the amounts given above, but which in addition have at least one dimension in error in the opposite direction. (This class includes all barrels mentioned in section 1 of the law in the proviso reading: "Provided, That any barrel of a different form having a capacity of seven thousand and fifty-six cubic inches shall be a standard barrel.")

(Sec. 1, 38 Stat. 1186; 15 U.S.C. 234)

§ 241.7 Tolerances to be allowed.

(a) The tolerances to be allowed in excess or in deficiency on the dimensions of all barrels of Class 1 shall be as follows:

<table>
<thead>
<tr>
<th></th>
<th>Tolerance, inches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diameter of head</td>
<td>1/4</td>
</tr>
<tr>
<td>Effective diameter of head</td>
<td>1/4</td>
</tr>
<tr>
<td>Distance between heads</td>
<td>1/4</td>
</tr>
<tr>
<td>Circumference of bulge, outside measurement</td>
<td>1 1/2</td>
</tr>
<tr>
<td>Length of stave</td>
<td>1/2</td>
</tr>
</tbody>
</table>

(1) If no dimension of a barrel of Class 1 is in error by more than the tolerance given above, then the barrel is within the tolerance allowed.

(2) If one or more of the dimensions of a barrel of Class 1 is in error by more than the tolerance given above, then the barrel is not within the tolerance allowed.

(b) The tolerance to be allowed in excess or in deficiency on the dimensions of all barrels of Class 2 shall be 1 1/2 inches (1.5) inches, and this tolerance is to be applied to the result obtained by the application of the following rule:

(1) Having determined the errors of each dimension and given to each its proper sign (see §241.4), add the errors on the effective diameter of head and the distance between heads algebraically and multiply the result by 1.67 (or 5/3). Then add this result to the error on the circumference of bulge algebraically. If the result obtained is not greater than the tolerance given above, then the barrel is within the tolerance allowed; if the result is greater than this tolerance, then the barrel is not within the tolerance allowed.

Note: To find the algebraic sum of a number of quantities having different signs, first add all those having one sign; then add all those having the opposite sign; then subtract the smaller sum from the larger, giving this result the sign of the larger quantity.

(2) [Reserved]

(c) The tolerance to be allowed in excess or in deficiency on the dimensions of all barrels for cranberries shall be as follows:

<table>
<thead>
<tr>
<th></th>
<th>Tolerance, inches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diameter of head</td>
<td>1/4</td>
</tr>
<tr>
<td>Effective diameter of head</td>
<td>1/4</td>
</tr>
<tr>
<td>Distance between heads</td>
<td>1/4</td>
</tr>
<tr>
<td>Circumference of bulge, outside measurement</td>
<td>1 3/8</td>
</tr>
<tr>
<td>Length of stave</td>
<td>1/2</td>
</tr>
</tbody>
</table>

(1) If no dimension of a barrel for cranberries is in error by more than the tolerance given above, then the barrel is within the tolerance allowed.

(2) If one or more of the dimensions of a barrel for cranberries is in error by more than the tolerance given above, then the barrel is not within the tolerance allowed.

(d) The tolerances to be allowed in excess or in deficiency on all subdivisions of the standard barrel for fruits, vegetables, and other dry commodities other than cranberries, and on all subdivisions of the standard barrel for cranberries, shall be the values given in the following table, and these tolerances are to be applied to the result obtained by the application of the following rule:

(1) Having determined the errors on each dimension and given to each its proper sign (see §241.4), add the errors on the effective diameter of head and the distance between heads algebraically and multiply the result by 1.67 (or 5/3). Then add this result to the error on the circumference of bulge algebraically. If the result obtained is not greater than the tolerance given in the following table for the proper subdivision, then the barrel is within the tolerance allowed.

<table>
<thead>
<tr>
<th></th>
<th>Tolerance, inches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diameter of head</td>
<td>1/4</td>
</tr>
<tr>
<td>Effective diameter of head</td>
<td>1/4</td>
</tr>
<tr>
<td>Distance between heads</td>
<td>1/4</td>
</tr>
<tr>
<td>Circumference of bulge, outside measurement</td>
<td>1 1/4</td>
</tr>
<tr>
<td>Length of stave</td>
<td>1/2</td>
</tr>
</tbody>
</table>
§ 241.7

tolerance allowed; if the result is greater than this tolerance, then the barrel is not within the tolerance allowed.

<table>
<thead>
<tr>
<th>Size of subdivision</th>
<th>Tolerance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For fruits, vegetables, and other dry commodities (inches)</td>
</tr>
<tr>
<td>¼ barrel .................</td>
<td>1¼ (1.25)</td>
</tr>
<tr>
<td>½ barrel .................</td>
<td>1¼ (1.25)</td>
</tr>
</tbody>
</table>

15 CFR Ch. II (1–1–98 Edition)

<table>
<thead>
<tr>
<th>Size of subdivision</th>
<th>Tolerance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For fruits, vegetables, and other dry commodities (inches)</td>
</tr>
<tr>
<td>½ barrel ..................</td>
<td>1¼ (1.25)</td>
</tr>
</tbody>
</table>
SUBCHAPTER E—FELLOWSHIPS AND RESEARCH ASSOCIATES

PART 255—FELLOWSHIPS IN LABORATORY STANDARDIZATION AND TESTING FOR QUALIFIED CITIZENS OF OTHER AMERICAN REPUBLICS

Sec. 255.1 Type of fellowships.
255.2 Qualifications.
255.3 Award of fellowships.
255.4 Allowances and expenses.
255.5 Progress reports.
255.6 Duration of fellowships.
255.7 Official notification.


SOURCE: 13 FR 8374, Dec. 28, 1948, unless otherwise noted.

§ 255.1 Type of fellowships.
Fellowships shall be of the combined intern-training and training-in-research type, and may include any or all of the following courses:
(a) Orientation courses consisting of lectures and conferences at the National Institute of Standards & Technology pertaining to laboratory standardization and testing.
(b) Practical laboratory training in various branches of physics, chemistry, and engineering research, under the direction of the National Institute of Standards & Technology, which will include the usual subdivisions of physics (weights and measures, heat, optics, mechanics, atomic physics, electrical measurements and radio) and also technologic applications in research and testing on metals, rubber, leather, paper, textiles, plastics, and clay and silicate products.
(c) Observation and study in such other laboratories within the continental United States as may be selected by the Director of the National Institute of Standards & Technology.
(d) Courses of instruction or research assignments supplementing the practical laboratory training, in universities or colleges selected by the Director of the National Institute of Standards & Technology.


§ 255.2 Qualifications.
Each applicant selected for a fellowship shall be:
(a) A citizen of an American republic other than the United States;
(b) In possession of a certificate of medical examination issued by a licensed physician within 60 days of the date of application, describing the applicant's physical condition and stating that he is free from any communicable disease, physical deformity or disability that would interfere with the proper pursuit of training, research, or any other activity or work incident to the fellowship;
(c) Able to speak, read, write and understand the English language;
(d) Of good moral character and possessing intellectual ability and suitable personal qualities; and
(e) In possession of acceptable evidence that he has successfully completed the equivalent of a four-year university course in a recognized university, college or other institution of learning, with some training or experience in the field of activity which he desires to pursue. Equivalent experience may be substituted for the university training in the case of candidates who are otherwise specially well qualified.

§ 255.3 Award of fellowships.
Fellowships shall be awarded by the Director of the National Institute of Standards & Technology, with the approval of the Secretary of Commerce and the Secretary of State, or the duly authorized representative of the Secretary of State. Applications shall be transmitted to the Secretary of State by the government of the American republic of which the applicant is a citizen through the American diplomatic mission accredited to that government.


§ 255.4 Allowances and expenses.
Allowances and expenses shall be as provided in State Department regulations given in 22 CFR Part 61, and as
§ 255.5

provided in Department of Commerce Administrative Order No. 202-3.¹

§ 255.5 Progress reports.

Applicants awarded fellowships under the regulations in this part shall submit written reports of progress in training and research at such intervals as the Director of the National Institute of Standards & Technology may determine.


§ 255.6 Duration of fellowships.

Fellowships may be awarded for periods of varying length, not exceeding one 12-month period of actual training and research and may be extended for not exceeding the same periods in the manner prescribed under § 255.3 and subject to the availability of appropriations. Fellowships may be cancelled for cause by the Director of the National Institute of Standards & Technology, with the approval of the Secretary of Commerce and the Secretary of State, or the duly authorized representative of the Secretary of State.


§ 255.7 Official notification.

Each applicant selected by the Director of the National Institute of Standards & Technology and approved by the Secretary of Commerce and the Secretary of State, or the duly authorized representative of the Secretary of State, shall be notified of his award through diplomatic channels. The notification shall state the duration and type of fellowship, outline the program of training and research, and state the allowances authorized: Provided, however, That the Director of the National Institute of Standards & Technology may subsequently amend the program and duration of the fellowship if in his opinion such action would be in the interest of obtaining training and research better suited to the needs and capabilities of the fellow than those prescribed in the notification. The amount originally authorized for monthly allowances and other expenses may also be amended, if necessary, with the approval of the Secretary of Commerce and the Secretary of State, or the duly authorized representative of the Secretary of State.


PART 256—RESEARCH ASSOCIATE PROGRAM

Sec.

256.1 Introduction.

256.2 The Research Associate Program.

256.3 Procedure.

256.4 Qualifications.

256.5 Duration of projects.

256.6 Information concerning the Research Associate Program.


SOURCE: 32 FR 10252, July 12, 1967, unless otherwise noted.


§ 256.1 Introduction.

This part states policies and procedures concerning the Research Associate Program at the National Institute of Standards & Technology. In the exercise of its functions as a major scientific agency of the Federal Government, the National Institute of Standards & Technology may make its facilities available to persons other than Bureau employees to work with scientists and engineers in collaborative research aimed at furthering the Nation’s scientific, industrial, and economic growth. Such cooperative programs may be sponsored by professional, technical, or industrial organizations or associations. Such participants, when so sponsored, are designated “Research Associates”.

§ 256.2 The Research Associate Program.

The Bureau provides its facilities, scientific competence, and technical supervision for defined scientific or technical research by a Research Associate when such research is complementary to and compatible with scientific or technical research being performed or to be undertaken by NIST.
under its statutory mission and authority. The Sponsors pay the salaries of their Research Associates and Sponsor-furnished technical assistants and secretaries of the Research Associates, if any, their travel costs, and other related expenses. Additionally, Sponsors reimburse NIST for the cost of research equipment, services, or materials obtained for the Research Associate.


§ 256.3 Procedure.

Arrangements for collaborative research by NIST with a Research Associate generally begin through discussions or correspondence between NIST scientists and representatives of potential sponsoring companies, trade associations or professional organizations. These preliminary steps are followed by the consummation of a Memorandum of Agreement which is signed by NIST, the sponsoring organization and the Research Associate. The agreement sets out the respective responsibilities and obligations of all parties.

§ 256.4 Qualifications.

Each candidate selected to serve as a Research Associate must be determined to be scientifically qualified by the Sponsor and by the NIST, and found by NIST to be of good moral character and to possess suitable personal qualities.

§ 256.5 Duration of projects.

The work of a Research Associate is generally conducted on a full-time basis. Typically, Research Associates are in residence at NIST for 6 to 18 months; longer-term programs may be carried on by a succession of Research Associates. Agreements provide for cancellation by any of the parties.

§ 256.6 Information concerning the Research Associate Program.

Information concerning the Research Associate Program may be obtained from the Industrial Liaison Officer, National Institute of Standards & Technology, Washington, DC 20234.

[40 FR 50707, Oct. 31, 1975]
Subchapter F—Regulations Governing Traffic and Conduct

Part 265—Regulations Governing Traffic and Conduct on the Grounds of the National Institute of Standards & Technology, Gaithersburg, Maryland, and Boulder and Fort Collins, Colorado

Subpart A—General

Sec. 265.1 Definitions.
265.2 Applicability.
265.3 Compliance with directions.
265.4 Making or giving of false reports.
265.5 Laws of Maryland and Colorado applicable.

Subpart B—Traffic and Vehicular Regulations

265.11 Inspection of license and registration.
265.12 Speeding or reckless driving.
265.13 Emergency vehicles.
265.14 Signs.
265.15 Right-of-way in crosswalks.
265.16 Parking.
265.17 Parking permits.
265.18 Prohibited servicing of vehicles.
265.19 Unattended vehicles.
265.20 Towing of improperly parked vehicles.
265.21 Improper use of roads as thoroughfares.
265.22 Bicycle traffic.

Subpart C—Buildings and Grounds

265.31 Closing the site.
265.32 Trespassing.
265.33 Preservation of property.
265.34 Conformity with posted signs.
265.35 Nuisances.
265.36 Intoxicating beverages.
265.37 Narcotics and other drugs.
265.38 Intoxication or other impairment of function.
265.39 Weapons and explosives.
265.40 Nondiscrimination.
265.41 Gambling.
265.42 Photography for advertising or commercial purposes; advertising and soliciting.
265.43 Pets and other animals.

Subpart D—Penalties

265.51 Penalties—other laws.


Source: 39 FR 41170, Nov. 25, 1974, unless otherwise noted.

Subpart A—General

§ 265.1 Definitions.
As used in this part:
(a) Site means those grounds and facilities of the National Institute of Standards & Technology, Department of Commerce located in Montgomery County, Maryland, and in Boulder and Larimer Counties, Colorado, over which the Federal Government has acquired concurrent jurisdiction in accordance with appropriate authority.
(b) Uniformed guard means a designated employee appointed by the Director for purposes of carrying out the authority of a U.S. Special Policeman, as provided by 40 U.S.C. 318.
(c) Director means the Director of the National Institute of Standards & Technology.


§ 265.2 Applicability.
The regulations in this part establish rules with respect to the parking and operation of motor vehicles and other activities and conduct on the site. These regulations are intended to supplement the rules and regulations regarding conduct in Part O of Subtitle A of this title and in other officially issued orders and regulations of the Department of Commerce and the National Institute of Standards & Technology.

[39 FR 41170, Nov. 25, 1974, as amended at 55 FR 38316, Sept. 18, 1990]

§ 265.3 Compliance with directions.
No person shall fail or refuse to comply with any lawful order or direction of a uniformed guard in connection with the control or regulation of traffic.
§ 265.4 Making or giving of false reports.

No person shall knowingly give any false or fictitious report or information to any authorized person investigating an accident or apparent violation of law or these regulations. Nothing in this section shall affect the applicability of 18 U.S.C. 1001 regarding false, fictitious or fraudulent statements or entries.

§ 265.5 Laws of Maryland and Colorado applicable.

Unless otherwise specifically provided herein, the laws of the State of Maryland and of the State of Colorado shall be applicable to the site located within those respective States. The applicability of State laws shall not, however, affect or abrogate any other Federal law or regulation applicable under the circumstances.

Subpart B—Traffic and Vehicular Regulations

§ 265.11 Inspection of license and registration.

No person may operate any motor vehicle on the site unless he holds a current operator’s license, nor may he, if operating a motor vehicle on the site, refuse to exhibit for inspection, upon request of a uniformed guard, his operator’s license or proof of registration of the vehicle under his control at time of operation.

§ 265.12 Speeding or reckless driving.

(a) No person shall drive a motor vehicle on the site at a speed greater than or in a manner other than is reasonable and prudent for the particular location, given the conditions of traffic, weather, and road surface and having regard to the actual and potential hazards existing.

(b) Except when a special hazard exists that requires lower speed for compliance with paragraph (a) of this section, the speed limit on the site is 25 m.p.h., unless another speed limit has been duly posted, and no person shall drive a motor vehicle on the site in excess of the speed limit.

§ 265.13 Emergency vehicles.

No person shall fail or refuse to yield the right-of-way to an emergency vehicle when operating with siren or flashing lights.

§ 265.14 Signs.

Every driver shall comply with all posted traffic and parking signs.

§ 265.15 Right-of-way in crosswalks.

No person shall fail or refuse to yield the right-of-way to a pedestrian or bicyclist crossing a street in a marked crosswalk.

§ 265.16 Parking.

No person, unless otherwise authorized by a posted traffic sign or directed by a uniformed guard, shall stand or park a motor vehicle:

(a) On a sidewalk;

(b) Within an intersection or within a crosswalk;

(c) Within 15 feet of a fire hydrant, 5 feet of a driveway or 30 feet of a stop sign or traffic control device;

(d) At any place which would result in the vehicle being double parked;

(e) At curbs painted yellow;

(f) In a direction facing on-coming traffic;

(g) In a manner which would obstruct traffic;

(h) In a parking space marked as not intended for his use;

(i) Where directed not to do so by a uniformed guard;

(j) Except in an area specifically designated for parking or standing;

(k) Except within a single space marked for such purposes, when parking or standing in an area with marked spaces;

(l) At any place in violation of any posted sign; or

(m) In excess of 24 hours, unless permission has been granted by the Physical Security office.

§ 265.17 Parking permits.

No person, except visitors, shall park a motor vehicle on the site without having a valid parking permit displayed on such motor vehicle in compliance with instructions of the issuing
§ 265.18

authority. Such permits may be revoked by the issuing authority for violation of any of the provisions of this part.

§ 265.18 Prohibited servicing of vehicles.

No person shall make nonemergency repairs on privately owned vehicles on the site.

§ 265.19 Unattended vehicles.

No person shall leave a motor vehicle unattended on the site with the engine running or a key in the ignition switch or the vehicle not effectively braked.

§ 265.20 Towing of improperly parked vehicles.

Any motor vehicle that is parked in violation of these regulations may be towed away or otherwise moved if a determination is made by a uniformed guard that it is a nuisance or hazard. A reasonable amount for the moving service and for the storage of the vehicle, if any, may be charged, and the vehicle is subject to a lien for that charge.

§ 265.21 Improper use of roads as thoroughfares.

Except as otherwise provided herein, no person shall drive a motor vehicle or bicycle onto the site for the sole purpose of using the roads of the site as a thoroughfare between roads bordering the site. This section shall not apply to bicyclists using officially approved bike paths on the site.

§ 265.22 Bicycle traffic.

No person shall ride a bicycle other than in a manner exercising due caution for pedestrian and other traffic. No person shall ride a bicycle on sidewalks or inside any building, nor shall any person park a bicycle on sidewalks or inside any building nor in a roadway or parking lot, provided, however, that these parking restrictions shall not apply to bicycles parked at bicycle racks located in these areas.

Subpart C—Buildings and Grounds

§ 265.31 Closing the site.

As determined by the Director (Director, NIST Boulder Laboratories, for sites in Colorado), the site may be closed to the public in emergency situations and at such other times as may be necessary for the orderly conduct of the Government’s business. At such times no person shall enter the site except authorized individuals, who may be required to sign a register and display identification when requested by a uniformed guard.


§ 265.32 Trespassing.

No person shall come onto the site other than in pursuance of official government business or other properly authorized activities.

§ 265.33 Preservation of property.

No person shall, without authorization, willfully destroy, damage, or deface any building, sign, equipment, marker, or structure, tree, flower, lawn, or other public property on the site.

§ 265.34 Conformity with posted signs.

No person shall fail or refuse to comply with officially posted signs of a prohibitory nature or with directions of a uniformed guard.

§ 265.35 Nuisances.

(a) No person shall willfully disrupt the conduct of official business on the site, or engage in disorderly conduct; nor shall any person unreasonably obstruct the usual use of entrances, foyers, lobbies, corridors, offices, elevators, stairways, parking lots, sidewalks, or roads.

(b) No person shall litter or dispose of rubbish except in a receptacle provided for that purpose; nor shall any person throw articles of any kind from a building or from a motor vehicle or bicycle.

§ 265.36 Intoxicating beverages.

Except as expressly authorized by the Director, the consumption or use on the site of intoxicating beverages is prohibited.

§ 265.37 Narcotics and other drugs.

The possession, sale, consumption, or use on the site of narcotic or other
§ 265.38 Intoxication or other impairment of function.

No person shall enter or remain on the site while noticeably impaired by the use of intoxicating beverages or narcotics or other drugs, and any such person found on the site in such a state of impairment may be removed from the site.

§ 265.39 Weapons and explosives.

Except in connection with the conduct of official business on the site, no person other than uniformed guards specifically authorized, or other Federal, State, or local law enforcement officials so authorized, shall carry, transport, or otherwise possess on the site, firearms whether loaded or not, other dangerous or deadly weapons or materials, or explosives, either openly or concealed, without the written permission of the Director or his designee.

§ 265.40 Nondiscrimination.

No person shall discriminate against any other person because of race, creed, color, sex, or national origin, in furnishing, or by refusing to furnish to such person the use of any facility of a public nature, including all services, privileges, accommodations, and activities provided thereby on the site.

§ 265.41 Gambling.

No person shall participate on the site in games for money or other property, or in the operation of gambling devices, the conduct of lotteries or pools, or in the selling or purchasing of numbers tickets, or the taking or placing of bets.

§ 265.42 Photography for advertising or commercial purposes; advertising and soliciting.

(a) Except as otherwise provided herein or where security regulations would preclude, photographs may be taken in entrances, lobbies, foyers, corridors, and auditoriums without prior approval. Photography for advertising and commercial purposes may be conducted only with the written permission of the Chief, Public Affairs Division of the National Institute of Standards and Technology (Public Affairs Officer for Boulder for sites in Colorado) provided, however, that this shall not apply to photography for purposes of civic promotion.

(b) Commercial advertisements and other material which are not directly pertinent or applicable to NIST employees but which nevertheless may be of interest or benefit to them may, with the approval of the Director of Administration (Executive Office, Boulder, for sites in Colorado), be placed in an appropriate location and made available to employees who visit that area. Except with approval as provided herein, no person shall distribute commercial advertising literature or engage in commercial soliciting on the site.

§ 265.43 Pets and other animals.

Except in connection with the conduct of official business on the site or with the approval of the Associate Director for Administration (Executive Officer, IBS/Boulder, for sites in Colorado), no person shall bring upon the site any cat, dog, or other animal, provided, however, that blind persons may have the use of seeing eye dogs.
PART 270—PROCEDURES FOR THE EVALUATION OF ENERGY-RELATED INVENTIONS

Sec. 270.0 Purpose.
270.1 Definitions.
270.2 Submission of invention disclosures.
270.3 Energy-related invention evaluation request form.
270.4 Statement of nondisclosure forms.
270.5 Nondisclosure provisions for evaluation contracts.
270.6 Conflict of interest.
270.7 Restricted access to invention disclosures.
270.8 Review and evaluation.
270.9 Recommendations on invention disclosures.

SOURCE: 41 FR 43396, Oct. 1, 1976, unless otherwise noted.

§ 270.0 Purpose.

(a) The Federal Nonnuclear Energy Research and Development Act of 1974 (Pub. L. 93-577, dated December 31, 1974 (42 U.S.C. 5901, et seq.)), hereinafter referred to as the Act, establishes a comprehensive, national program for research and development of all potentially beneficial energy sources and utilization technologies. This program is to be carried out by the Administrator of the Energy Research and Development Administration (ERDA).

(b) Section 14 of the Act directs the National Institute of Standards & Technology (NIST) to "give particular attention to the evaluation of all promising energy-related inventions, particularly those submitted by individual inventors and small companies for the purpose of obtaining direct grants from the Administrator" of ERDA. The purpose of this part is to promulgate regulations in the implementation of section 14 of the Act.


§ 270.1 Definitions.

As used in this part:

(a) Office means the Office of Energy-Related Inventions.

(b) Invention means any invention which may be used to conserve energy, provide a new source of energy or improve a method of harnessing known or discovered energy supplies, except nuclear energy.

(c) Invention disclosure means a written description of an invention.

(d) Department means the United States Department of Commerce.

§ 270.2 Submission of invention disclosures.

(a) Any person may submit an invention disclosure to the Office for evaluation of the invention described therein for the purpose set out in §270.2. The invention disclosure shall be accompanied by a completed Energy-Related Invention Evaluation Request form, which is specified in §270.3.

(b) All correspondence related to an invention disclosure or inquiries related to section 14 of the Act should be addressed to:

Office of Energy-Related Inventions, National Institute of Standards & Technology, Washington, D.C. 20234


§ 270.3 Energy-related invention evaluation request form.

(a) The Office shall furnish an Energy-Related Invention Evaluation Request form to any person who desires to submit an invention disclosure for the purpose set out in §270.2. The form shall include, either directly or by reference:

(1) A statement of policy;
(2) A description of the invention evaluation program of the Office;
(3) An outline of the information required of the submitter, which shall include an invention disclosure in the English language, with drawings where appropriate, sufficiently complete in technical detail to convey a clear understanding of the purpose, construction, and operation of the invention described in such disclosure;
(4) A brief description of the safeguards to be taken in handling invention disclosures to protect the proprietary rights of persons submitting such disclosures;

(5) A requirement that the submitter indicate either that the following or similar legend has been applied to the invention disclosure, or that the following legend should be applied to the invention disclosure by the Office, or that such legend in the judgment of the submitter is not required: “This invention disclosure contains information which is (i) a trade secret or (ii) commercial or financial information that is privileged or confidential.”;

(6) A Memorandum of Understanding setting forth the conditions under which NIST shall accept an invention disclosure for evaluation of the invention described therein, and including, directly or by reference, the provisions of §270.5; such Memorandum shall be signed by the person who submits the invention disclosure as a prerequisite to the evaluation of the invention described in such disclosure; and

(7) Other information deemed relevant.

(b) Where the Government is entitled to the entire right, title, and interest in an invention and such invention is described in an invention disclosure to be submitted for the purpose set out in §270.2 of this part, the Office shall furnish to the submitter an Energy-Related Invention Evaluation Request form which shall include paragraphs (a)(1), (2), and (3) of this section and which may omit paragraphs (a)(4), (5), and (6) thereof.

§270.5 Nondisclosure provisions for evaluation contracts.

(a) In any contract awarded by the Department or NIST for the evaluation of an invention described in an invention disclosure or for any other task for which a contractor receives an invention disclosure in confidence, the contractor shall agree in writing to comply with the following safeguards:

(1) To establish and maintain procedures for holding such invention disclosure in confidence;

(2) To provide the contracting officer with a signed statement from each person to whom an invention disclosure will be shown that any information which is received in confidence shall be kept in confidence by such person to the extent of the nondisclosure provisions contained in such contract; such statement shall be subject to the approval of the contracting officer;

(3) To furnish the contracting officer a description of the procedures specified in paragraph (a)(1) of this section so that their effectiveness may be determined and evaluated, and to make any reasonable changes in such procedures as may be requested by the contracting officer to increase their effectiveness;

(b) When the person, who is to sign the Statement of Nondisclosure form is a Department employee, a statement indicating that such person has read and understood 15 CFR 0.735-15(b), which prohibits the use of inside information by a Department employee, and 15 CFR 0.735-15(d), which prohibits the disclosure of restricted information; and

(c) When the person, who is to sign the Statement of Nondisclosure form, is a government officer or employee, a statement indicating that such person has read and understood 18 U.S.C. 1905, which provides for criminal penalties which may be imposed on a government officer or employee for the unauthorized disclosure of confidential information, including trade secrets, which comes to such person in the course of his employment or official duties.

§270.4 Statement of nondisclosure forms.

The Office shall require that those Government employees, who administer or perform the evaluations of inventions described in invention disclosures, sign Statement of Nondisclosure forms. The form shall include either directly or by reference:

(a) A brief description of the safeguards to be taken in handling the invention disclosures to protect the proprietary rights of persons submitting such disclosures;
§ 270.6 Conflict of interest.

Each contract, requiring access to invention disclosures, shall provide that if, upon examination of an invention disclosure, the contractor is aware that it has any financial interest in or any relation with a third party which might affect the integrity and impartiality of its performance of the work specified in the contract, the contractor shall provide the contracting officer with a complete written report of such interest or relation prior to undertaking the work and shall not proceed with the work without the prior written authorization of the contracting officer.

§ 270.7 Restricted access to invention disclosures.

(a) When an invention disclosure is not accompanied by a signed Memorandum of Understanding, specified in §270.3(a)(6) of this part, such disclosure shall be handled for processing only, such as recording, classifying, and safekeeping, or (2) may be returned to the submitter without evaluation when the disclosure does not describe an invention as defined in §270.1(b). During the processing, the distribution of the invention disclosure shall be restricted to the personnel in the Office who have been designated by the Chief of the Office to carry out the processing functions called for in this paragraph. Moreover, the invention disclosure shall not be processed beyond the Office for any purpose prior to receipt of a signed Memorandum of Understanding.

(b) When an invention disclosure is accompanied by a signed Memorandum of Understanding, such disclosure may be released to any person, who needs the information in the disclosure for administrative purposes or for evaluation of the invention described in such disclosure, and who has signed a Statement of Nondisclosure form specified in §270.4, or who is authorized to receive the invention disclosure pursuant to a contract with the Department or NIST.

(c) In no event shall an invention disclosure be released to any person not
§ 270.8 Review and evaluation.

(a) When an invention disclosure is accompanied by the signed Memorandum of Understanding specified in §270.3(a)(6), such disclosure shall receive a preliminary review to determine whether it is complete and sufficient and describes an invention which may be a potentially beneficial source of energy subject to utilization technologies.

(b) After completion of a preliminary review, the Office may undertake or have undertaken an evaluation of the invention in an invention disclosure which shall include:

1. An assessment of the validity of the technical assumptions and statements which are made in the invention disclosure concerning the invention;

2. An assessment of the potential of the invention for energy conservation, utilization, and production;

3. An assessment of the potential of the commercial utilization of the invention; and

4. A recommendation on whether ERDA should support the invention.

(c) Invention disclosures submitted to the Office normally shall be evaluated in the order in which they are received except in those cases where the Chief of the Office determines that the advancement of an invention disclosure would improve the effectiveness of the program established by section 14 of the Act.

(d) When a preliminary review and/or evaluation of an invention requires a capability which is not available at NIST, the Office may enter into a contract for the performance of such review and/or evaluation with a qualified individual or firm in the private sector or into an agreement with another Federal Government department or agency for the same purpose.

(3) Release to a third party pursuant to an order of a court of competent jurisdiction.

§ 270.9 Recommendations on invention disclosures.

(a) Based on the review or evaluation of an invention pursuant to §270.8, the Office shall decide whether or not to recommend the invention to ERDA for support and shall inform ERDA and the person who submitted the invention disclosure of such decision.

(b) Subject to the provisions of §270.7(e):

(1) Where the Office recommends an invention to ERDA for support, the Office shall furnish a report to ERDA which documents the basis for the recommendation; and

(2) Where the Office decides not to recommend an invention to ERDA, a report which documents the basis of its decision shall be forwarded to ERDA upon its request.
PART 280—FASTENER QUALITY

Subpart A—General

Sec.
280.1 Purpose or description of rule.
280.2 Definitions.
280.3 Relationship to State laws.
280.4 Commingling of fasteners.
280.5 Certification of fasteners.
280.6 Laboratory test reports.
280.7 Recordkeeping requirements.
280.8 Ownership of laboratories by manufacturers.
280.9 Subcontracting of testing.
280.10 Sampling.
280.11 Significant alterations of fasteners.
280.12 Applicability.
280.13 Imports of fasteners.
280.14 Option for importers and private label distributors.
280.15 Alternative procedure for chemical characteristics.
280.16 Subsequent purchaser.

Subpart B—Laboratory Accreditation

280.100 Introduction.
280.101 Accredited laboratory list.
280.102 Procedures for inclusion in the accredited laboratory list.
280.103 Removal from the accredited laboratory list.

Subpart C—NIST Fastener Laboratory Accreditation Procedures

280.200 Introduction.
280.202 Establishment of the Program.
280.203 Adding to or modifying the Program.
280.204 NVLAP Program Handbook.
280.205 Applying for accreditation.
280.206 Assessing and evaluating a laboratory.
280.207 Granting and renewing accreditation.
280.208 Denying, suspending, and revoking accreditation.
280.209 Voluntary termination of accreditation.
280.210 Change in status of laboratory.
280.211 Authorized representative.
280.212 Approved signatory.
280.213 Application of accreditation conditions and criteria.
280.214 Conditions for accreditation.
280.215 Criteria for accreditation.

Subpart D—NIST Approval of Private Accreditation Programs

280.300 Introduction.
280.301 Application.
280.302 Review and decision process.
280.303 Criteria for approval.
280.304 Maintaining approved status.
280.305 Voluntary termination of approval.
280.306 Involuntary termination of approval by NIST.

Subpart E—Recognition of Foreign Laboratories

280.400 Introduction.
280.401 Recognition of foreign laboratories.

Subpart F—Requirements for Fastener Laboratory Accreditation Bodies

280.500 Introduction.
280.501 Accreditation bodies.
280.502 Laboratory assessors.
280.503 Accreditation process.
280.504 Relationship between approved/recognized accreditation body and laboratory.

Subpart G—Enforcement

280.600 Scope.
280.601 Definitions used in this subpart.
280.602 Violations.
280.603 Penalties, remedies, and sanctions.
280.604 Administrative enforcement proceedings.
280.605 Institution of administrative enforcement proceedings.
280.606 Representation.
280.607 Filing and service of papers other than charging letter.
280.608 Answer and demand for hearing.
280.609 Default.
280.610 Summary decision.
280.611 Discovery.
280.612 Subpoenas.
280.613 Matter protected against disclosure.
280.614 Prehearing conference.
280.615 Hearings.
280.616 Interlocutory review of rulings.
280.617 Proceeding without a hearing.
280.618 Procedural stipulations; extension of time.
280.619 Decision of the administrative law judge.
280.620 Settlement.
280.621 Reopening.
280.622 Record for decision and availability of documents.
280.623 Appeals.
280.1 Purpose/description of rule.

The Fastener Quality Act (the Act) (Pub.L. 101-592, as amended by Pub.L. 104-113) is intended to protect the public safety, to deter the introduction of nonconforming fasteners into commerce, to improve the ability to trace fasteners covered by the Act, and generate greater assurance that fasteners meet stated specifications. The Act:

(a) Requires that certain fasteners which are sold in commerce conform to the specifications to which they are represented to be manufactured,

(b) Provides for accreditation of laboratories engaged in fastener testing;

(c) Requires inspection, testing and certification, in accordance with standardized methods, of fasteners covered by the Act.

§ 280.2 Definitions.

Unless the context requires otherwise or unless specifically stated the terms in this part have the meanings prescribed in the statute. In addition the following definitions apply.

Accreditation means laboratory accreditation.

Accreditation body refers to the National Voluntary Laboratory Accreditation Program and those private entities currently approved by NIST under subpart D of this part and those foreign governments or organizations currently recognized by NIST under subpart E of this part.

Accreditation criteria means a set of requirements used by an accreditation body which a laboratory must meet to be accredited.


Alter means to alter by through hardening; by electroplating of fasteners; or by machining.

Alteror means a person who owns a fastener and causes it to be altered.

Approved signatory is an individual employed by a laboratory accredited under the Act and these regulations who is recognized by an accreditation body as competent to sign accredited laboratory test reports.

Bureau of Export Administration or (BXA) means the Bureau of Export Administration of the United States Department of Commerce, including the Office of Export Enforcement.

Certificate of accreditation is a document issued by an accreditation body to a laboratory that has met the criteria and conditions of accreditation. The certificate, together with the assigned code number, and scope of accreditation issued by the accreditation body may be used as proof of accredited status.

Commingling means the mixing of fasteners from different lots in the same container.

Commissioner means the Commissioner of Patents and Trademarks.

Consensus standards organization means the American Society for Testing and Materials (ASTM), American National Standards Institute (ANSI), American Society of Mechanical Engineers (ASME), Society of Automotive Engineers (SAE), or any other consensus standards setting organization (domestic or foreign) determined by the Authority: Sec. 13 of the Fastener Quality Act (Pub.L. 101-592, as amended by Pub.L. 104-113).

Source: 61 FR 50558, Sept. 26, 1996, unless otherwise noted.

Subpart A—General

Subpart H—Recordal of Insignia

280.700 Recorded insignia required prior to offer for sale.

The Written Application

280.710 Applications for insignia.

280.711 Review of the application.

280.712 Certificate of recordal.

280.713 Recordal of additional insignia.

Post-Recordal Maintenance

280.720 Maintenance of the certificate of recordal.

280.721 Notification of changes of address.

280.722 Transfer or amendment of the certificate of recordal.

280.723 Transfer or assignment of the trademark registration or recorded insignia.

280.724 Change in status of trademark registration or amendment of the trademark.

280.725 Cumulative listing of recordal information.

280.726 Records and files of the Patent and Trademark Office.


Source: 61 FR 50558, Sept. 26, 1996, unless otherwise noted.
Secretary to have comparable knowledge, expertise, and concern for the health and safety in the field for which such organization purports to set standards.

Container means any package of fasteners traded in commerce.

Date of manufacture means that date upon which the initial conversion of material into a fastener takes place.

Director means the Director of the National Institute of Standards and Technology (NIST).

Fastener means any screw, nut, bolt or stud, washer or other item included within the definition for fastener contained in section 3(5) of the Fastener Quality Act. The term “fastener” does not include a screw, nut, bolt, or stud:

1. That is produced and marked as ASTM A307 Grade A;
2. That is produced in accordance with ASTM F432; or
3. That is held out as being produced to other than the provisions of standards and specifications published by a consensus standards organization, or a government agency.

A screw, nut, bolt, stud or washer held out as being produced according to requirements of a document other than a document published by a consensus standards organization is a fastener within the meaning of the Act and this part if that document incorporates or references (directly or indirectly) standards and specifications published by a consensus standards organization or government agency for purposes of delineating performance or materials characteristics of the fastener.

Fastener insignia register means the register established at the U.S. Patent and Trademark Office for the recordal of fastener insignia to identify the manufacturer or private label distributor.

Fastener set means a collection of small quantities of products, including fasteners, of varying sizes, collected together and sold as a package.

Grade or property class identification marking means any symbol appearing on a fastener purporting to indicate that the fastener’s base material, strength properties, or performance capabilities conform to a specific standard of a consensus standards organization or government agency. A raw material mark is not considered as a grade identification mark for purposes of these regulations unless this mark is required by the fastener standards and specifications to identify specific conformance.

Importer means a person located within the United States who contracts for the initial purchase of fasteners manufactured outside the United States for resale or such person’s use within the United States.

Laboratory accreditation is the formal recognition that a testing laboratory is competent to carry out specific test(s) or specific type(s) of tests.

Laboratory accreditation body means a legal or administrative entity that accredits laboratories.

Laboratory assessment means the on-site examination of a testing laboratory to evaluate its compliance with specified criteria.

Laboratory test report means a report prepared by an accredited laboratory in accord with § 280.6.

Lot means a quantity of fasteners of one part number fabricated by the same production process from the same coil or heat number of metal as provided by the metal manufacturer and submitted for inspection and testing at one time.

Lot number means a number assigned by a manufacturer to the lot.

Lot-specific identification information means information applicable to a fastener consisting of, at a minimum:

1. The part number (or a part description if there is no applicable part number),
2. The identity of the manufacturer, and
3. The lot number.

Lot traceability means the recording and maintenance of lot-specific identification information sufficient to trace fasteners from a single lot throughout:

1. The manufacturer’s fabrication or alteration process,
2. All inspection and testing operations, and
3. The subsequent chain of distribution in commerce.

Manufacturer means a person who fabricates fasteners, who significantly alters fasteners, or who alters any item so that it becomes a fastener.
§ 280.3 Relationship to State laws.

Nothing in the Act or these regulations shall be construed to preempt any rights or causes of action that any buyer may have with respect to any seller of fasteners under the law of any State, except to the extent that the provisions of the Act or these regulations are in conflict with such State law.

§ 280.4 Commingling of fasteners.

(a) No manufacturer, importer, or private label distributor may commingle fasteners of the same type, grade, and dimension from different lots in the same container; except that such manufacturer, importer, or private label distributor may commingle fasteners of the same type, grade, and dimension from not more than two tested and certified lots in the same container during repackaging and plating operations: Provided, that any container which contains the fasteners from two lots shall be conspicuously marked with the lot identification numbers of both lots.
(b) Fastener distributors, and persons who purchase fasteners for sale at wholesale or retail, may commingle fasteners of the same type, grade, and dimension from different lots in the same container.

§ 280.6 Laboratory test reports.

(a) When performing tests for which they are accredited under this part, each laboratory accredited under subparts C, D, or E of this part and currently listed in the Accredited Laboratory List shall issue test reports of its work which accurately, clearly, and unambiguously present the test conditions, test set-up, test results, and all information required by this section. All reports must be in English or be translated into English, must be signed by an approved signatory, must be protected by a tamper resistant system, and contain the following information:

(1) Name and address of the laboratory;

(2) Unique identification of the test report including date of issue and serial number, or other appropriate means;

(3) Name and address of client;

(4) Fastener Description, including:

(i) Manufacturer (name and address);

(ii) Product family (screw, nut, bolt, washer, or stud), drive and/or head configurations as applicable;

(iii) Date of manufacture;

(iv) Head markings (describe or draw manufacturer’s recorded insignia and grade identification or property class symbols);

(v) Nominal dimensions (diameter; length of bolt, screw or stud; thickness of load bearing washer); thread form and class of fit;
(vi) Product standards and specifications related to the laboratory in writing by the manufacturer, importer or distributor;
(vii) Lot number;
(viii) Specification and grade of material;
(ix) Coating material and standard and specification as applicable;
(5) Sampling information:
(i) Standards and specifications or reference for sampling scheme;
(ii) Production lot size and the number sampled and tested;
(iii) Name and affiliation of person performing the lot sampling;
(6) Test results:
(i) Actual tests required by the standard and specification;
(ii) Test results for each sample;
(iii) All deviations from the test method;
(iv) All other items required on test reports according to the test method;
(v) Where the report contains results of tests performed by sub-contractors, these results shall be clearly identified along with the name of the laboratory and accreditation information listed in paragraph (a)(10) of this section.
(vi) A statement that the samples tested either conform or do not conform to the metal standards and specifications and identification of any nonconformance;
(6) A statement that the report must not be reproduced except in full;
(7) A statement to the effect that the test report relates only to the item(s) tested;
(8) Name, title and signature of approved signatory accepting technical responsibility for the tests and test report;
(9) The name of the body which accredited the laboratory for the specific tests performed which are the subject of the report, and code number assigned to the laboratory by the accreditation body, and the expiration of accreditation.
(b) For alternative chemical tests carried out under §280.15 of this part, each laboratory accredited under subparts C, D, or E of this part and currently listed in the Accredited Laboratory List shall provide to the fastener manufacturer, either directly or through the metal manufacturer, a written inspection and testing report containing all required information. All reports must be in English or be translated into English, must be signed by an approved signatory, must be protected by a tamper resistant system, and contain the following information:
(1) Name and address of the laboratory;
(2) Unique identification of the test report including date of issue and serial number or other appropriate means;
(3) Name and address of client;
(4) Coil or heat number of metal being tested;
(5) Test results:
(i) Actual tests required by the standards and specifications;
(ii) Test results for each sample;
(iii) All deviations from the test method;
(iv) All other items required on test reports according to the test method;
(v) Where the report contains results of tests performed by sub-contractors, these results shall be clearly identified along with the name of the laboratory and accreditation information listed in paragraph (b)(9) of this section.
(vi) A statement that the samples tested either conform or do not conform to the metal standards and specifications;
(6) A statement to the effect that the test report relates only to the item(s) tested;
(7) Name, title and signature of approved signatory accepting technical responsibility for the tests and test report;
(8) The name of the body which accredited the laboratory for the specific tests performed which are the subject of the report, and code number assigned to the laboratory by the accreditation body, and the expiration of accreditation.
(c) The laboratory shall issue corrections or additions to a test report only by a further document suitably marked, e.g. “Supplement to test report serial number * * *”. This document must specify which test result is in question, the content of the result,
the explanation of the result, and the reason for acceptance of the result.

§ 280.7 Recordkeeping requirements.

(a) Each laboratory accredited under subparts C, D, or E of this part shall retain for 5 years after the performance of a test all records pertaining to that test concerning the inspection and testing, and certification, of fasteners under the Act and these regulations. The final test report or the test records maintained by the laboratory shall contain sufficient information to permit the test to be repeated at a later time if a retest is necessary. The laboratory shall maintain the test report and a record of all original observations, calculations, and derived data. The records shall include the identity of personnel involved in sample preparation and testing. Procedures for storage and retrieval of records must be documented and maintained in the laboratory’s quality manual.

(b) Manufacturers, importers, private label distributors, and persons who significantly alter fasteners shall retain for 5 years after the performance of a test all records pertaining to that test concerning the inspection and testing, and certification, of fasteners under the Act and these regulations.

(c) Original records required. Persons required to keep records under this part must maintain the original records in the form in which that person receives or creates them unless that person meets all of the conditions of paragraph (d) of this section relating to reproduction of records. Original laboratory test reports described in §§280.5, 280.6, 280.13 and 280.15(b) of this part must be kept.

(d) Reproduction of original records. A person required to keep records under this part may maintain reproductions of documents other than laboratory test reports instead of the original records using any photographic, photostatic, miniature photographic, micrographic, automated archival storage, or other process that completely, accurately, legibly and durably reproduces the original records (whether on paper, microfilm, or through electronic digital storage techniques). The process must meet all of the requirements of paragraphs (d)(1) through (d)(9) of this section.

(1) The system must be capable of reproducing all records on paper.

(2) The system must record and be able to reproduce all marks, information, and other characteristics of the original record, including both obverse and reverse sides of paper documents in legible form.

(3) When displayed on a viewer, monitor, or reproduced on paper, the records must exhibit a high degree of legibility and readability. (For purposes of this section, legible and legibility mean the quality of a letter or numeral that enable the observer to identify it positively and quickly to the exclusion of all other letters or numerals. Readable and readability mean the quality of a group of letters or numerals being recognized as complete words or numbers.)

(4) The system must preserve the initial image (including both obverse and reverse sides of paper documents) and record all changes, who made them and when they were made. This information must be stored in such a manner that none of it may be altered once it is initially recorded.

(5) The regulated person must establish written procedures to identify the individuals who are responsible for the operation, use and maintenance of the system.

(6) The regulated person must establish written procedures for inspection and quality assurance of records in the system and document the implementation of those procedures.

(7) The system must be complete and contain all records required to be kept by this part or the regulated person must provide a method for correlating, identifying and locating records relating to the same transaction(s) that are kept in other record keeping systems.

(8) The regulated person must keep a record of where, when, by whom, and on what equipment the records and other information were entered into the system.

(9) Upon request by the Bureau of Export Administration or NIST, the regulated person must furnish, at the examination site, the records, the equipment and, if necessary, knowledgeable
§ 280.8 Ownership of laboratories by manufacturers.

(a) If the Director finds that, as to a specific type of fastener, and as to a specific type of inspection or testing, a ban on manufacturer ownership or affiliation with a laboratory performing tests under the Act and these regulations would increase the protection of health and safety of the public or industrial workers, the Director may impose such a ban.

(b) Before imposing a ban under paragraph (a) of this section, the Director shall provide advance notice and the opportunity for public comment.

§ 280.9 Subcontracting of testing.

(a) Whenever a laboratory accredited under subparts C, D, or E of this part issues a test report under the Act and this part, it is implied that the report reflects work performed, and results obtained, by the personnel, equipment, and procedures of that laboratory. However, in some cases a laboratory may require the use of another facility due to equipment failure, need for specialized equipment, work overload, or to perform tests outside the laboratory's own scope of accreditation.

(b) Whenever a laboratory accredited under subparts C, D, or E of this part subcontracts to another laboratory for the performance of any test or portion of a test it must:

(1) Place the work with another laboratory accredited under either subpart C, D, or E of this part;

(2) Inform the client, before the fact, that subcontracting will be necessary; and

(3) Clearly identify in its records, and in the report to the client, specifically which test method(s) or portions of a test method(s) were performed by the accredited laboratory and which were performed by the subcontractor.

§ 280.10 Sampling.

In the event that the standard or specification to which a manufacturer represents the fasteners in a particular sample to have been manufactured does not provide for the size, selection or integrity of the sample to be inspected and tested, the sample shall be determined in accordance with ASME/ANSI B18.18.2M, Inspection and Quality Assurance For High-Volume Machine Assembly Fasteners; ASME/ANSI B18.18.3M, Inspection and Quality Assurance for Special Purpose Fasteners; or ASME/ANSI B18.18.4M, Inspection and Quality Assurance for Highly Specialized Engineering Applications—Fasteners, as appropriate.

§ 280.11 Significant alterations of fasteners.

(a) Any alteror who significantly alters a fastener so that it no longer conforms to the description in the relevant test report issued under section 5(c) of the Act or this part, and who thereafter offers for sale or sells such significantly altered fastener, shall:

(1) Assign a new lot number;

(2) Apply his or her registered insignia to the significantly altered fastener if the standards and specifications to which the fastener was originally manufactured required the fastener to bear a raised or depressed insignia identifying its manufacturer or private label distributor; and

(3) Be treated as a manufacturer for the purposes of the Act and this part, and shall cause the fastener to be inspected and tested as required by section 5 of the Act and by this part unless the significantly altered fastener is delivered to a purchaser accompanied by a written statement noting the original lot number and the new lot number assigned by the alteror, disclosing the subsequent alteration, and...
warning that such alteration may affect the dimensional or physical characteristics of the fastener.

(b) If the significant alteration is only electroplating of fasteners having a specified Rockwell C hardness of 32 or above, the requirements set forth in paragraphs (a)(2) and (a)(3) of this section shall not apply, but the alteror shall assign a new lot number as set forth in paragraph (a)(1) of this section and shall test the electroplated fasteners as required by the plating standards and specifications.

(c) Any person who knowingly sells a significantly altered fastener as described in paragraph (a) of this section, and who did not alter such fastener, shall provide to the purchaser a copy of the statement required by paragraph (a)(3) of this section; unless the significant alteration is only electroplating of the fastener, as described in paragraph (b) of this section.

(d) If the alteration is not a significant alteration, the requirements set forth in paragraph (a) of this section shall not apply, and the only testing requirements which apply are those required by the standards and specifications to which the alteration is performed. If the alteration involves cutting of threaded studs, rods, or bars into studs, these cut fasteners must be marked with the grade or property class identification marking appearing on the original threaded studs, rods, and bars.

§ 280.13 Imports of fasteners.

(a) Except as provided in paragraph (b) of this section, it shall be unlawful for any person to sell to an importer, and for any importer to purchase any shipment of fasteners or fastener sets manufactured outside the United States unless such shipment to an importer is accompanied by a manufacturer's certificate of conformance, an original laboratory testing report with respect to each lot from which the fasteners are taken, and any other relevant lot identification information.

(b) The requirement that delivery of fasteners to any importer must be accompanied by an original laboratory testing report shall not apply:

(1) In the case of fasteners imported into the United States as products manufactured within a nation which is party to a congressionally approved free trade agreement with the United States that is in effect, provided that the Director has published in the Federal Register a certification that satisfactory arrangements have been reached by which purchasers within the United States can readily gain access to an original laboratory test report for such fasteners; or,

(2) In the case of fasteners imported into the United States as Canadian-origin products under the United States-Canada Automobile Pact for use as original equipment in the manufacture of motor vehicles.

§ 280.14 Option for importers and private label distributors.

(a) Notwithstanding the provisions of §280.13 of this part, delivery of a lot, or portion of a lot, of fasteners may be made by a manufacturer to an importer or private label distributor without the required original copy of the laboratory testing report if—

(1) The manufacturer provides to the importer or private label distributor a certificate which, as a minimum, includes fastener description information contained in §280.6(a)(4), and a statement by the manufacturer certifying
§ 280.15 Alternative procedure for chemical characteristics.

Notwithstanding any other provision of this regulation, a manufacturer shall be deemed to have demonstrated that the chemical characteristics of a lot conform to the standards and specifications to which the manufacturer represents such lot has been manufactured if the following requirements are met:

(a) The coil or heat number of metal from which such lot was fabricated has been inspected and tested with respect to its chemical characteristics by a laboratory accredited in accordance with the Act and these regulations;

(b) Such laboratory has provided to the manufacturer, either directly or through the metal manufacturer, a written inspection and testing report, prepared in accordance with §280.6 of this part, listing the chemical characteristics of such coil or heat number;

(c) The report described in paragraph (b) of this section indicates that the chemical characteristics of such coil or heat number conform to those required by the standards and specifications to which the manufacturer represents such lot has been manufactured; and,

(d) The manufacturer demonstrates that such lot has been fabricated from the coil or heat number of metal to which the report described in paragraphs (b) and (c) of this section relates.

§ 280.16 Subsequent purchaser.

(a) If a purchaser of fasteners requests the seller to mark the container of fasteners with the lot number from which such fasteners were taken, either prior to the sale or at the time of sale, the seller shall conspicuously mark the container of fasteners with the lot number.

(b) The seller shall provide copies of any applicable laboratory testing report or certification of conformance upon request to the subsequent purchaser of fasteners taken from the lot to which such testing report or manufacturer's certificate of conformance relates.

Subpart B—Laboratory Accreditation

§ 280.100 Introduction.

The Fastener Quality Act sets out three alternatives by which a laboratory may become accredited for testing under the Act. This regulation sets out implementing procedures for each of those alternatives:

(a) Subpart C of this part contains procedures by which the National Institute of Standards and Technology's National Voluntary Laboratory Accreditation Program will accredit laboratories for the testing of fasteners under the Act;

(b) Subpart D of this part sets out procedures under which private entities may apply to NIST for approval to engage directly in the accreditation of laboratories for the testing of fasteners under the Act; and

(c) Subpart E of this part sets out conditions under which the accreditation of foreign laboratories by their governments or organizations recognized by the Director shall be deemed to satisfy the laboratory accreditation requirements for the testing of fasteners under the Act.

§ 280.101 Accredited laboratory list.

NIST shall prepare and maintain an Accredited Laboratory List of laboratories accredited under subparts C, D,
§ 280.200 Introduction.

This subpart sets out the procedures and technical requirements of the NVLAP Fasteners Testing Program ("the Program") for the accreditation of laboratories that test fasteners. Laboratories which are granted accreditation under this program for certain tests will be eligible to provide testing services and test reports required by the Fastener Quality Act for those tests. Accreditation may be granted to any laboratory (including: Commercial; manufacturers'; university; and laboratories located in foreign countries) that demonstrates competence to provide services according to the criteria specified in this subpart. It is up to the laboratory to select the areas and specific tests within each area for its proposed scope of accreditation. A laboratory may be accredited to test and/or measure fasteners in any one or more of the areas of chemical, dimensional, nondestructive, mechanical and physical, or metallography testing. Laboratories located outside of the U.S. must meet certain additional requirements including: Additional fees for travel outside the U.S. and provision of a language translator.

As permitted by section 6 of the Act, and for the purposes of that Act only, the provisions of part 285, title 15 of the Code of Federal Regulations are superseded by the procedures and requirements set forth in this Subpart. The provisions of part 285, title 15 of the Code of Federal Regulations remain in effect except as they pertain to laboratory accreditation actions required by the Act.

§ 280.202 Establishment of the Program.

(a) NVLAP shall develop the technical requirements for the Program based on expert advice.

(b) As a means of assuring effective and meaningful cooperation, input, and participation by those federal agencies that may have an interest in and may be affected by the Program, NVLAP may communicate and consult with appropriate officials within those agencies.

(c) When NVLAP has completed the development of the technical requirements of the Program and established a schedule of fees for accreditation, NVLAP shall publish a notice in the Federal Register announcing the establishment of the Program.

(d) The notice will:

(1) Identify the scope of the Program;

(2) Advise how to apply for accreditation;

(e) NVLAP shall establish fees in amounts that will enable the Program to be self-sufficient. NVLAP shall revise the fees when necessary to maintain self-sufficiency.

§ 280.203 Adding to or modifying the Program.

(a) The Program may be added to, modified, or realigned based on either a written request from any person wishing to add or delete specific standards, test methods, or types of test methods or a need identified by NVLAP.

(b) NVLAP may choose to make the additions or modifications available for accreditation when:

(1) The additional standards, test methods, or types of test methods requested are directly relevant to the Program;

(2) It is feasible and practical to accredit testing laboratories for the additional standards, test methods, or types of test methods; and

(3) It is likely that laboratories will seek accreditation for the additional standards, test methods, or types of test methods.

§ 280.204 NVLAP Program Handbook.

All specific laboratory accreditation requirements and NVLAP interpretations shall be documented in a program handbook which NVLAP shall develop and maintain. The handbook shall be made available to all participating laboratories. NVLAP may prepare a NVLAP Program Handbook for the Fastener Testing Program for use by applicant and accredited laboratories. The purpose of the handbook is to provide specific technical details for fastener testing as they apply to on-site assessment, proficiency testing, test equipment and facilities, and scope of accreditation.

§ 280.205 Applying for accreditation.

(a) A laboratory may request an application for accreditation in the Program in accordance with instructions provided in notices announcing the Program’s formal establishment.

(b) Upon receipt of a laboratory’s application, NVLAP shall:

(1) Acknowledge receipt of the application;

(2) Request further information, if necessary;

(3) Confirm payment of fees before proceeding with the accreditation process; and

(4) Specify the next step(s) in the accreditation process.

(c) All laboratory accreditation documents must be in English or the laboratory seeking accreditation must supply an English translation of all documents at the time it files its application.

(d) Accreditation of laboratories outside the United States may require payment of additional traveling expenses for on-site assessments and proficiency testing.
§ 280.206 Assisting and evaluating a laboratory.

(a) Information used to evaluate a laboratory’s compliance with the conditions for accreditation set out in § 280.214, the criteria for accreditation set out in § 280.215, and the technical requirements established will include:

(1) Application and other material submitted by the laboratory (§ 280.214(b));

(2) On-site assessment reports;

(3) Laboratory performance on proficiency tests;

(4) Laboratory responses to identified deficiencies; and

(5) Technical evaluation.

(b) NVLAP shall arrange the assessment and evaluation of applicant laboratories in such a way as to minimize potential conflicts of interest.

(c) NVLAP shall inform each applicant laboratory of any action(s) that the laboratory must take to qualify for accreditation.

§ 280.207 Granting and renewing accreditation.

(a) NVLAP will take action to grant initial accreditation, or renew, suspend, or propose to deny or revoke accreditation of an applicant laboratory, based on the degree to which the laboratory complies with the specific NVLAP requirements. Accreditation shall be granted for a one year period. Before initial accreditation and every 2 years thereafter, an on-site assessment of each laboratory shall be conducted to determine compliance with the NVLAP criteria.

(b) If accreditation is granted or renewed, NVLAP shall:

(1) Provide a Certificate of Accreditation and a Scope of Accreditation to the laboratory;

(2) Provide guidance on referencing the laboratory’s accredited status, and the use of the NVLAP logo by the laboratory and its clients, as needed; and

(3) Remind the laboratory that accreditation does not relieve it from complying with applicable federal, state, and local laws and regulations.

(c) NVLAP shall notify an accredited laboratory at least 30 days before its accreditation expires advising of the action(s) the laboratory must take to renew its accreditation.

§ 280.208 Denying, suspending, and revoking accreditation.

(a) If NVLAP proposes to deny or revoke accreditation of a laboratory, NVLAP shall inform the laboratory of the reasons for the proposed denial or revocation and the procedure for appealing such a decision.

(b) The laboratory will have 30 days from the date of receipt of the proposed denial or revocation letter to appeal the decision to the Director of NIST. If the laboratory appeals the decision to the Director of NIST, the proposed denial or revocation will be stayed pending the outcome of the appeal. The proposed denial or revocation will become final through the issuance of a written decision to the laboratory in the event that the laboratory does not appeal the proposed denial or revocation within that 30-day period.

(c) If NVLAP finds that an accredited laboratory has violated the terms of its accreditation or the provisions of these procedures, NVLAP may, after consultation with the laboratory, suspend the laboratory’s accreditation, or advise of NVLAP’s intent to revoke accreditation. If accreditation is suspended, NVLAP shall notify the laboratory of that action stating the reasons for and conditions of the suspension and specifying the action(s) the laboratory must take to have its accreditation reinstated.

(d) A laboratory whose accreditation has been denied, revoked, terminated, or expired, or which has withdrawn its application before being accredited, may reapply and be accredited if the laboratory:

(1) Completes the assessment and evaluation process; and

(2) Meets the conditions and criteria for accreditation that are set out in sections 280.214 and 280.215.

(e) Conditions of suspension will include prohibiting the laboratory from using the NVLAP logo on its test reports during the suspension period. The determination of NVLAP whether to suspend or to propose revocation of a laboratory’s accreditation will depend on the nature of the violation(s) of the terms of its accreditation.
§ 280.209 Voluntary termination of accreditation.

A laboratory may at any time terminate its participation and responsibilities as an accredited laboratory by advising NVLAP in writing of its desire to do so. NVLAP shall terminate the laboratory’s accreditation and shall notify the laboratory stating that its accreditation has been terminated in response to its request.

§ 280.210 Change in status of laboratory.

Accreditation of a laboratory is based on specific conditions and criteria including the laboratory ownership, location, staffing, facilities, and configuration. Changes in any of these conditions or criteria could result in loss of accreditation. NVLAP must be informed if any of the conditions or criteria for accreditation are changed so that a determination can be made concerning the status of the accreditation.

§ 280.211 Authorized representative.

The laboratory shall designate an Authorized Representative to sign the NVLAP application form and commit the laboratory to fulfill the NVLAP requirements. Only the Authorized Representative can authorize a change in the scope or nature of the laboratory’s application. This person will receive all correspondence and inquiries from NVLAP. The Authorized Representative may also be an Approved Signatory. The laboratory must provide to NVLAP the name and address of the Authorized Representative and must, within 30 days, notify NVLAP of a change of Authorized Representative.

§ 280.212 Approved signatory.

(a) The laboratory shall designate one or more staff members as Approved Signatories. Approved Signatories shall be persons with appropriate responsibility, authority and technical capability within the organization. The laboratory must maintain a list of Approved Signatories and make that list available for review during on-site assessments. The laboratory must provide to NVLAP the name(s) and address(es) of the Approved Signatory(s) and must, within 30 days, notify NVLAP of a change of Approved Signatory(s).

(b) The authorized signature of at least one Approved Signatory must appear on each test reports that is written in compliance with the Act and endorsed with the NVLAP logo. The approved signatory is responsible for the technical content of the report and is the person to be contacted by NVLAP, laboratory clients, or others in case of questions or problems with the report.

§ 280.213 Application of accreditation conditions and criteria.

To become accredited and maintain accreditation, a laboratory must meet the conditions for accreditation set out in § 280.214, the criteria set out in § 280.215, and the guidance provided in the Program Handbook.

§ 280.214 Conditions for accreditation.

(a) To become accredited and maintain accreditation, a laboratory shall agree in writing to:

(1) Be assessed and evaluated initially and on a periodic basis;

(2) Demonstrate, on request that it is able to perform the tests representative of those for which it is seeking accreditation;

(3) Pay all fees;

(4) Participate in proficiency testing as required;

(5) Be capable of performing the tests for which it is accredited according to the latest version of the test method within one year after its publication or within another time limit specified by NVLAP;

(6) Limit the representation of the scope of its accreditation to only those tests or services for which accreditation is granted;

(7) Resolve all deficiencies;

(8) Limit all its work or services for clients to those areas where competence and capacity are available;

(9) Inform its clients that the laboratory’s accreditation or any of its test reports in no way constitutes or implies product certification, approval, or endorsement by NIST;

(10) Maintain records of all actions taken in response to testing complaints for 5 years, as required by § 280.7 of this part;
(11) Maintain an independent decisional relationship between itself and its clients, affiliates, or other organizations so that the laboratory's capacity to render test reports objectively and without bias is not adversely affected;

(12) Report to NVLAP within 30 days any major changes involving the location, ownership, management structure, authorized representative, approved signatories, or facilities of the laboratory; and

(13) Return to NVLAP the Certificate of Accreditation and the Scope of Accreditation for revision or other action should it:
   (i) Be requested to do so by NVLAP;
   (ii) Voluntarily terminate its accredited status; or
   (iii) Become unable to conform to any of these conditions, the applicable criteria of this Subpart or §280.215, and related technical requirements.

(b) To become accredited and maintain accreditation, a laboratory shall supply, upon request, the following information:
   (1) Legal name and full address;
   (2) Ownership of the laboratory;
   (3) Organization chart defining relationships that are relevant to performing testing covered in the accreditation request;
   (4) General description of the laboratory, including its facilities and scope of operation;
   (5) Name, address, and telephone and FAX number of the authorized representative of the laboratory;
   (6) Names or titles and qualifications of laboratory staff nominated to serve as approved signatories of test reports that reference NVLAP accreditation;
   (7) The laboratory quality manual; and
   (8) Other information as NVLAP may require.

§280.215 Criteria for accreditation.

(a) Scope. (1) This section sets out the general requirements in accordance with which a laboratory has to demonstrate that it operates, if it is to be recognized as competent to carry out specific tests.

(2) Additional requirements and information which have to be disclosed for assessing competence or for determining compliance with other criteria may be specified by NVLAP, depending upon the specific character of the task of the laboratory.

(3) This section is for use by testing laboratories in the development and implementation of their quality systems. It will also be used by NVLAP in the determination of the competence of laboratories.

(b) Organization and management. (1) The laboratory shall be legally identifiable. It shall be organized and shall operate in such a way that its permanent, temporary and mobile facilities meet the requirements of this Subpart.

(2) The laboratory shall:
   (i) Have managerial staff with the authority and resources needed to discharge their duties;
   (ii) Have policies to ensure that its personnel are free from any commercial, financial and other pressures which might adversely affect the quality of their work;
   (iii) Be organized in such a way that confidence in its independence of judgement and integrity is maintained at all times;
   (iv) Specify and document the responsibility, authority and interrelation of all personnel who manage, perform or verify work affecting the quality of calibrations and tests;
   (v) Provide supervision by persons familiar with the calibration or test methods and procedures, the objective of the calibration or test and the assessment of the results. The ratio of supervisory to non-supervisory personnel shall be such as to ensure adequate supervision;
   (vi) Have a technical manager (however named) who has overall responsibility for the technical operations;
   (vii) Have a quality manager (however named) who has responsibility for the quality system and its implementation. The quality manager shall have direct access to the highest level of management at which decisions are taken on laboratory policy or resources, and to the technical manager. In some laboratories, the quality manager may also be the technical manager or deputy technical manager;
   (viii) Nominate deputies in case of absence of the technical or quality manager;
§280.215

(ix) Have documented policy and procedures to ensure the protection of clients' confidential information and proprietary rights;

(x) Where appropriate, participate in interlaboratory comparisons and proficiency testing programs.

(c) Quality system, audit and review.

(1) The laboratory shall establish and maintain a quality system appropriate to the type, range and volume of calibration and testing activities it undertakes. The elements of this system shall be documented. The quality documentation shall be available for use by the laboratory personnel. The laboratory shall define and document its policies and objectives for, and its commitment to, good laboratory practice and quality of calibration or testing services. The laboratory management shall ensure that these policies and objectives are documented in a quality manual and communicated to, understood, and implemented by all laboratory personnel concerned. The quality manual shall be maintained current under the responsibility of the quality manager.

(2) The quality manual, and related quality documentation, shall state the laboratory's policies and operational procedures established in order to meet the requirements of this subpart. The quality manual and related quality documentation shall also contain:

(i) A quality policy statement, including objectives and commitments, by top management;

(ii) The organization and management structure of the laboratory, its place in any parent organization and relevant organizational charts;

(iii) The relations between management, technical operations, support services and the quality system;

(iv) Procedures for control and maintenance of documentation;

(v) Job descriptions of key staff and reference to the job descriptions of other staff;

(vi) Identification of the laboratory's approved signatories;

(vii) The laboratory's procedures for achieving traceability of measurements;

(viii) The laboratory's scope of calibrations and/or tests;

(ix) Arrangements for ensuring that the laboratory reviews all new work to ensure that it has the appropriate facilities and resources before commencing such work;

(x) Reference to the calibration, verification and/or test procedures used;

(xi) Procedures for handling calibration and test items;

(xii) Reference to the major equipment and reference measurement standards used;

(xiii) Reference to procedures for calibration, verification and maintenance of equipment;

(xiv) Reference to verification practices including interlaboratory comparisons, proficiency testing programs, use of reference materials and internal quality control schemes;

(xv) Procedures to be followed for feedback and corrective action whenever testing discrepancies are detected, or departures from documented policies and procedures occur;

(xvi) The laboratory management policies for departures from documented policies and procedures or from standard specifications;

(xvii) Procedures for dealing with complaints;

(xviii) Procedures for protecting confidentiality and proprietary rights;

(xix) Procedures for audit and review;

(xx) Policies and procedures directly related to compliance with this Subpart.

(3) The laboratory shall arrange for audits of its activities at appropriate intervals to verify that its operations continue to comply with the requirements of the quality system. Such audits shall be carried out by trained and qualified staff who are, wherever possible, independent of the activity to be audited. Where the audit findings cast doubt on the correctness or validity of the laboratory's calibration or test results, the laboratory shall take immediate corrective action and shall immediately notify, in writing, any client whose work may have been affected.

(4) The quality system adopted to satisfy the requirements of this Section shall be reviewed at least once each year by the management to ensure its continuing suitability and effectiveness and to introduce any necessary changes or improvements.

(5) All audit and review findings and any corrective actions that arise from
them shall be documented. The person responsible for quality shall ensure that these actions are discharged within the agreed timescale.

(6) In addition to periodic audits the laboratory shall ensure the quality of results provided to clients by implementing checks. These checks shall be reviewed and shall include, as appropriate, but not be limited to:

(i) Internal quality control schemes using whenever possible statistical techniques;
(ii) Participation in proficiency testing or other interlaboratory comparisons;
(iii) Regular use of certified reference materials and/or in-house quality control using secondary reference materials;
(iv) Replicate testing using the same or different methods;
(v) Re-testing of retained items;
(vi) Correlation of results for different characteristics of an item.

(d) Personnel. (1) The testing laboratory shall have sufficient personnel, having the necessary education, training, technical knowledge and experience for their assigned functions.

(2) The testing laboratory shall ensure that the training of its personnel is kept up-to-date.

(3) Records on the relevant qualifications, training, skills and experience of the technical personnel shall be maintained by the laboratory.

(e) Accommodation and environment. (1) Laboratory accommodation, calibration and test areas, energy sources, lighting, heating and ventilation shall be such as to facilitate proper performance of calibrations or tests.

(2) The environment in which these activities are undertaken shall not invalidate the results or adversely affect the required accuracy of measurement. Particular care shall be taken when such activities are undertaken at sites other than the permanent laboratory premises.

(3) The laboratory shall provide facilities for the effective monitoring, control and recording of environmental conditions as appropriate. Due attention shall be paid, for example, to biological sterility, dust, electromagnetic interference, humidity, voltage, temperature, and sound and vibration levels, as appropriate to the calibrations or tests concerned.

(4) There shall be effective separation between neighboring areas when the activities therein are incompatible.

(5) Access to and use of all areas affecting the quality of these activities shall be defined and controlled.

(6) Adequate measures shall be taken to ensure good housekeeping in the laboratory.

(f) Equipment and reference materials. (1) The laboratory shall be furnished with all items of equipment (including reference materials) required for the correct performance of calibrations and tests. In those cases where the laboratory needs to use equipment outside its permanent control it shall ensure that the relevant requirements of this Section are met.

(2) All equipment shall be properly maintained. Maintenance procedures shall be documented. Any item of equipment which has been subjected to overloading or mishandling, or which gives suspect results, or has been shown by verification or otherwise to be defective, shall be taken out of service, clearly identified and wherever possible stored at a specified place until it has been repaired and shown by calibration, verification or test to perform satisfactorily. The laboratory shall examine the effect of this defect on previous calibrations or tests.

(3) Each item of equipment including reference materials shall, when appropriate, be labeled, marked or otherwise identified to indicate its calibration status.

(4) Records shall be maintained of each item of equipment and all reference materials significant to the calibrations or tests performed. The records shall include:

(i) The name of the item of equipment;
(ii) The manufacturer's name, type identification, and serial number or other unique identification;
(iii) Date received and date placed in service;
(iv) Current location, where appropriate;
(v) Condition when received (e.g. new, used, reconditioned);
(vi) Copy of the manufacturer's instructions, where available;
§280.215

(vii) Dates and results of calibrations and/or verifications and date of next calibration and/or verification;

(viii) Details of maintenance carried out to date and planned for the future;

(ix) History of any damage, malfunction, modification or repair.

(g) Measurement traceability and calibration. (1) All measuring and testing equipment having an effect on the accuracy or validity of calibrations or tests shall be calibrated and/or verified before being put into service. The laboratory shall have an established program for the calibration and verification of its measuring and test equipment.

(2) The overall program of calibration and/or verification and validation of equipment shall be designed and operated so as to ensure that, wherever applicable, measurements made by the laboratory are traceable to national standards of measurement where available. Calibration certificates shall wherever applicable indicate the traceability to national standards of measurement and shall provide the measurement results and associated uncertainty of measurement and/or a statement of compliance with an identified metrological specification.

(3) Where traceability to national standards of measurement is not applicable, the laboratory shall provide satisfactory evidence of correlation of results, for example by participation in a suitable program of interlaboratory comparisons or proficiency testing.

(4) Reference standards of measurement held by the laboratory shall be used for calibration only and for no other purpose, unless it can be demonstrated that their performance as reference standards has not been invalidated.

(5) Reference standards of measurement shall be calibrated by a body that can provide traceability to a national standard of measurement. There shall be a program of calibration and verification for reference standards.

(6) Where relevant, reference standards and measuring and testing equipment shall be subjected to in-service checks between calibrations and verifications.

(7) Reference materials shall, where possible, be traceable to national or international standards of measurement, or to national or international standard reference materials.

(h) Calibration and test methods. (1) The laboratory shall have documented instructions on the use and operation of all relevant equipment, on the handling and preparation of items and for calibration and/or testing, where the absence of such instructions could jeopardize the calibrations or tests. All instructions, standards, manuals and reference data relevant to the work of the laboratory shall be maintained up-to-date and be readily available to the staff.

(2) The laboratory shall use appropriate methods and procedures for all calibrations and tests and related activities within its responsibility (including sampling, handling, transport and storage, preparation of items, estimation of uncertainty of measurement and analysis of calibration and/or test data). They shall be consistent with the accuracy required, and with any standard specifications relevant to the calibrations or tests concerned.

(3) Where methods are not specified, the laboratory shall, wherever possible, select methods that have been published in international or national standards, those published by reputable technical organizations or in relevant scientific texts or journals.

(4) Where it is necessary to employ methods that have not been established as standard, these shall be subject to agreement with the client, be fully documented and validated, and be available to the client and other recipients of the relevant reports.

(5) Where sampling is carried out as part of the test method, the laboratory shall use documented procedures and appropriate statistical techniques to select samples.

(6) Calculations and data transfers shall be subject to appropriate checks.

(7) Where computers or automated equipment are used for the capture, processing, manipulation, recording, reporting, storage or retrieval of calibration or test data, the laboratory shall ensure that:

(i) The requirements of this subpart are complied with;

(ii) Computer software is documented and adequate for use;
(iii) Procedures are established and implemented for protecting the integrity of data; such procedures shall include, but not be limited to, integrity of data entry or capture, data storage, data transmission and data processing;

(iv) Computer and automated equipment is maintained to ensure proper functioning and provided with the environmental and operating conditions necessary to maintain the integrity of calibration and test data;

(v) It establishes and implements appropriate procedures for the maintenance of security of data including the prevention of unauthorized access to, and the unauthorized amendment of, computer records.

(8) Documented procedures shall exist for the purchase, reception and storage of consumable materials used for the technical operations of the laboratory.

(i) Handling of calibration and test items. (1) The laboratory shall have a documented system for uniquely identifying the items to be calibrated or tested, to ensure that there can be no confusion regarding the identity of such items at any time.

(2) Upon receipt, the condition of the calibration or test item, including any abnormalities or departures from standard conditions as prescribed in the relevant calibration or test method, shall be recorded. Where there is any doubt as to the item’s suitability for calibration or test, where the item does not conform to the description provided, or where the calibration or test required is not fully specified, the laboratory shall consult the client for further instruction before proceeding. The laboratory shall establish whether the item has received all necessary preparation, or whether the client requires preparation to be undertaken or arranged by the laboratory.

(3) The laboratory shall have documented procedures and appropriate facilities to avoid deterioration or damage to the calibration or test item, during storage, handling, preparation, and calibration or test; any relevant instructions provided with the item shall be followed. Where items have to be stored or conditioned under specific environmental conditions, these conditions shall be maintained, monitored and recorded where necessary. Where a calibration or test item or portion of an item is to be held secure (for example, for reasons of record, safety or value, or to enable check calibrations or tests to be performed later), the laboratory shall have storage and security arrangements that protect the condition and integrity of the secured items or portions concerned.

(4) The laboratory shall have documented procedures for the receipt, retention or safe disposal of calibration or test items, including all provisions necessary to protect the integrity of the laboratory.

(j) Records. (1) The laboratory shall maintain a record system to suit its particular circumstances and comply with any applicable regulations. It shall retain on record all original observations, calculations and derived data, calibration records and a copy of the calibration certificate, test certificate or test report for an appropriate period as required in §280.7. The records for each calibration and test shall contain sufficient information to permit their repetition. The records shall include the identity of personnel involved in sampling, preparation, calibration or testing.

(2) All records (including those listed in §280.215(f)(4) pertaining to calibration and test equipment), certificates and reports shall be safely stored, held secure and in confidence to the client.

(k) Certificates and reports. (1) The results of each calibration, test, or series of calibrations or tests carried out by the laboratory shall be reported accurately, clearly, unambiguously and objectively, in accordance with any instructions in the calibration or test methods. The results should normally be reported in a calibration certificate, test report or test certificate and should include all the information necessary for the interpretation of the calibration or test results and all information required by the method used.

(2) Where the certificate or report contains results of calibrations or tests performed by sub-contractors, these results shall be clearly identified.

(3) Particular care and attention shall be paid to the arrangement of the certificate or report, especially with...
374

§ 280.300 15 CFR Ch. II (1–1–98 Edition)

regard to presentation of the calibration or test data and ease of assimilation by the reader. The format shall be carefully and specifically designed for each type of calibration or test carried out, but the headings shall be standardized as far as possible.

(4) Material amendments to a calibration certificate, test report or test certificate after issue shall be made only in the form of a further document, or data transfer including the statement “Supplement to Calibration Certificate for Test Report or Test Certificate, serial number * * * or as otherwise identified”, or equivalent form of wording. Such amendments shall meet all the relevant requirements of § 280.215(j).

(5) The laboratory shall notify clients promptly, in writing, of any event such as the identification of defective measuring or test equipment that casts doubt on the validity of results given in any calibration certificate, test report or test certificate or amendment to a report or certificate.

(6) The laboratory shall ensure that, where clients require transmission of calibration or test results by telephone, telex, facsimile or other electronic or electromagnetic means, staff will follow documented procedures that ensure that the requirements of this Subpart are met and that confidentiality is preserved.

(1) Subcontracting of calibration or testing. (1) Where a laboratory subcontracts any part of the calibration or testing, this work shall be placed with a laboratory accredited under either subparts C, D or E of this part for the specific tests being subcontracted. The laboratory shall comply with § 280.9, and shall advise the client in writing of its intention to subcontract any portion of the testing to another party.

(2) The laboratory shall record and retain details of its investigation of the accredited status and testing competence of subcontractors and maintain a register of all subcontracting.

(1) Outside support services and supplies. (1) Where the laboratory procures outside services and supplies, other than those referred to this Subpart, in support of calibrations or tests, the laboratory shall use only those outside support services and supplies that are of adequate quality to sustain confidence in the laboratory’s calibrations or tests.

(2) Where no independent assurance of the quality of outside support services or supplies is available, the laboratory shall have procedures to ensure that purchased equipment, materials and services comply with specified requirements. The laboratory should, wherever possible, ensure that purchased equipment and consumable materials are not used until they have been inspected, calibrated or otherwise verified as complying with any standard specifications relevant to the calibrations or tests concerned.

(3) The laboratory shall maintain records of all suppliers from whom it obtains support services or supplies required for calibrations or tests.

(n) Complaints. (1) The laboratory shall have documented policy and procedures for the resolution of complaints received from clients or other parties about the laboratory’s activities. A record shall be maintained of all complaints and of the actions taken by the laboratory.

(2) Where a complaint, or any other circumstance, raises doubt concerning the laboratory’s compliance with the laboratory’s policies or procedures, or with the requirements of this section or otherwise concerning the quality of the laboratory’s calibrations or tests, the laboratory shall ensure that those areas of activity and responsibility involved are promptly audited in accordance with this section.

Subpart D—NIST Approval of Private Accreditation Programs

§ 280.300 Introduction.

In accordance with section 6(a)(1)(B) of the Act (15 U.S.C. 5405(a)(1)(B)), this subpart sets forth the procedures and conditions under which private entities may apply for approval by NIST to engage directly in the accreditation of laboratories for the testing of fasteners under the Act.

§ 280.301 Application.

(a) Application must be made to NIST for approval to accredit laboratories for fastener testing under the Act. Upon request, NIST will provide
§ 280.302 Review and decision process.

(a) Applications submitted by private laboratory accreditation bodies will be accepted by NIST and their receipt acknowledged in writing. The applications will be reviewed by NIST against the criteria specified in this subpart and in subpart F of this part. NIST may request additional information as needed from the applicant.

(b) NIST shall conduct on-site assessments of the facilities of the applicant including all of the applicant's organizational units and locations covered by the application.

(c) If the applicant's program is deemed by NIST to have met the requirements for approval, the applicant shall be notified by NIST in writing. The approval notice shall include the dates when the approval begins and the scope of the approval. The approval period shall be for as long as the laboratory accreditation body continues to satisfy the requirements of §280.303. As part of maintaining its approved status, each laboratory accreditation body shall agree to be reassessed by NIST every two years following its initial notice of approval. NIST will maintain and make available to the public a list of approved fastener accreditation programs.

(d) If the applicant's program does not meet the requirements for approval, the applicant shall be notified in writing, listing the specific requirements from this subpart and subpart F of this part which the applicant's program has not met. After receipt of such a notification, and within the response period provided by NIST, the applicant may:

(1) Submit additional information for further review. Reviewing the new submission may involve additional on-site visits by NIST personnel. Additional fees may be required. Or,

(2) Submit a request that the original application be reconsidered, including a statement of reasons why the application should have been approved.

§ 280.303 Criteria for approval.

An applicant for NIST approval must demonstrate the ability to operate an accreditation program consistent with the requirements of this subpart and subparts A, B and F of this part.

§ 280.304 Maintaining approved status.

(a) Approved accreditation bodies shall continue to satisfy all the requirements of approval during the approval period. 

(b) Upon request by NIST, approved accreditation bodies shall make available to NIST and BXA all records and materials pertaining to the program.

(c) NIST may elect to have its representative participate as an observer during on-site visits to testing laboratories seeking accreditation by an approved accreditation body.

(d) Neither the accreditation body, nor any laboratory it accredits under the Act and these regulations shall take any action which states or implies the approval, or endorsement by NIST or any other agency of the U.S. government of the results of tests carried out by such laboratories. In addition, neither the accreditation body, nor any laboratory it accredits under the Act and these regulations shall take any action which states or implies that the accreditation body or its accredited laboratories are recognized by NIST in any testing or other area(s) beyond those for which NIST has approved the
accreditation body under this regulation. Approved accreditation bodies shall not engage in misrepresentation of the scope or conditions of its approval by NIST.

§ 280.305 Voluntary termination of approval.

At any time, an accreditation body may voluntarily terminate its program’s approval by giving written notice to NIST and to all laboratories accredited by that body under its fastener laboratory accreditation program. The written notice shall state the date on which the termination will take effect.

§ 280.306 Involuntary termination of approval by NIST.

(a) NIST may terminate or suspend its approval of an accreditation body if such an action is deemed to be in the public interest.

(b) Before terminating the approval of an accreditation body, NIST will notify the accreditation body in writing, giving it the opportunity to rebut or correct the stated reasons for the proposed termination. If the problems are not corrected or reconciled within 30 days, or such longer time as NIST in its sole discretion may grant, the termination shall become effective.

(c) An accreditation body may appeal a termination to the Director by submitting a statement of reasons why the approval should not be terminated. NIST may, at its discretion, hold in abeyance the termination action pending a final decision by the Director. Within sixty days following receipt of the appeal, the Director shall inform the accreditation body in writing of his or her decision.

(d) Fastener testing laboratories which have been listed by NIST in accordance with subpart B of this part, based on their accreditation by an accreditation body whose approval has terminated, shall be removed from the list, unless an exception is granted by NIST.
be administered in a non-discriminatory manner. Access to an accreditation system operated by an approved/recognized accreditation body shall not be conditional upon the size of the laboratory or membership in any association or group, nor shall there be undue financial conditions to restrict participation.

(2) The competence of an applicant laboratory shall be assessed by an approved/recognized accreditation body against requirements consistent with the conditions set out in subpart C of this part.

(3) The requirements of §280.501(a)(2) may have to be interpreted for a specific test or type of test by an approved/recognized accreditation body. These interpretations shall be formulated by relevant and impartial committees or persons possessing the necessary technical competence. They shall be published by the accreditation body.

(4) An approved/recognized accreditation body shall require accredited laboratories to maintain impartiality and integrity.

(5) An approved/recognized accreditation body shall confine its requirements, assessment and decision on accreditation to those matters specifically related to the scope of the accreditation being considered.

(b) Organization of an approved/recognized accreditation body. (1) An approved/recognized accreditation body shall:

(i) Be a legally identifiable, public or private entity;

(ii) Have rights and responsibilities relevant to its accreditation activities;

(iii) Have adequate arrangements to cover liabilities arising from its operations and/or activities;

(iv) Have the financial stability and resources required for the operation of an accreditation system;

(v) Have and make available on request a description of the means by which it receives its financial support;

(vi) Employ a sufficient number of personnel having the necessary education, training, technical knowledge and experience for handling the type, range and volume of work performed, under a senior executive who is responsible to the organization, body or board to which it reports;

(vii) Have a quality system including an organizational structure, that enables it to give confidence in its ability to operate a laboratory accreditation system satisfactorily;

(viii) Have documented policies and procedures for the operation of the quality system that include:

(A) Policies and decision-making procedures that distinguish between laboratory accreditation and any other activities in which the body is engaged;

(B) Policies and procedures for the resolution of complaints and appeals received from laboratories about the handling of accreditation matters, or from users of services about accredited laboratories or any other matters;

(ix) Together with its senior executive, and staff, be free from any commercial, financial and other pressures which might influence the results of the accreditation process;

(x) Have formal rules and structures for the appointment and operation of committees involved in the accreditation process; such committees shall be free from any commercial, financial and other pressures that might influence decisions or shall have a structure where members are chosen to provide impartiality through a balance of interest where no single interest predominates;

(xi) Establish one or more technical committees, each responsible, within its scope, for advising the accreditation body on the technical matters relating to the operation of its accreditation system;

(xii) Not offer consultancies or other services which may compromise the objectivity of its accreditation process and decisions;

(xiii) Have arrangements that are consistent with applicable laws, to safeguard, at all levels of its organization (including committees), confidentiality of the information obtained relating to applications, assessment and accreditation of laboratories;

(2) An approved/recognized accreditation body shall have arrangements for either controlling the ownership, use and display of the accreditation documents or controlling the manner in.
which an accredited laboratory may refer to its accredited status, or both.

(c) Quality system. (1) An approved/recognized accreditation body shall operate a quality system appropriate to the type, range and volume of work performed. This system shall be documented and the documentation shall be available for use by the accreditation body staff. The accreditation body shall designate a person having direct access to its highest executive level, to take responsibility for the quality system and the maintenance of the quality documentation.

(2) The quality system shall be documented in a quality manual and associated quality procedures, and the quality manual shall contain or refer to at least the following:

(i) A quality policy statement;
(ii) The organizational structure of the accreditation body;
(iii) The operational and functional duties and services pertaining to quality, so that each person concerned will know the extent and the limits of their responsibility;
(iv) Administrative procedures including document control;
(v) Policies and procedures to implement the accreditation process;
(vi) Arrangements for feedback and corrective actions whenever discrepancies are detected;
(vii) The policy and procedures for dealing with appeals, complaints and disputes;
(viii) The policy and procedures for conducting internal audits;
(ix) The policy and the procedures for conducting quality system reviews;
(x) The policy and the procedures for the recruitment and training of assessors and monitoring their performance.

(3) An approved/recognized accreditation body shall audit its activities to verify that they comply with the requirements of the quality system. The quality system shall also be reviewed to ensure its continued effectiveness. Audits and reviews shall be carried out systematically and periodically and recorded together with details of any corrective actions taken.

(4) An approved/recognized accreditation body shall maintain records to demonstrate that accreditation procedures have been effectively fulfilled, particularly with respect to application forms, assessment reports, and reports relating to granting, maintaining, extending, suspending or withdrawing accreditation. These accreditation documents shall form part of the record.

(5) An approved/recognized accreditation body shall have a policy and procedures for retaining records. The records shall be retained for a period of at least 5 years, and shall be available to NIST personnel and other persons considered by the accreditation body to have a right of access to these records.

(d) Granting, maintaining, extending, suspending, and withdrawing accreditation. (1) An approved/recognized accreditation body shall specify the conditions for granting, maintaining and extending accreditation and the conditions under which accreditation may be suspended or withdrawn, partially or in total for all or part of the laboratory’s scope of accreditation.

(2) An approved/recognized accreditation body shall have arrangements to grant, maintain, suspend or withdraw accreditation, increase or reduce the scope of accreditation or require reassessment, in the event of changes affecting the laboratory’s activity and operation, such as changes in personnel or equipment, or if analysis of a complaint or any other information indicates that the laboratory no longer complies with the requirements of the accreditation body.

(3) An approved/recognized accreditation body shall have arrangements relating to the transfer of accreditation when the legal status (e.g. ownership) of the accredited laboratory changes.

(e) Documentation. An approved/recognized accreditation body shall provide (through publications, electronic media or other means), update at adequate intervals, and make available on request:

(1) Information about the authority under which accreditation systems operated by the accreditation body were established and specifying whether they are mandatory or voluntary;
(2) A document containing its requirements for accreditation in accordance with this document;
§ 280.503 Accreditation process.

(a) Application for accreditation. (1) A detailed description of the assessment and accreditation procedure, the documents containing the requirements for accreditation and documents describing the rights and duties of accredited laboratories (including fees to be paid by applicant and accredited laboratories) shall be maintained up-to-date and given to applicant laboratories.

(2) Additional relevant information shall be provided to applicant laboratories on request.

(3) A duly authorized representative of the applicant laboratory shall be required to sign an official application form, in which or attached to which

(i) The scope of the desired accreditation is clearly defined;

(ii) The applicant’s representative agrees to fulfill the accreditation procedure, especially to receive the assessment team, to pay the fees charged to the applicant laboratory whatever the result of the assessment may be, and to accept the charges of subsequent maintenance of the accreditation of the laboratory.
(iii) the applicant agrees to comply with the requirements for accreditation and to supply any information needed for the evaluation of the laboratory.

(4)(i) The following minimum information shall be provided by the applicant laboratory prior to the on-site assessment:

(A) The general features of the applicant laboratory (corporate entity: Name, address, legal status, human and technical resources);

(B) General information concerning the laboratory covered by the application, such as primary function, relationship in a larger corporate entity and, if applicable, physical location of laboratories involved;

(C) A definition of the materials or products tested, the methods used and the tests performed;

(D) A copy of the laboratory’s quality manual and, where required, the associated documentation.

(ii) The information gathered shall be used for the preparation of on-site assessment and shall be treated with appropriate confidentiality.

(b) Assessment. (1) An approved/recognized accreditation body shall appoint qualified assessor(s) to evaluate all material collected from the applicant and to conduct the assessment on its behalf at the laboratory and any other sites where activities to be covered by the accreditation are performed.

(2) To ensure that a comprehensive and correct assessment is carried out, each assessor shall be provided with the appropriate working documents.

(3) The date of assessment shall be mutually agreed with the applicant laboratory. The latter shall be informed of the name(s) of the qualified assessor(s) nominated to carry out the assessment, with sufficient notice so that the laboratory is given an opportunity to appeal against the appointment of any particular assessor.

(4) The assessor(s) shall be formally appointed. A lead assessor shall be appointed, if relevant. The mandate given to the assessor(s) shall be clearly defined and made known to the applicant laboratory.

(c) Sub-contracting of assessment. (1) If an approved/recognized accreditation body decides to delegate fully or partially the assessment of a laboratory to another body, then the accreditation body shall take full responsibility for such an assessment made on its behalf.

(2) An approved/recognized accreditation body shall ensure that the party to which assessment has been delegated is approved/recognized by NIST.

(d) Assessment report. (1) An approved/recognized accreditation body may adopt reporting procedures that suit its needs but as a minimum these procedures shall ensure that:

(i) A meeting takes place between the assessor or assessment team and the laboratory management prior to leaving the laboratory at which the assessment team provides a written or oral report on the compliance of the applicant laboratory with the accreditation requirements;

(ii) The assessor or assessment team provides the accreditation body with a detailed assessment report containing all relevant information concerning the ability of the applicant laboratory to comply with all of the accreditation requirements, including any which may come about from the results of proficiency testing;

(iii) A report on the outcome of the assessment is promptly brought to the applicant laboratory’s notice by the accreditation body, identifying any non-compliances that have to be discharged in order to comply with all of the accreditation requirements. The laboratory shall be invited to present its comments on this report and to describe the specific actions taken, or planned to be taken within a defined time, to remedy any non-compliances with the accreditation requirements identified during the assessment.

(2) The final report authorized by an approved/recognized accreditation body and submitted to the laboratory, if it is different, shall include as a minimum:

(i) Date(s) of assessment(s);

(ii) The names of the person(s) responsible for the report;

(iii) The names and addresses of all the laboratory sites assessed;

(iv) The assessed scope of accreditation or reference thereto;

(v) Comments of the assessor(s) or assessment team on the compliance of the applicant laboratory with the accreditation requirements.
(3) The reports shall take into consideration:
   (i) The technical qualification, experience and authority of the staff encountered, especially the persons responsible for the technical validity of test reports or test certificates;
   (ii) The adequacy of the internal organization and procedures adopted by the applicant laboratory to give confidence in the quality of its services, the physical facilities, i.e., the environment and the calibration/test equipment of the laboratory including maintenance and calibration having regard to the volume of work undertaken;
   (iii) Proficiency testing or other interlaboratory comparison performed by the applicant laboratory, the results of this proficiency testing, and the use of these results by the laboratory;
   (iv) The actions taken to correct any non-compliances identified at previous assessments.

(e) Decision on accreditation. (1) The decision whether or not to accredit a laboratory shall be taken by an approved/recognized accreditation body on the basis of the information gathered during the accreditation process.
   (2) An approved/recognized accreditation body shall not delegate its responsibility for granting, maintaining, extending, suspending or withdrawing accreditation.

(f) Granting accreditation. (1) An approved/recognized accreditation body shall transmit to each accredited laboratory formal accreditation documents such as a letter or a certificate signed by an officer who has been assigned such responsibility. These formal accreditation documents shall permit identification of—
   (i) The name and address of the laboratory that has been accredited;
   (ii) The scope of the accreditation including:
       (A) The tests or types of test for which accreditation has been granted;
       (B) For tests, the materials or products tested, the methods used and the tests performed;
       (C) For specific tests for which accreditation has been granted the methods used defined by written standards or reference documents that have been accepted by the accreditation body.
   (iii) Where appropriate, the persons recognized by the accreditation body as being responsible for the test certificates or the test reports;
   (iv) The term of accreditation which shall be valid for a period not to exceed three years;
   (v) The accredited laboratory by a unique number.

(2) An approved/recognized accreditation body shall furnish notification to NIST required by Subpart B of this part.

(g) Surveillance and reassessment of accredited laboratories. (1) An approved/recognized accreditation body shall have an established documented program consistent with the accreditation granted for carrying out periodic surveillance and reassessment at sufficiently close intervals to ensure that its accredited laboratories continue to comply with the accreditation requirements.
   (2) Surveillance and reassessment procedures shall be consistent with those concerning the assessment of laboratories as described in this Subpart.

(h) Proficiency testing. (1) The approved/recognized accreditation body shall require each fastener testing laboratory it accredits, and each laboratory which has applied to it for accreditation to participate in proficiency testing comparable to that conducted under Subpart C of this part by NVLAP.
   (2) Although an accreditation shall not be granted or maintained only on the basis of the results of proficiency testing, accreditation shall not be granted or maintained if required proficiency testing participation is unsatisfactory.

(i) Certificates or reports issued by accredited laboratories. (1) An approved/recognized accreditation body shall normally allow an accredited laboratory to refer to its accreditation in test reports and test certificates that contain only the results of tests or types of test for which accreditation is held.
   (2) An approved/recognized accreditation body shall have a policy that defines the circumstances in which accredited laboratories are permitted to
§ 280.504 Relationship between approved/recognized accreditation body and laboratory.

(a) An approved/recognized accreditation body shall have arrangements to ensure that the laboratory and its representatives afford such accommodation and co-operation as is necessary, to enable the accreditation body to verify compliance with the requirements for accreditation. These arrangements shall include provision for examination of documentation and access to all testing areas, records and personnel for the purposes of assessment, surveillance, reassessment and resolution of complaints.

(b) An approved/recognized accreditation body shall require that an accredited laboratory—

1. At all times complies with the relevant provisions of these regulations;
2. Claims that it is accredited only in respect of services for which it has been granted accreditation and which are carried out in accordance with these conditions;
3. Pays such fees as shall be determined by the accreditation body;
4. Does not use its accreditation in such a manner as to bring the accreditation body into disrepute and does not make any statement relevant to its accreditation which the accreditation body may consider misleading or unauthorized;
5. Upon suspension or withdrawal of its accreditation (however determined) forthwith discontinues its use of all advertising matter that contains any reference thereto and return any certificates of accreditation to the accreditation body;
6. Does not use its accreditation to state or imply any product approval by the accreditation body or any agency of the United States Government;
7. Endeavors to ensure that no certificate or report nor any part thereof is used in a misleading manner;
8. In making reference to its accreditation status in communication media such as advertising, brochures or other documents, complies with the requirements of the accreditation body.

(c) Notification of change. (1) An approved/recognized accreditation body shall have arrangements to ensure that an accredited laboratory informs it without delay of changes in any aspect of the laboratory’s status or operation that affects the laboratory’s:

(i) Legal, commercial or organizational status;
(ii) Organization and management, e.g., key managerial staff;
(iii) Policies or procedures, where appropriate;
(iv) Premises;
(v) Personnel, equipment, facilities, working environment or other resources, where significant;
(vi) Authorized signatories;
(vii) Or other such matters that may affect the laboratory’s capability, or scope of accredited activities, or compliance with the requirements in this document or any other relevant criteria of competence specified by the accreditation body.

(2) Upon receipt of due notice of any intended changes relating to the requirements of this document, the relevant criteria of competence and any other requirements prescribed by the accreditation body, the accreditation body shall ensure that the laboratory carries out the necessary adjustments to its procedures within such time, as in the opinion of the body is reasonable. The laboratory shall notify the body when such adjustments have been made.

(d) Directory of accredited laboratories. An approved/recognized accreditation body shall produce periodically but at least annually a directory of accredited laboratories describing the accreditation granted.

Subpart G—Enforcement

§ 280.600 Scope.

Section 280.601 of this part lists definitions used in this part. Section 280.602 of this part specifies that failure to take any action required by or taking any action prohibited by this part constitutes a violation of this part. Section 280.603 describes the penalties that may be imposed for violations of this part. Sections 280.605 through
§ 280.601 Definitions used in this subpart.

The definitions in this § 280.601 apply to this part.

Administrative law judge (ALJ). The person authorized to conduct hearings in administrative enforcement proceedings brought under the Act.

Assistant Secretary. The Assistant Secretary for Export Enforcement, Bureau of Export Administration.

Department. The United States Department of Commerce, specifically, the Bureau of Export Administration, NIST and the Patent and Trademark Office.

Final decision. A decision or order assessing a civil penalty or otherwise disposing of or dismissing a case, which is not subject to further review under this part, but which is subject to collection proceedings or judicial review in an appropriate Federal district court as authorized by law.

Initial decision. A decision of the administrative law judge which is subject to review by the Under Secretary for Export Administration, but which becomes the final decision of the Department in the absence of such an appeal.

Party. The Department and any person named as a respondent under this part.

Respondent. Any person named as the subject of a charging letter, proposed charging letter, or other order proposed or issued under this part.

Under Secretary. The Under Secretary for Export Administration, United States Department of Commerce.

§ 280.602 Violations.

(a) Engaging in prohibited conduct. No person may engage in any conduct prohibited by or contrary to, or refrain from engaging in any action required by the Act, this part, or any order issued thereunder.

(b) Causing, aiding, or abetting a violation. No person may cause or aid, abet, counsel, command, induce, procure, or permit the doing of any act prohibited, or the omission of any act required, by the Act, this part, or any order issued thereunder.

(c) Solicitation and attempt. No person may solicit or attempt a violation of the Act, this part, or any order issued thereunder.

(d) Conspiracy. No person may conspire or act in concert with one or more persons in any manner or for any purpose to bring about or to do any act that constitutes a violation of the Act, this part, or any order issued thereunder.

(e) Misrepresentation and concealment of facts. No person may make any false or misleading representation, statement, or certification, or falsify or conceal any material fact, either directly to NIST, or the Bureau of Export Administration, the Patent and Trademark Office, or any official of any other United States agency, or indirectly through any other person:

(1) In the course of an investigation or other action subject to the Act and this part; or

(2) In connection with the preparation, submission, issuance, use, maintenance of a laboratory test report, certificate of conformance as described in §§280.5 and 280.6 of this part; or

(3) In connection with any application for laboratory accreditation as described in §280.205 of this part; or

(4) In connection with an application to be an accreditation body as described in §280.301 of this part.

(f) Falsification of test report. No person shall falsify or make any false or misleading statement on or in connection with a laboratory test report required by section 5(c) of the Act or §280.6 of this part.

(g) Falsification of certificate of conformance. No person shall falsify or make any false or misleading statement on or in connection with a certificate of conformance required by §280.5 of this part.

(h) Falsification of documents relating to laboratory accreditation or accreditation bodies. No person shall falsify or make any false or misleading statement on or in connection with any document relating to laboratory accreditation or approval or recognition of accreditation bodies as required by sections 6(a) or 6(b) of the Act or this part.

(i) Use of another person’s recorded insignia. No person may apply an insignia to a fastener if the Commissioner has
§ 280.603 Penalties, remedies, and sanctions.

(a) Civil remedies. The Attorney General may bring an action in an appropriate United States district court for declaratory and injunctive relief against any person who violates the Act or any regulation issued thereunder. Such action may not be brought more than 10 years after the cause of action accrues.

(b) Civil penalties. Any person who is determined, after notice and opportunity for a hearing, to have violated the Act or any regulation issued thereunder shall be liable to the United States for a civil penalty of not more than $25,000 for each violation.

(c) Criminal penalties. (1) Whoever knowingly certifies, marks, offers for sale, or sells a fastener in violation of the Act or a regulation issued thereunder shall be fined under title 18, United States Code, or imprisoned not more than 5 years, or both.

(2) Whoever intentionally fails to maintain records relating to a fastener in violation of the Act or a regulation issued thereunder shall be fined under title 18, United States Code, or imprisoned not more than two years or both.

(3) Whoever negligently fails to maintain records relating to a fastener in violation of the Act or a regulation issued thereunder shall be fined under title 18, United States Code, or imprisoned not more than two years or both.

§ 280.604 Administrative enforcement proceedings.

Sections 280.605 through 280.623 set forth the procedures for imposing administrative penalties for violations of the Act and Fastener Quality Regulations (FQR).

§ 280.605 Institution of administrative enforcement proceedings.

(a) Charging letters. The Director of the Office of Export Enforcement (OEE) may begin administrative enforcement proceedings under this part by issuing a charging letter. The charging letter shall constitute the formal complaint and will state that there is reason to believe that a violation of this part has occurred. It will set forth the essential facts about each alleged violation, refer to the specific regulatory or other provisions involved, and give notice of the sanctions available under the Act and this part. The charging letter will inform the respondent that failure to answer the charges as provided in § 280.608 of this part will be treated as a default under § 280.609 of this part, that the respondent is entitled to a hearing if a written demand for one is requested with the answer, and that the respondent may be represented by counsel, or by other authorized representative. A copy of the charging letter shall be filed with the administrative law judge, which filing shall toll the running of the applicable statute of limitations. Charging letters may be amended or supplemented at any time before an answer is filed, or, with permission of the administrative law judge, afterwards. The Department may unilaterally withdraw charging letters at any time, by notifying the respondent and the administrative law judge.

(b) Notice of issuance of charging letter instituting administrative enforcement proceeding. A respondent shall be notified of the issuance of a charging letter, or any amendment or supplement thereto:

(1) By mailing a copy by registered or certified mail addressed to the respondent at the respondent’s last known address;

(2) By leaving a copy with the respondent or with an officer, a managing or general agent, or any other agent authorized by appointment or by law to receive service of process for the respondent; or

(3) By leaving a copy with a person of suitable age and discretion who resides at the respondent’s last known dwelling.
§ 280.607 Filing and service of papers other than charging letter.

(a) Filing. All papers to be filed shall be addressed to “FQA Administrative Enforcement Proceedings,” at the address set forth in the charging letter, or such other place as the administrative law judge may designate. Filing by United States mail, first class postage prepaid, by express or equivalent parcel delivery service, or by hand delivery, is acceptable. Filing by mail from a foreign country shall be by airmail. In addition, the administrative law judge may authorize filing of papers by facsimile or other electronic means, provided that a hard copy of any such paper is subsequently filed. A copy of each paper filed shall be simultaneously served on each party.

(b) Service. Service shall be made by personal delivery or by mailing one copy of each paper to each party in the proceeding. Service by delivery service or facsimile, in the manner set forth in paragraph (a) of this section, is acceptable. Service on the Department shall be addressed to the Chief Counsel for Export Administration, Room H–3839, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC. 20230. Service on a respondent shall be to the address to which the charging letter was sent or to such other address as respondent may provide. When a party has appeared by counsel or other representative, service on counsel or other representative shall constitute service on that party.

(c) Date. The date of filing or service is the day when the papers are deposited in the mail or are delivered in person, by delivery service, or by facsimile.

(d) Certificate of service. A certificate of service signed by the party making service, stating the date and manner of service, shall accompany every paper, other than the charging letter, filed and served on parties.

(e) Computing period of time. In computing any period of time prescribed or allowed by this part or by order of the administrative law judge or the Under Secretary, the day of the act, event, or default from which the designated period of time begins to run is not to be included. The last day of the period so computed is to be included unless it is a Saturday, a Sunday, or a legal holiday (as defined in Rule 6(a) of the Federal Rules of Civil Procedure), in which case the period runs until the end of the next day which is neither a Saturday, a Sunday, nor a legal holiday. Intermediate Saturdays, Sundays, and legal holidays are excluded from the computation when the period of time prescribed or allowed is seven days or less.
§ 280.608 Answer and demand for hearing.

(a) When to answer. The respondent must answer the charging letter within 30 days after being served with notice of the issuance of a charging letter instituting an administrative enforcement proceeding, or within 30 days of notice of any supplement or amendment to a charging letter, unless time is extended under § 280.618 of this part.

(b) Contents of answer. The answer must be responsive to the charging letter and must fully set forth the nature of the respondent’s defense or defenses. The answer must admit or deny specifically each separate allegation of the charging letter; if the respondent is without knowledge, the answer must so state and will operate as a denial. Failure to deny or controvert a particular allegation will be deemed an admission of that allegation. The answer must also set forth any additional or new matter the respondent believes supports a defense or claim of mitigation. Any defense or partial defense not specifically set forth in the answer shall be deemed waived, and evidence thereon may be refused, except for good cause shown.

(c) Demand for hearing. If the respondent desires a hearing, a written demand for one must be submitted with the answer. Any demand by the Department for a hearing must be filed with the administrative law judge within 30 days after service of the answer. Failure to make a timely written demand for a hearing shall be deemed a waiver of the party’s right to a hearing, except for good cause shown. If no party demands a hearing, the matter will go forward in accordance with the procedures set forth in § 280.617 of this part.

(d) English language required. The answer, all other papers, and all documentary evidence must be submitted in English, or translations into English must be filed and served at the same time.

§ 280.609 Default.

(a) General. Failure of the respondent to file an answer within the time provided constitutes a waiver of the respondent’s right to appear and contest the allegations in the charging letter. In such event, the administrative law judge, on the Department’s motion and without further notice to the respondent, shall find the facts to be as alleged in the charging letter and render an initial decision containing findings of fact and appropriate conclusions of law and issue an initial decision and order imposing appropriate sanctions. The decision and order may be appealed to the Under Secretary in accordance with the applicable procedures set forth in § 280.623 of this part.

(b) Petition to set aside default—(1) Procedure. Upon petition filed by a respondent against whom a default order has been issued, which petition is accompanied by an answer meeting the requirements of 280.608(b) of this part, the Under Secretary may, after giving all parties an opportunity to comment, and for good cause shown, set aside the default and vacate the order entered thereon and remand the matter to the administrative law judge for further proceedings.

(2) Time limits. A petition under this section must be made within one year of the date of entry of the order which the petition seeks to have vacated.

§ 280.610 Summary decision.

At any time after a proceeding has been initiated, a party may move for a summary decision disposing of some or all of the issues. The administrative law judge may render an initial decision and issue an order if the entire record shows, as to the issue(s) under consideration:

(a) That there is no genuine issue as to any material fact; and

(b) That the moving party is entitled to a summary decision as a matter of law.

§ 280.611 Discovery.

(a) General. The parties are encouraged to engage in voluntary discovery regarding any matter, not privileged, which is relevant to the subject matter of the pending proceeding. The provisions of the Federal Rules of Civil Procedure relating to discovery apply to the extent consistent with this part and except as otherwise provided by the administrative law judge or by waiver or agreement of the parties. The administrative law judge may make
any order which justice requires to protect a party or person from annoyance, embarrassment, oppression, or undue burden or expense. These orders may include limitations on the scope, method, time and place of discovery, and provisions for protecting the confidentiality of classified or otherwise sensitive information.

(b) Interrogatories and requests for admission or production of documents. A party may serve on any party interrogatories, requests for admission, or requests for production of documents for inspection and copying, and a party concerned may apply to the administrative law judge for such enforcement or protective order as that party deems warranted with respect to such discovery. The service of a discovery request shall be made at least 20 days before the scheduled date of the hearing unless the administrative law judge specifies a shorter time period. Copies of interrogatories, requests for admission and requests for production of documents and responses thereto shall be served on all parties, and a copy of the certificate of service shall be filed with the administrative law judge. Matters of fact or law of which admission is requested shall be deemed admitted unless, within a period designated in the request (at least 10 days after service, or within such additional time as the administrative law judge may allow), the party to whom the request is directed serves upon the requesting party a sworn statement either denying specifically the matters of which admission is requested or setting forth in detail the reasons why the party to whom the request is directed cannot truthfully either admit or deny such matters.

(c) Depositions. Upon application of a party and for good cause shown, the administrative law judge may order the taking of the testimony of any person by deposition and the production of specified documents or materials by the person at the deposition. The application shall state the purpose of the deposition and set forth the facts sought to be established through the deposition.

(d) Enforcement. The administrative law judge may order a party to answer designated questions, to produce specified documents or things or to take any other action in response to a proper discovery request. If a party does not comply with such an order, the administrative law judge may make a determination or enter any order in the proceeding as the ALJ deems reasonable and appropriate. The ALJ may strike related charges or defenses in whole or in part or may take particular facts relating to the discovery request to which the party failed or refused to respond as being established for purposes of the proceeding in accordance with the contentions of the party seeking discovery. In addition, enforcement by a district court of the United States may be sought under section 9(b)(6) of the Act.

§ 280.612 Subpoenas.

(a) Issuance. Upon the application of any party, supported by a satisfactory showing that there is substantial reason to believe that the evidence would not otherwise be available, the administrative law judge may issue subpoenas requiring the attendance and testimony of witnesses and the production of books, records or other documentary or physical evidence for the purpose of the hearing, as the ALJ deems relevant and material to the proceedings, and reasonable in scope. Witnesses summoned shall be paid the same fees and mileage that are paid to witnesses in the courts of the United States. In case of contempt or refusal to obey a subpoena served upon any person pursuant to this paragraph, the district court of the United States for any district in which such person is found, resides, or transacts business, upon application by the United States and after notice to such person, shall have jurisdiction to issue an order requiring such person to appear and give testimony before the administrative law judge or to appear and produce documents before the administrative law judge, or both, and any failure to obey such order of the court may be punished by such court as contempt thereof.

(b) Service. Subpoenas issued by the administrative law judge may be served in any of the methods set forth in §280.607(b) of this part.
§ 280.613

(c) Timing. Applications for subpoenas must be submitted at least 10 days before the scheduled hearing or deposition, unless the administrative law judge determines, for good cause shown, that extraordinary circumstances warrant a shorter time.

§ 280.613 Matter protected against disclosure.

(a) Protective measures. The administrative law judge may limit discovery or introduction of evidence or issue such protective or other orders as in the ALJ's judgment may be needed to prevent undue disclosure of classified or sensitive documents or information. Where the administrative law judge determines that documents containing the classified or sensitive matter need to be made available to a party to avoid prejudice, the ALJ may direct that an unclassified and/or nonsensitive summary or extract of the documents be prepared. The administrative law judge may compare the extract or summary with the original to ensure that it is supported by the source document and that it omits only so much as must remain undisclosed. The summary or extract may be admitted as evidence in the record.

(b) Arrangements for access. If the administrative law judge determines that this procedure is unsatisfactory and that classified or otherwise sensitive matter must form part of the record in order to avoid prejudice to a party, the administrative law judge may provide the parties an opportunity to make arrangements that permit a party or a representative to have access to such matter without compromising sensitive information. Such arrangements may include obtaining security clearances or giving counsel for a party access to sensitive information and documents subject to assurances against further disclosure, including a protective order, if necessary.

§ 280.614 Prehearing conference.

(a) The administrative law judge, on his or her own motion or on request of a party, may direct the parties to participate in a prehearing conference, either in person or by telephone, to consider:

(1) Simplification of issues;

(2) The necessity or desirability of amendments to pleadings;

(3) Obtaining stipulations of fact and of documents to avoid unnecessary proof; or

(4) Such other matters as may expedite the disposition of the proceedings.

(b) The administrative law judge may order the conference proceedings to be recorded electronically or taken by a reporter, transcribed and filed with the ALJ.

(c) If a prehearing conference is impracticable, the administrative law judge may direct the parties to correspond with the ALJ to achieve the purposes of such a conference.

(d) The administrative law judge will prepare a summary of any actions agreed on or taken pursuant to this section. The summary will include any written stipulations or agreements made by the parties.

§ 280.615 Hearings.

(a) Scheduling. The administrative law judge, by agreement with the parties or upon notice to all parties of not less than 30 days, will schedule a hearing. All hearings will be held in Washington, D.C., unless the administrative law judge determines, for good cause shown, that another location would better serve the interests of justice.

(b) Hearing procedure. Hearings will be conducted in a fair and impartial manner by the administrative law judge, who may limit attendance at any hearing or portion thereof to the parties, their representatives and witnesses if the administrative law judge deems this necessary or advisable in order to protect sensitive matter (see §280.613 of this part) from improper disclosure. The rules of evidence prevailing in courts of law do not apply, and all evidentiary material deemed by the administrative law judge to be relevant and material to the proceeding and not unduly repetitious will be received and given appropriate weight.

(c) Testimony and record. Witnesses will testify under oath or affirmation. A verbatim record of the hearing and of any other oral proceedings will be taken by reporter or by electronic recording, transcribed and filed with the administrative law judge. A respondent may examine the transcript and may
obtain a copy by paying any applicable costs. Upon such terms as the administrative law judge deems just, the ALJ may direct that the testimony of any person be taken by deposition and may admit an affidavit or declaration as evidence, provided that any affidavits or declarations have been filed and served on the parties sufficiently in advance of the hearing to permit a party to file and serve an objection thereto on the grounds that it is necessary that the affiant or declarant testify at the hearing and be subject to cross-examination.

(d) Failure to appear. If a party fails to appear in person or by counsel at a scheduled hearing, the hearing may nevertheless proceed, and that party's failure to appear will not affect the validity of the hearing or any proceedings or action taken thereat.

§ 280.616 Interlocutory review of rulings.
(a) At the request of a party, or on the administrative law judge's own initiative, the administrative law judge may certify to the Under Secretary for review any ruling that does not finally dispose of a proceeding, if the administrative law judge determines that immediate review may hasten or facilitate the final disposition of the matter.
(b) Upon certification to the Under Secretary of the interlocutory ruling for review, the parties will have 10 days to file and serve briefs stating their positions, and five days to file and serve replies, following which the Under Secretary will decide the matter promptly.

§ 280.617 Proceeding without a hearing.
If the parties have waived a hearing, the case will be decided on the record by the administrative law judge. Proceeding without a hearing does not relieve the parties from the necessity of proving the facts supporting their charges or defenses. Affidavits or declarations, depositions, admissions, answers to interrogatories and stipulations may supplement other documentary evidence in the record. The administrative law judge will give each party reasonable opportunity to file rebuttal evidence.

§ 280.618 Procedural stipulations; extension of time.
(a) Procedural stipulations. Unless otherwise ordered, a written stipulation agreed to by all parties and filed with the administrative law judge will modify any procedures established by this part.
(b) Extension of time. (1) The parties may extend any applicable time limitation, by stipulation filed with the administrative law judge before the time limitation expires.
(2) The administrative law judge may, on the judge's own initiative or upon application by any party, either before or after the expiration of any applicable time limitation, extend the time within which to file and serve an answer to a charging letter or do any other act required by this part.

§ 280.619 Decision of the administrative law judge.
(a) Predecisional matters. Except for default proceedings under § 280.609 of this part, the administrative law judge will give the parties reasonable opportunity to submit the following, which will be made a part of the record:
(1) Exceptions to any ruling by the judge or to the admissibility of evidence proffered at the hearing;
(2) Proposed findings of fact and conclusions of law;
(3) Supporting legal arguments for the exceptions and proposed findings and conclusions submitted; and
(4) A proposed order.
(b) Decision and order. After considering the entire record in the proceeding, the administrative law judge will issue a written initial decision. The decision will include findings of fact, conclusions of law, and findings as to whether there has been a violation of the Act, this part, or any order issued thereunder. If the administrative law judge finds that the evidence of record is insufficient to sustain a finding that a violation has occurred with respect to one or more charges, the ALJ shall order dismissal of the charges in whole or in part, as appropriate. If the administrative law judge finds that one or more violations have been committed, the ALJ may issue an order imposing administrative sanctions, as provided in this part. The decision and order...
§ 280.620 Settlement.

(a) Cases may be settled before service of a charging letter. In cases in which settlement is reached before service of a charging letter, a proposed charging letter will be prepared, and a settlement proposal consisting of a settlement agreement and order will be submitted to the Assistant Secretary for approval and signature. If the Assistant Secretary does not approve the proposal, he/she will notify the parties and the case will proceed as though no settlement proposal had been made. If the Assistant Secretary approves the proposal, he/she will issue an appropriate order, and notify the administrative law judge that the case is withdrawn from adjudication. If the Assistant Secretary approves the proposal, he/she will notify the parties and the case will proceed to adjudication by the administrative law judge as though no settlement proposal had been made.

(b) Cases may also be settled after service of a charging letter. (1) If the case is pending before the administrative law judge, the ALJ shall stay the proceedings for a reasonable period of time, usually not to exceed 30 days, upon notification by the parties that they have entered into good faith settlement negotiations. The administrative law judge may, in his/her discretion, grant additional stays. If settlement is reached, a proposal will be submitted to the Assistant Secretary for approval and signature. If the Assistant Secretary approves the proposal, he/she will notify the parties and the case will proceed to adjudication by the administrative law judge as though no settlement proposal had been made.

(2) If the case is pending before the Under Secretary under § 280.623 of this part, the parties may submit a settlement proposal to the Under Secretary for approval and signature. If the Under Secretary approves the proposal, he/she will issue an appropriate order. If the Under Secretary does not approve the proposal, the case will proceed to final decision in accordance with Section 280.623 of this part, as appropriate.

(c) Any order disposing of a case by settlement may suspend the administrative sanction imposed, in whole or in part, on such terms of probation or other conditions as the signing official may specify. Any such suspension may be modified or revoked by the signing official, in accordance with the procedures set forth in §280.619(c) of this part.

(d) Any respondent who agrees to an order imposing any administrative sanction does so solely for the purpose of resolving the claims in the administrative enforcement proceeding brought under this part. This reflects the fact that the Department has neither the authority nor the responsibility for instituting, conducting, settling, or otherwise disposing of criminal proceedings. That authority and responsibility is vested in the Attorney General and the Department of Justice.
(e) Cases that are settled may not be reopened or appealed.

§ 280.621 Reopening.

The respondent may petition the administrative law judge within one year of the date of the final decision, except where the decision arises from a default judgment or from a settlement, to reopen an administrative enforcement proceeding to receive any relevant and material evidence which was unknown or unobtainable at the time the proceeding was held. The petition must include a summary of such evidence, the reasons why it is deemed relevant and material, and the reasons why it could not have been presented at the time the proceedings were held. The administrative law judge will grant or deny the petition after providing other parties reasonable opportunity to comment. If the proceeding is reopened, the administrative law judge may make such arrangements as the ALJ deems appropriate for receiving the new evidence and completing the record. The administrative law judge will then issue a new initial decision and order, and the case will proceed to final decision and order in accordance with §280.623 of this part.

§ 280.622 Record for decision and availability of documents.

(a) General. The transcript of hearings, exhibits, rulings, orders, all papers and requests filed in the proceedings and, for purposes of any appeal under §280.623 of this part, the decision of the administrative law judge and such submissions as are provided for by §280.623 of this part, will constitute the record and the exclusive basis for decision. When a case is settled after the service of a charging letter, the record will consist of any and all of the foregoing, as well as the settlement agreement and the order. When a case is settled before service of a charging letter, the record will consist of the proposed charging letter, the settlement agreement and the order.

(b) Restricted access. On the administrative law judge's own motion, or on the motion of any party, the administrative law judge may direct that there be a restricted access portion of the record for any material in the record to which public access is restricted by law or by the terms of a protective order entered in the proceedings. A party seeking to restrict access to any portion of the record is responsible for submitting, at the time specified in §280.622(c)(2) of this part, a version of the document proposed for public availability that reflects the requested deletion. The restricted access portion of the record will be placed in a separate file and the file will be clearly marked to avoid improper disclosure and to identify it as a portion of the official record in the proceedings. The administrative law judge may act at any time to permit material that becomes declassified or unrestricted through passage of time to be transferred to the unrestricted access portion of the record.

(c) Availability of documents—(1) Scope. All charging letters, answers, initial decisions, and orders disposing of a case will be made available for public inspection in the BXA Freedom of Information Records Inspection Facility, U.S. Department of Commerce, Room H-6624, 14th Street and Pennsylvania Avenue, NW, Washington, DC 20230. The complete record for decision, as defined in paragraphs (a) and (b) of this section will be made available on request.

(2) Timing. Documents are available immediately upon filing, except for any portion of the record for which a request for segregation is made. Parties that seek to restrict access to any portion of the record under paragraph (b) of this section must make such a request, together with the reasons supporting the claim of confidentiality, simultaneously with the submission of material for the record.

§ 280.623 Appeals.

(a) Grounds. A party may appeal to the Under Secretary from an order disposing of a proceeding or an order denying a petition to set aside a default or a petition for reopening, on the grounds:

(1) That a necessary finding of fact is omitted, erroneous or unsupported by substantial evidence of record;

(2) That a necessary legal conclusion or finding is contrary to law;
§ 280.700

(3) That prejudicial procedural error occurred; or
(4) That the decision or the extent of sanctions is arbitrary, capricious or an abuse of discretion. The appeal must specify the grounds on which the appeal is based and the provisions of the order from which the appeal is taken.

(b) Filing of appeal. An appeal from an order must be filed with the Office of the Under Secretary for Export Administration, Bureau of Export Administration, U.S. Department of Commerce, Room H–3898, 14th Street and Constitution Avenue, NW., Washington, DC 20230, within 30 days after service of the order appealed from. If the Under Secretary cannot act on an appeal for any reason, the Under Secretary will designate another Department of Commerce official to receive and act on the appeal.

(c) Effect of appeal. The filing of an appeal shall not stay the operation of any order, unless the order by its express terms so provides or unless the Under Secretary, upon application by a party and with opportunity for response, grants a stay.

(d) Appeal procedure. The Under Secretary normally will not hold hearings or entertain oral argument on appeals. A full written statement in support of the appeal must be filed with the appeal and be simultaneously served on all parties, who shall have 30 days from service to file a reply. At his/her discretion, the Under Secretary may accept new submissions, but will not ordinarily accept those submissions filed more than 30 days after the filing of the reply to the appellant's first submission.

(e) Decisions. The decision will be in writing and will be accompanied by an order signed by the Under Secretary giving effect to the decision. The order may either dispose of the case by affirming, modifying or reversing the order of the administrative law judge or may refer the case back to the administrative law judge for further proceedings.

(f) Delivery. The final decision and implementing order shall be served on the parties and will be publicly available in accordance with §280.622 of this part.

(g) Judicial review. The charged party may appeal the Under Secretary's written order within 30 days to the appropriate United States District Court pursuant to section 9(b)(3) of the Act (15 U.S.C. 5408(b)(3)) by filing a notice of appeal in such court within 30 days from the date of such order and by simultaneously sending a copy of such notice by certified mail to the Chief Counsel for Export Administration, Room H–3839, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. The findings and order of the Under Secretary shall be set aside by such court if they are found to be unsupported by substantial evidence, as provided in section 706(2) of title 5 United States Code.

Subpart H—Recordal of Insignia

§ 280.700 Recorded insignia required prior to offer for sale.

(a) Any manufacturer or private label distributor of a fastener must, prior to any sale or offer for sale of any fastener which is required by the standards and specifications by which it is manufactured to bear a raised or depressed insignia identifying its manufacturer or private label distributor, apply for and record the insignia to be applied to any fastener which is to be sold or offered for sale to ensure that each fastener may be traced to its manufacturer or private label distributor.

(b) The manufacturer's or private label distributor's insignia must be applied to any fastener which is sold or offered for sale if such fastener is required by the standards and specifications by which it is manufactured to bear a raised or depressed insignia identifying its manufacturer or private label distributor. If the fastener has no head, the insignia must be applied to another surface area in a legible manner.

(c) The insignia must be applied through a raised or depressed impression. The insignia must be readable with no greater than 10x magnification.
§ 280.710 Applications for insignia.
(a) Each manufacturer or private label distributor must submit a written application for recordal of an insignia on the Fastener Insignia Register along with the prescribed fee. The application must be in a form prescribed by the Commissioner.
(b) The written application must be in the English language and must include the following:
(1) The name of the applicant;
(2) The address of the applicant;
(3) The entity, domicile, and state of incorporation, if applicable, of the applicant;
(4) Either:
   (i) A request for recordal and issuance of a unique alphanumeric designation by the Commissioner, or
   (ii) A request for recordal of a trademark, which is the subject of either a duly filed application or a registration for fasteners in the name of the applicant in the U.S. Patent and Trademark Office on the Principal Register, indicating the application serial number or registration number and accompanied by a copy of the drawing page of the application or a copy of the registration;
(5) A statement that the applicant will comply with the applicable provisions of the Fastener Quality Act;
(6) A statement that the person signing the application on behalf of the applicant has personal knowledge of the facts relevant to the application and that the person possesses the authority to act on behalf of the applicant;
(7) A verification stating that the person signing declares under penalty of perjury under the laws of the United States of America that the information and statements included in the application are true and correct; and
(8) The application fee.
(c) An applicant may designate only one registered trademark for recordal on the Fastener Insignia Register in a single application. The trademark application or registration which forms the basis for the fastener recordal must be in active status, that is a pending application or a registration which is not expired, abandoned or canceled, at the time of the application for recordal.
(d) Applications and other documents should be addressed to: Box Fastener, Commissioner of Patents and Trademarks, Washington DC 20231.

§ 280.711 Review of the application.
The Commissioner will review the application for compliance with § 280.710. If the application does not contain one or more of the elements required by § 280.710, the Commissioner will not issue a certificate of recordal, and will return the papers and fees. The Commissioner will notify the applicant of any defect in the application. Applications for recordal of an insignia may be re-submitted to the Commissioner at any time.

§ 280.712 Certificate of recordal.
If the application complies with the requirements of § 280.710, the Commissioner shall accept the application and issue a certificate of recordal. Such certificate shall be issued in the name of the United States of America, under the seal of the Patent and Trademark Office. The certificate of recordal shall display the recorded insignia of the applicant, and state the name, address, legal entity and domicile of the applicant, as well as the date of issuance of such certificate.

§ 280.713 Recordal of additional insignia.
(a) A manufacturer or private label distributor to whom the Commissioner has issued an alphanumeric designation may apply for recordal of its trademark for fasteners if the trademark is the subject of a duly filed application or is registered in the U.S. Patent and Trademark Office on the Principal Register. Upon recordal, either the alphanumeric designation or the registered mark, or both, may be used as recorded insignias.
(b) A manufacturer or private label distributor for whom the Commissioner has recorded a trademark as its fastener insignia, may apply for issuance and recordal of an alphanumeric designation as a fastener insignia. Upon
§ 280.720 Maintenance of recordal.

(a) Certificates of recordal remain in an active status for five years and may be maintained in an active status for five-year periods running consecutively from the date of issuance of the certificate of recordal upon compliance with the requirements of § 280.720(c).

(b) Maintenance applications shall be required only if the holder of the certificate of recordal is a manufacturer or private label distributor at the time the maintenance application is required.

(c) Certificates of recordal will be designated as inactive unless, within six months prior to the expiration of each five-year period running consecutively from the date of issuance, the certificate holder files the prescribed maintenance fee and the maintenance application. The maintenance application must be in the English language and must include the following:

(1) The name of the applicant;
(2) The address of the applicant;
(3) The entity, domicile, and state of incorporation, if applicable, of the applicant;
(4) A copy of applicant’s certificate of recordal;
(5) A statement that the applicant will comply with the applicable provisions of the Fastener Quality Act;
(6) A statement that the person signing the application on behalf of the applicant has knowledge of the facts relevant to the application and that the person possesses the authority to act on behalf of the applicant;
(7) A verification stating that the person signing declares under penalty of perjury under the laws of the United States of America that the information and statements included in the application are true and correct; and
(8) The maintenance application fee.

(d) Where no maintenance application is timely filed, a certificate of recordal will be designated inactive. However, such certificate may be designated active if the certificate holder files the prescribed maintenance fee and application and the additional surcharge within six months following the expiration of the certificate of recordal.

(e) After the six-month period following the expiration of the certificate of recordal, the certificate of recordal shall be deemed active only if the certificate holder files a new application for recordal with the prescribed fee for obtaining a fastener insignia and attaches a copy of the expired certificate of recordal.

(f) A separate maintenance application and fee must be filed and paid for each recorded insignia.

§ 280.721 Notification of changes of address.

The applicant or the holder of a certificate of recordal shall notify the Commissioner of any change of address or change of name no later than six months after the change. The holder must do so whether the certificate of recordal is in an active or inactive status.

§ 280.722 Transfer or amendment of the certificate of recordal.

(a) The certificate of recordal cannot be transferred or assigned.

(b) The certificate of recordal may be amended only to show a change of name or change of address.

§ 280.723 Transfer or assignment of the trademark registration or recorded insignia.

(a) A trademark application or registration which forms the basis of a fastener recordal may be transferred or assigned. Any transfer or assignment of such an application or registration shall be recorded in the Patent and Trademark Office within three months of the transfer or assignment. A copy of such transfer or assignment must also be sent to: Box Fastener, Commissioner of Patents and Trademarks, Washington, DC 20231.

(b) Upon transfer or assignment of a trademark application or registration which forms the basis of a certificate of recordal, the Commissioner shall designate the certificate of recordal as inactive. The certificate of recordal shall be deemed inactive as of the effective date of the transfer or assignment.
date of the transfer or assignment. Certificates of recordal designated inactive due to transfer or assignment of a trademark application or registration cannot be reactivated.

(c) An assigned trademark application or registration may form the basis for a new application for recordal of a fastener insignia.

(d) A fastener insignia consisting of an alphanumeric designation issued by the Commissioner can be transferred or assigned.

(e) Upon transfer or assignment of an alphanumeric designation, the Commissioner shall designate such alphanumeric designation as inactive. The alphanumeric designation shall be deemed inactive as of the effective date of the transfer or assignment. Alphanumeric designations which are designated inactive due to transfer or assignment may be reactivated upon application by the assignee of such alphanumeric designation. Such application must meet all the requirements of § 280.710 and must include a copy of the pertinent portions of the document assigning rights in the alphanumeric designation. Such application must be filed within six months of the date of assignment.

§ 280.724 Change in status of trademark registration or amendment of the trademark.

(a) The Commissioner shall designate the certificate of recordal as inactive, upon:

(1) Issuance of a final decision on appeal which refuses registration of the application which formed the basis for the certificate of recordal; or

(2) Abandonment of the application which formed the basis for the certificate of recordal; or

(3) Cancellation or expiration of the trademark registration which formed the basis of the certificate of recordal.

(b) Any amendment of the mark in a trademark application or registration which forms the basis for a certificate of recordal will result in such certificate of recordal being designated inactive. The certificate of recordal shall become inactive as of the date of the amendment of the trademark. A new application for recordal of the amended trademark application or registration may be submitted to the Commissioner at any time.

(c) Certificates of recordal designated inactive due to cancellation, expiration, abandonment or amendment of the trademark application or registration cannot be reactivated.

§ 280.725 Cumulative listing of recordal information.

The Commissioner shall maintain a record of the names, current addresses, and legal entities of all recorded manufacturers and private label distributors and their recorded insignia.

§ 280.726 Records and files of the Patent and Trademark Office.

The records relating to fastener insignia shall be open to public inspection. Copies of any such records may be obtained upon request and payment of the fee set by the Commissioner.

PART 285—NATIONAL VOLUNTARY LABORATORY ACCREDITATION PROGRAM

Subpart A—General Information

Sec.
285.1 Purpose.
285.2 Organization of procedures.
285.3 Description and goal of NVLAP.
285.4 References.
285.5 Definitions.
285.6 NVLAP documentation.
285.7 Confidentiality.
285.8 Referencing NVLAP accreditation.

Subpart B—Establishing a LAP

285.11 Requesting a LAP.
285.12 LAP development decision.
285.13 Request from a government agency.
285.14 Request from a private sector organization.
285.15 Development of technical requirements.
285.16 Coordination with Federal agencies.
285.17 Announcing the establishment of a LAP.
285.18 Adding to or modifying an established LAP.
285.19 Termination of a LAP.

Subpart C—Accrediting a Laboratory

285.21 Applying for accreditation.
285.22 Assessing and evaluating a laboratory.
285.23 Granting and renewing accreditation.
285.24 Denying, suspending, and revoking
§ 285.1 Purpose.
The purpose of part 285 is to set out procedures and general requirements under which the National Voluntary Laboratory Accreditation Program (NVLAP) operates to accredit both calibration laboratories and testing laboratories in response to: (a) Mandates by the Federal government through legislative or administrative action; (b) Requests from a government agency (§ 285.13); and (c) Requests from a private sector organization (§ 285.14).

Supplementary technical and administrative requirements are provided in supporting handbooks and documents as needed depending on the criteria established for specific Laboratory Accreditation Programs (LAPs).

§ 285.2 Organization of procedures.
Subpart A describes considerations which relate in general to all aspects of NVLAP. Subpart B describes how new LAPs are requested, developed, and announced, and how LAPs are terminated. Subpart C describes procedures for accrediting laboratories. Subpart D sets out the conditions and criteria for NVLAP accreditation.

§ 285.3 Description and goal of NVLAP.
(a) NVLAP is a system for accrediting calibration laboratories and testing laboratories found competent to perform specific tests or calibrations. Competence is defined as the ability of a laboratory to meet the NVLAP conditions (§ 285.32) and to conform to the criteria (§ 285.33) in NVLAP publications for specific calibration and test methods.

(b) NVLAP is a process which:
(1) Provides the technical and administrative mechanisms for national and international recognition for competent laboratories based on a comprehensive procedure for promoting confidence in calibration and testing laboratories that show that they operate in accordance with NVLAP's requirements;
(2) Provides laboratory management with documentation for use in the development and implementation of their quality systems;
(3) Identifies competent laboratories for use by regulatory agencies, purchasing authorities, and product certification systems;
(4) Provides laboratories with guidance from technical experts to aid them in reaching a higher level of performance resulting in the generation of improved engineering and product information; and
(5) Promotes the acceptance of calibration and test results between countries, and facilitates cooperation between laboratories and other bodies to assist in the exchange of information and experience, facilitating removal of non-tariff barriers to trade and promoting the harmonization of standards and procedures.

(c) NVLAP is comprised of a series of laboratory accreditation programs (LAPs) which are established on the basis of requests and demonstrated need. The specific calibration and test methods, types of calibration and test methods, products, services, or standards to be included in a LAP are determined by an open process during the establishment of the LAP (see § 285.11). The Director of the National Institute of Standards and Technology (NIST) does not unilaterally propose or decide the scope of a LAP. Communication with other laboratory accreditation systems is fostered to encourage development of common criteria and approaches to accreditation and to promote the domestic, foreign, and international acceptance of test data produced by the accredited laboratories.
§ 285.4 References.

NVLAP is designed to be compatible with domestic and foreign laboratory accreditation programs to ensure the universal acceptance of test data produced by NVLAP-accredited laboratories. In this regard, these Procedures are compatible with:

(a) The most recent official publications of ISO Guides 2, 25, 30, 38, 43, 45, 49, 58, and Standards 8402, 9001, 9002, 9003, and 9004.

(b) International vocabulary of basic and general terms in metrology (VIM) and Guide to the expression of uncertainty in measurement, issued by International Bureau of Weights and Measures (BIPM), International Electrotechnical Commission (IEC), International Federation of Clinical Chemistry (IFCC), International Organization for Standardization (ISO), International Union of Pure and Applied Chemistry (IUPAC), International Union of Pure and Applied Physics (IUPAP), and International Organization of Legal Metrology (OIML).

§ 285.5 Definitions.

Accreditation (of a laboratory): A formal recognition that a laboratory is competent to carry out specific tests or calibrations or types of test or calibrations.

Accreditation criteria: A set of requirements used by an accrediting body which a laboratory must meet in order to be accredited.

Approved Signatory (of an accredited laboratory): An individual who is recognized by NVLAP as competent to sign accredited laboratory calibration or test reports.

Assessment (of a laboratory): The on-site examination of a testing or calibration laboratory to evaluate its compliance with the conditions and criteria for accreditation.

Authorized Representative (of an accredited laboratory): An individual who is authorized by the laboratory or the parent organization to sign the NVLAP application form and commit the laboratory to fulfill the NVLAP requirements (The Authorized Representative may also be recommended by the laboratory as an Approved Signatory).

Calibration: A set of operations which establish, under specified conditions, the relationship between values indicated by a measuring instrument or system, or values represented by a material measure, and the corresponding known values of a measurand.

Calibration method: A defined technical procedure for performing a calibration.

Certificate of Accreditation: A document issued by NVLAP to a laboratory that has met the criteria and conditions for accreditation. The Certificate of Accreditation may be used as proof of accredited status. A Certificate of Accreditation is always accompanied with a Scope of Accreditation.

Competence: The ability of a laboratory to meet the NVLAP conditions and to conform to the criteria in NVLAP publications for specific calibration and test methods.

Deficiency: The non-fulfillment of NVLAP conditions and/or criteria for accreditation.

Director of NIST: The Director of the National Institute of Standards and Technology or designate.

LAP: A laboratory accreditation program established and administered under NVLAP, consisting of test methods or calibrations relating to specific products or fields of testing or calibration.

NIST: The National Institute of Standards and Technology.

NVLAP: The National Voluntary Laboratory Accreditation Program. NVLAP is an Office within the National Institute of Standards and Technology.

Person: Associations, companies, corporations, educational institutions, firms, government agencies at the federal, state and local level, partnerships, and societies—as well as divisions thereof—and individuals.
§ 285.6  NVLAP documentation.

NVLAP publications are available for information and use by staff of accredited laboratories, those seeking accreditation, other laboratory accreditation systems, and others needing information on the requirements for accreditation under the NVLAP program. Accredited laboratories will be sent revised publications routinely. Publications include:

(a) The Procedures and General Requirements, (15 CFR part 285);
(b) Handbooks containing the administrative and operational procedures and technical requirements of specific LAPs;
(c) A directory of accredited laboratories published annually and updated periodically; and
(d) Policy Guides that provide changes to the Procedures and General Requirements and Handbooks between formal revisions of those publications.

§ 285.7  Confidentiality.

To the extent permitted by applicable laws, NVLAP will seek to ensure confidentiality of all information obtained relating to the application, on-site assessment, proficiency testing, evaluation, and accreditation of laboratories.

§ 285.8  Referencing NVLAP accreditation.

To become accredited and maintain accreditation, a laboratory shall agree in writing to:

(a) Follow NVLAP guidance when advertising its accredited status (including the use of the NVLAP logo) on letterheads, brochures, test reports, and professional, technical, trade, or other laboratory services publications.

Test method: A defined technical procedure for performing a test.

Testing laboratory: A laboratory which measures, examines, tests, calibrates or otherwise determines the characteristics or performance of products or materials.

Traceability of the accuracy of measuring instruments: A documented chain of comparison connecting the accuracy of a measuring instrument to other measuring instruments of higher accuracy and ultimately to a primary standard.
§ 285.12 Lap development decision.

(a) The Director of NIST shall establish all LAPS on the basis of need.

(1) A mandate to develop a LAP by NVLAP will be interpreted as a de facto decision to develop the specified LAP, and a LAP will be developed (or existing LAPS modified, if practical) following these procedures.

(2) Government agencies may document the need by using §285.13, and private sector organizations by using §285.14.

(b) After receipt of the request, the Director of NIST shall analyze it to determine if a need exists for the requested LAP. In making this determination, the Director of NIST shall consider the following:

(1) The needs and scope of the LAP initially requested;
(2) The needs and scope of the user population;
(3) State that anyone may submit comments on the need for a LAP to NVLAP within 60 days of the date of the notice.

(e) Following receipt of the identification of a mandate for a LAP based on legislative or administrative action, the Director shall publish a Federal Register notice:

(1) Stating the purpose of the LAP including the national or international need;
(2) Describing the general scope of the LAP;
(3) Identifying government agencies having oversight; and
(4) Providing information to any interested party wishing to be on the NVLAP mailing list to receive routine information on the development of the LAP.

(f) Consistent with applicable laws and regulations, the Director may negotiate and conclude agreements with the governments of other countries for NVLAP recognition of foreign laboratories. At a minimum, any agreement must provide that accredited foreign laboratories meet conditions for accreditation comparable to and consistent with those set out in these requirements.

§ 285.11 Requesting a LAP.

(a) A request to establish a LAP must be made to the Director of NIST.

(b) Each request must be in writing and must include:

(1) The scope of the LAP in terms of products, calibration services, or testing services proposed for inclusion;
(2) Specific identification of the applicable standards and test methods including appropriate designations, and the organizations or standards writing bodies having responsibility for them;
(3) A statement of need for the LAP including:

(ii) Evidence of a national need to accredit calibration or testing laboratories for the specific scope beyond that served by an existing laboratory accreditation program in the public or private sector;
(iii) Evidence of a national need to accredit testing laboratories for the specific scope beyond that served by an existing laboratory accreditation program in the public or private sector; and
(iv) An estimate of the number and nature of the users of such laboratories; and
(4) A statement of the extent to which the requestor is willing to support necessary developmental aspects of the LAP with funding and personnel.

(c) NVLAP may request clarification of the information submitted according to paragraph (b) of this section.

(d) Before determining the need for a LAP, the Director of NIST shall publish a Federal Register notice of the receipt of a LAP request if the request complies with §7.11(b). The notice will:

(1) Describe the scope of the requested LAP;
(2) Indicate how to obtain a copy of the request; and
(3) State that anyone may submit comments on the need for a LAP to NVLAP within 60 days of the date of the notice.

§ 285.12 Lap development decision.

(a) The Director of NIST shall establish all LAPS on the basis of need.

(1) A mandate to develop a LAP by NVLAP will be interpreted as a de facto decision to develop the specified LAP, and a LAP will be developed (or existing LAPS modified, if practical) following these procedures.

(2) Government agencies may document the need by using §285.13, and private sector organizations by using §285.14.

(b) After receipt of the request, the Director of NIST shall analyze it to determine if a need exists for the requested LAP. In making this determination, the Director of NIST shall consider the following:

(1) The needs and scope of the LAP initially requested;
(2) The needs and scope of the user population;
§ 285.13 Request from a government agency.

(a) Any Federal, state or local agency responsible for regulatory or public service programs established under statute or code, which has determined a need to accredit laboratories within the context of its programs, may request the Director of NIST to establish a LAP.

(b) Each request must be in writing and must include the information required in §7.11(b) and:

(1) A description of the procedures followed or a citation of the specific authority used to determine the need for a LAP; and

(2) For state and local government agencies, a statement of why the LAP should be of national scope.

(c) NVLAP may request clarification of the information required by §285.11(b).

(d) Before deciding to proceed with the development of a LAP, the Director of NIST shall publish a FEDERAL REGISTER notice of the receipt of a LAP request. The notice will indicate how to obtain a copy of the request and will state that anyone may submit comments on the need for a LAP to the requesting government agency within 60 days of the date of the notice.

(e) NVLAP shall notify interested persons of the decision to proceed or not to proceed with development of a LAP.


§ 285.14 Request from a private sector organization.

(a) Any private sector organization which has determined a need to accredit laboratories for specific products, calibrations, or testing services, may request the Director of NIST to establish a LAP if it uses procedures meeting the following conditions:

(1) Public notice of meetings and other activities including requests for LAPs is provided in a timely fashion and is distributed to reach the attention of interested persons;

(2) Meetings are open and participation in activities is available to interested persons;

(3) Decisions reached by the private sector organization in the development of a request for a LAP represent substantial agreement of the interested persons;

(4) Prompt consideration is given to the expressed views and concerns of interested persons;

(5) Adequate and impartial mechanisms for handling substantive and procedural complaints and appeals are in place; and

(6) Appropriate records of all meetings are maintained and the official procedures used by the private sector organization to make a formal request for a LAP are made available upon request to any interested person.

Natl. Inst. of Stds. & Tech., Commerce § 285.18

(b) Each request must be in writing and must include the information required in §7.11(b) and a description of the way in which the organization has met the conditions specified in paragraph (a) of this section.

(c) NVLAP may request clarification of the information required by §285.11(b).

(d) Before deciding to proceed with development of a LAP, the Director of NIST shall publish a FEDERAL REGISTER notice of the receipt of a LAP request. The notice will indicate how to obtain a copy of the request and will state that anyone may submit comments on the need for a LAP to the requesting private sector organization within 60 days of the date of the notice.

(e) NVLAP shall notify interested persons of the decision to proceed or not to proceed with development of a LAP.


§ 285.15 Development of technical requirements.

(a) Technical requirements for accreditation are specific for each LAP. The requirements tailor the criteria referenced in §285.33 to the calibration or test methods, types of calibration or test methods, products, services, or standards covered by the LAP.

(b) NVLAP shall develop the technical requirements based on expert advice. This advice may be obtained through one or more informal public workshops or other suitable means.

(c) NVLAP shall make every reasonable effort to ensure that the affected calibration or testing community within the scope of the LAP is informed of any planned workshop. Summary minutes of each workshop will be prepared. A copy of the minutes will be made available for inspection and copying at the NIST Records Inspection Facility.


§ 285.16 Coordination with Federal agencies.

As a means of assuring effective and meaningful cooperation, input, and participation by those federal agencies that may have an interest in and may be affected by established LAPs, NVLAP shall communicate and consult with appropriate officials within those agencies.


§ 285.17 Announcing the establishment of a LAP.

(a) When NVLAP has completed the development of the technical requirements of the LAP and established a schedule of fees for accreditation, NVLAP shall publish a notice in the FEDERAL REGISTER announcing the establishment of the LAP.

(b) The notice will:

(1) Identify the scope of the LAP; and

(2) Advise how to apply for accreditation.

(c) NVLAP shall establish fees in amounts that will enable it to recover its full costs, and shall, from time to time as necessary, revise the fees for this purpose.


§ 285.18 Adding to or modifying an established LAP.

(a) Established or developing LAPs may be added to, modified, or realigned based on either a written request from any person wishing to add or delete specific standards, calibration or test methods, or types of calibration or test methods or a need identified by NIST.

(b) NVLAP may choose to make the additions or modifications available for accreditation under a LAP when:

(1) The additional standards, calibration or test methods, or types of calibration or test methods requested are directly relevant to the LAP;

(2) It is feasible and practical to accredit calibration or testing laboratories for the additional standards, calibration or test methods, or types of calibration or test methods; and

(3) It is likely that laboratories will seek accreditation for the additional standards, calibration or test methods, or types of calibration or test methods.

[59 FR 22748, May 3, 1994]
§ 285.19 Termination of a LAP.

(a) The Director of NIST may terminate a LAP when the Director of NIST determines that a need no longer exists to accredit laboratories for the services covered under the scope of the LAP. In the event that the Director of NIST proposes to terminate a LAP, a notice will be published in the Federal Register setting forth the basis for that determination.

(b) The notice published under paragraph (a) of this section will provide a 60-day period for submitting written comments on the proposal to terminate the LAP. All written comments will be made available for public inspection and copying at the NIST Records Inspection Facility.

(c) After the comment period, the Director of NIST shall determine if public support exists for the continuation of the LAP. If public comments support the continuation of the LAP, the Director of NIST shall publish a Federal Register notice announcing the continuation of the LAP. If public support does not exist for continuation, the LAP will be terminated effective 90 days after the date of the published notice of intent to terminate the LAP.

(d) If the LAP is terminated, NVLAP shall no longer grant or renew accreditations following the effective date of termination. Accreditations previously granted will remain effective until their expiration date unless terminated voluntarily by the laboratory or revoked by NVLAP.


Subpart C—Accrediting a Laboratory

§ 285.21 Applying for accreditation.

(a) A laboratory may complete and remit an application for accreditation in any of the established LAPs.

(b) Upon receipt of a laboratory’s application, NVLAP shall:

1. Acknowledge receipt of the application;
2. Request further information, if necessary;
3. Confirm payment of fees before proceeding with the accreditation process; and
4. Specify the next step(s) in the accreditation process.

(c) Accreditation of laboratories outside of the United States may require:

1. Translation of laboratory documentation into English; and
2. Payment of additional traveling expenses for on-site assessments and proficiency testing.


§ 285.22 Assessing and evaluating a laboratory.

(a) Information use to evaluate a laboratory’s compliance with the conditions for accreditation set out in § 285.32, the criteria for accreditation set out in § 285.33, and the technical requirements established for each LAP will include (not necessarily in this order):

1. Application and other material submitted by the laboratory (§ 285.32(b));
2. On-site assessment reports;
3. Laboratory performance on proficiency tests;
4. Laboratory responses to identified deficiencies; and
5. Technical evaluation.

(b) NVLAP shall arrange the assessment and evaluation of applicant laboratories in such a way as to minimize potential conflicts of interest.

(c) NVLAP shall inform each applicant laboratory of any additional action(s) that the laboratory must take to qualify for accreditation.

[59 FR 22748, May 3, 1994]

§ 285.23 Granting and renewing accreditation.

(a) NVLAP will take action to:

1. Grant initial accreditation, or
2. Renew, suspend, or propose to deny or revoke accreditation of an applicant laboratory, based on the degree to which the laboratory complies with the specific NVLAP requirements.

(b) If accreditation is granted or renewed, NVLAP shall:

1. Provide a Certificate of Accreditation and a Scope of Accreditation to the laboratory;
(2) Provide guidance on referencing the laboratory’s accredited status, and the use of the NVLAP logo by the laboratory and its clients, as needed; and
(3) Remind the laboratory that accreditation does not relieve it from complying with applicable federal, state, and local laws and regulations.
(c) NVLAP shall notify an accredited laboratory at least 30 days before its accreditation expires advising of the action(s) the laboratory must take to renew its accreditation.

§ 285.24 Denying, suspending, and revoking accreditation.
(a) If NVLAP proposes to deny or revoke accreditation of a laboratory, NVLAP shall inform the laboratory of the reasons for the proposed denial or revocation and the procedure for appealing such a decision.
(b) The laboratory will have 30 days from the date of receipt of the proposed denial or revocation letter to appeal the decision to the Director of NIST. If the laboratory appeals the decision to the Director of NIST, the proposed denial or revocation will be stayed pending the outcome of the appeal. The proposed denial or revocation will become final through the issuance of a written decision to the laboratory in the event that the laboratory does not appeal the proposed denial or revocation within that 30-day period.
(c) If NVLAP finds that an accredited laboratory has violated the terms of its accreditation or the provisions of these procedures, NVLAP may, after consultation with the laboratory, suspend the laboratory’s accreditation, or advise of NVLAP’s intent to revoke accreditation. If accreditation is suspended, NVLAP shall notify the laboratory of that action stating the reasons for and conditions of the suspension and specifying the action(s) the laboratory must take to have its accreditation reinstated.
(d) A laboratory whose accreditation has been denied, revoked, terminated, or expired, or which has withdrawn its application before being accredited, may reapply and be accredited if the laboratory:
(1) Completes the assessment and evaluation process; and
(2) Meets the conditions and criteria for accreditation that are set out in §§ 285.32 and 285.33.
(e) Conditions of suspension will include prohibiting the laboratory from using the NVLAP logo on its test or calibration reports during the suspension period. The determination of NVLAP whether to suspend or to propose revocation of a laboratory’s accreditation will depend on the nature of the violation(s) of the terms of its accreditation.
[59 FR 22749, May 3, 1994]

§ 285.25 Voluntary termination of accreditation.
A laboratory may at any time terminate its participation and responsibilities as an accredited laboratory by advising NVLAP in writing of its desire to do so. NVLAP shall terminate the laboratory’s accreditation and shall notify the laboratory stating that its accreditation has been terminated in response to its request.

§ 285.26 Change in status of laboratory.
Accreditation of a laboratory is based on specific conditions and criteria including the laboratory’s ownership, location, staffing, facilities, and configuration. Changes in any of these conditions or criteria could result in loss of accreditation. NVLAP must be informed if any of the conditions or criteria for accreditation are changed so that a determination can be made concerning the status of the accreditation.
[59 FR 22749, May 3, 1994]

Subpart D—Conditions and Criteria For Accreditation

§ 285.31 Application of accreditation conditions and criteria.
To become accredited and maintain accreditation, a laboratory must meet the conditions for accreditation set out in § 285.32, the criteria set out in
§ 285.32 Conditions for accreditation

(a) To become accredited and maintain accreditation, a laboratory shall agree in writing to:

1. Be assessed and evaluated initially and on a periodic basis;
2. Demonstrate, on request, that it is able to perform the calibrations or tests representative of those for which it is seeking accreditation;
3. Pay all fees;
4. Participate in proficiency testing as required;
5. Be capable of performing the calibrations or tests for which it is accredited according to the latest version of the calibration or test method within one year after its publication or within another time limit specified by NVLAP;
6. Limit the representation of the scope of its accreditation to only those calibrations, tests or services for which accreditation is granted;
7. Resolve all deficiencies;
8. Limit all its work or services of clients to those areas where competence and capacity are available;
9. Maintain records of all actions taken in response to complaints for a minimum of one year;
10. Maintain an independent decisional relationship between itself and its clients, affiliates, or other organizations so that the laboratory’s capacity to render calibration or test reports objectively and without bias is not adversely affected;
11. Report to NVLAP within 30 days any major changes involving the location, ownership, management structure, authorized representative, approved signatories, or facilities of the laboratory; and
12. Return to NVLAP the Certificate of Accreditation and the Scope of Accreditation for revision or other action should it:

   i. Be requested to do so by NVLAP;
   ii. Voluntarily terminate its accredited status; or
   iii. Become unable to conform to any of these conditions, the applicable criteria of § 285.33, and related technical requirements.

(b) To become accredited and maintain accreditation, a laboratory shall supply, upon request, the following information:

1. Legal name and full address;
2. Ownership of the laboratory;
3. Organization chart defining relationships that are relevant to performing testing and calibrations covered in the accreditation request;
4. General description of the laboratory, including its facilities and scope of operation;
5. Name, address, and telephone and FAX number of the authorized representative of the laboratory;
6. Names or titles and qualifications of laboratory staff nominated to serve as approved signatories of calibration or test reports that reference NVLAP accreditation;
7. The laboratory Quality Manual; and
8. Other information as may be needed for the specific LAP(s) in which accreditation is sought.

§ 285.33 Criteria for accreditation.

(a) Scope. (1) This section sets out the general requirements in accordance with which a laboratory has to demonstrate that it operates, if it is to be recognized as competent to carry out specific calibrations or tests.

   (2) Additional requirements and information which have to be disclosed for assessing competence or for determining compliance with other criteria may be specified by NVLAP, depending upon the specific character of the task of the laboratory.

   (3) This section is for use by calibration and testing laboratories in the development and implementation of their quality systems. It may also be used by accreditation bodies, certification bodies and others concerned with the competence of laboratories.

   (b) Organization and management. (1) The laboratory shall be legally identifiable. It shall be organized and shall operate in such a way that its permanent, temporary and mobile facilities meet these requirements.

   (2) The laboratory shall:

      i. Have managerial staff with the authority and resources needed to discharge their duties;
(ii) Have policies to ensure that its personnel are free from any commercial, financial and other pressures which might adversely affect the quality of their work;

(iii) Be organized in such a way that confidence in its independence of judgement and integrity is maintained at all times;

(iv) Specify and document the responsibility, authority and interrelationship of all personnel who manage, perform or verify work affecting the quality of calibrations and tests;

(v) Provide supervision by persons familiar with the calibration or test methods and procedures, the objective of the calibration or test and the assessment of the results. The ratio of supervisory to non-supervisory personnel shall be such as to ensure adequate supervision;

(vi) Have a technical manager (however named) who has overall responsibility for the technical operations;

(vii) Have a quality manager (however named) who has responsibility for the quality system and its implementation. The quality manager shall have direct access to the highest level of management at which decisions are taken on laboratory policy or resources, and to the technical manager. In some laboratories, the quality manager may also be the technical manager or deputy technical manager;

(viii) Nominate deputies in case of absence of the technical or quality manager;

(ix) Have documented policy and procedures to ensure the protection of clients' confidential information and proprietary rights;

(x) Where appropriate, participate in interlaboratory comparisons and proficiency testing programs;

(c) Quality system, audit and review.

(1) The laboratory shall establish and maintain a quality system appropriate to the type, range and volume of calibration and testing activities it undertakes. The elements of this system shall be documented. The quality documentation shall be available for use by the laboratory personnel. The laboratory shall define and document its policies and objectives for, and its commitment to, good laboratory practice and quality of calibration or testing services. The laboratory management shall ensure that these policies and objectives are documented in a quality manual and communicated to, understood, and implemented by all laboratory personnel concerned. The quality manual shall be maintained current under the responsibility of the quality manager.

(2) The quality manual, and related quality documentation, shall state the laboratory's policies and operational procedures established in order to meet the requirements of procedures. The quality manual and related quality documentation shall also contain:

(i) A quality policy statement, including objectives and commitments, by top management;

(ii) The organization and management structure of the laboratory, its place in any parent organization and relevant organizational charts;

(iii) The relations between management, technical operations, support services and the quality system;

(iv) Procedures for control and maintenance of documentation;

(v) Job descriptions of key staff and reference to the job descriptions of other staff;

(vi) Identification of the laboratory's approved signatories;

(vii) The laboratory's procedures for achieving traceability of measurements;

(viii) The laboratory's scope of calibrations and/or tests;

(ix) Arrangements for ensuring that the laboratory reviews all new work to ensure that it has the appropriate facilities and resources before commencing such work;

(x) Reference to the calibration, verification and/or test procedures used;

(xi) Procedures for handling calibration and test items;

(xii) Reference to the major equipment and reference measurement standards used;

(xiii) Reference to procedures for calibration, verification and maintenance of equipment;

(xiv) Reference to verification practices including interlaboratory comparisons, proficiency testing programs, use of reference materials and internal quality control schemes;
(xv) Procedures to be followed for feedback and corrective action whenever discrepancies are detected, or departures from documented policies and procedures occur;
(xvi) The laboratory management policies for departures from documented policies and procedures or from standard specifications;
(xvii) Procedures for dealing with complaints;
(xviii) Procedures for protecting confidentiality and proprietary rights;
(xix) Procedures for audit and review.

(3) The laboratory shall arrange for audits of its activities at appropriate intervals to verify that its operations continue to comply with the requirements of the quality system. Such audits shall be carried out by trained and qualified staff who are, wherever possible, independent of the activity to be audited. Where the audit findings cast doubt on the correctness or validity of the laboratory’s calibration or test results, the laboratory shall take immediate corrective action and shall immediately notify, in writing, any client whose work may have been affected.

(4) The quality system adopted to satisfy the requirements of this section shall be reviewed at least once each year by the management to ensure its continuing suitability and effectiveness and to introduce any necessary changes or improvements.

(5) All audit and review findings and any corrective actions that arise from them shall be documented. The person responsible for quality shall ensure that these actions are discharged within the agreed timescale.

(6) In addition to periodic audits the laboratory shall ensure the quality of results provided to clients by implementing checks. These checks shall be reviewed and shall include, as appropriate but not be limited to:
(i) Internal quality control schemes using whenever possible statistical techniques;
(ii) Participation in proficiency testing or other interlaboratory comparisons;
(iii) Regular use of certified reference materials and/or in-house quality control using secondary reference materials;
(iv) Replicate testings using the same or different methods;
(v) Re-testing of retained items;
(vi) Correlation of results for different characteristics of an item.

(d) Personnel. (1) The testing laboratory shall have sufficient personnel, having the necessary education, training, technical knowledge and experience for their assigned functions.

(2) The testing laboratory shall ensure that the training of its personnel is kept up-to-date.

(3) Records on the relevant qualifications, training, skills and experience of the technical personnel shall be maintained by the laboratory.

(e) Accommodation and environment. (1) Laboratory accommodation, calibration and test areas, energy sources, lighting, heating and ventilation shall be such as to facilitate proper performance of calibrations or tests.

(2) The environment in which these activities are undertaken shall not invalidate the results or adversely affect the required accuracy of measurement. Particular care shall be taken when such activities are undertaken at sites other than the permanent laboratory premises.

(3) The laboratory shall provide facilities for the effective monitoring, control and recording of environmental conditions as appropriate. Due attention shall be paid, for example, to biological sterility, dust, electromagnetic interference, humidity, voltage, temperature, and sound and vibration levels, as appropriate to the calibrations or tests concerned.

(4) There shall be effective separation between neighboring areas when the activities therein are incompatible.

(5) Access to and use of all areas affecting the quality of these activities shall be defined and controlled.

(6) Adequate measures shall be taken to ensure good housekeeping in the laboratory.

(f) Equipment and reference materials. (1) The laboratory shall be furnished with all items of equipment (including reference materials) required for the correct performance of calibrations and tests. In those cases where the laboratory needs to use equipment outside its permanent control it shall ensure
that the relevant requirements of this section are met.

(2) All equipment shall be properly maintained. Maintenance procedures shall be documented. Any item of equipment which has been subjected to overloading or mishandling, or which gives suspect results, or has been shown by verification or otherwise to be defective, shall be taken out of service, clearly identified and wherever possible stored at a specified place until it has been repaired and shown by calibration, verification or test to perform satisfactorily. The laboratory shall examine the effect of this defect on previous calibrations or tests.

(3) Each item of equipment including reference materials shall, when appropriate, be labelled, marked or otherwise identified to indicate its calibration status.

(4) Records shall be maintained of each item of equipment and all reference materials significant to the calibrations or tests performed. The records shall include:
   (i) The name of the item of equipment;
   (ii) The manufacturer's name, type identification, and serial number or other unique identification;
   (iii) Date received and date placed in service;
   (iv) Current location, where appropriate;
   (v) Condition when received (e.g. new, used, reconditioned);
   (vi) Copy of the manufacturer's instructions, where available;
   (vii) Dates and results of calibrations and/or verifications and date of next calibration and/or verification;
   (viii) Details of maintenance carried out to date and planned for the future;
   (ix) History of any damage, malfunctions, modification or repair.

(g) Measurement traceability and calibration. (1) All measuring and testing equipment having an effect on the accuracy or validity of calibrations or tests shall be calibrated and/or verified before being put into service. The laboratory shall have an established program for the calibration and verification of its measuring and test equipment.

(2) The overall program of calibration and verification and validation of equipment shall be designed and operated so as to ensure that, wherever applicable, measurements made by the laboratory are traceable to national standards of measurement where available. Calibration certificates shall wherever applicable indicate the traceability to national standards of measurement and shall provide the measurement results and associated uncertainty of measurement and/or a statement of compliance with an identified metrological specification.

(3) Where traceability to national standards of measurement is not applicable, the laboratory shall provide satisfactory evidence of correlation of results, for example by participation in a suitable program of interlaboratory comparisons or proficiency testing.

(4) Reference standards of measurement held by the laboratory shall be used for calibration only and for no other purpose, unless it can be demonstrated that their performance as reference standards has not been invalidated.

(5) Reference standards of measurement shall be calibrated by a body that can provide traceability to a national standard of measurement. There shall be a program of calibration and verification for reference standards.

(6) Where relevant, reference standards and measuring and testing equipment shall be subjected to in-service checks between calibrations and verifications.

(7) Reference materials shall, where possible, be traceable to national or international standards of measurement, or to national or international standard reference materials.

(h) Calibration and test methods. (1) The laboratory shall have documented instructions on the use and operation of all relevant equipment, on the handling and preparation of items and for calibration and/or testing, where the absence of such instructions could jeopardize the calibrations or tests. All instructions, standards, manuals and reference data relevant to the work of the laboratory shall be maintained up-to-date and be readily available to the staff.

(2) The laboratory shall use appropriate methods and procedures for all
§ 285.33  

Calibrations and tests and related activities within its responsibility (including sampling, handling, transport and storage, preparation of items, estimation of uncertainty of measurement and analysis of calibration and/or test data). They shall be consistent with the accuracy required, and with any standard specifications relevant to the calibrations or tests concerned.

(3) Where methods are not specified, the laboratory shall, wherever possible, select methods that have been published in international or national standards, those published by reputable technical organizations or in relevant scientific texts or journals.

(4) Where it is necessary to employ methods that have not been established as standard, these shall be subject to agreement with the client, be fully documented and validated, and be available to the client and other recipients of the relevant reports.

(5) Where sampling is carried out as part of the test method, the laboratory shall use documented procedures and appropriate statistical techniques to select samples.

(6) Calculations and data transfers shall be subject to appropriate checks.

(7) Where computers or automated equipment are used for the capture, processing, manipulation, recording, reporting, storage or retrieval of calibration or test data, the laboratory shall ensure that:

(i) The requirements of these procedures are complied with;

(ii) Computer software is documented and adequate for use;

(iii) Procedures are established and implemented for protecting the integrity of data; such procedures shall include, but not be limited to, integrity of data entry or capture, data storage, data transmission and data processing;

(iv) Computer and automated equipment is maintained to ensure proper functioning and provided with the environmental and operating conditions necessary to maintain the integrity of calibration and test data;

(v) It establishes and implements appropriate procedures for the maintenance of security of data including the prevention of unauthorized access to, and the unauthorized amendment of, computer records.

(8) Documented procedure shall exist for the purchase, reception and storage of consumable materials used for the technical operations of the laboratory.

(i) Handling of calibration and test items. (1) The laboratory shall have a documented system for uniquely identifying the items to be calibrated or tested, to ensure that there can be no confusion regarding the identity of such items at any time.

(2) Upon receipt, the condition of the calibration or test item, including any abnormalities or departures from standard condition as prescribed in the relevant calibration or test method, shall be recorded. Were there is any doubt as to the item's suitability for calibration or test, where the item does not conform to the description provided, or where the calibration or test required is not fully specified, the laboratory shall consult the client for further instruction before proceeding. The laboratory shall establish whether the item has received all necessary preparation, or whether the client requires preparation to be undertaken or arranged by the laboratory.

(3) The laboratory shall have documented procedures and appropriate facilities to avoid deterioration or damage to the calibration or test item, during storage, handling, preparation, and calibration or test; any relevant instructions provided with the item shall be followed. Where items have to be stored or conditioned under specific environmental conditions, these conditions shall be maintained, monitored and recorded where necessary. Where a calibration or test item or portion of an item is to be held secure (for example, for reasons of record, safety or value, or to enable check calibrations or tests to be performed later), the laboratory shall have storage and security arrangements that protect the condition and integrity of the secured items or portions concerned.

(4) The laboratory shall have documented procedures for the receipt, retention or safe disposal of calibration or test items, including all provisions necessary to protect the integrity of the laboratory.

(j) Records. (1) The laboratory shall maintain a record system to suit its particular circumstances and comply
Natl. Inst. of Stds. & Tech., Commerce § 285.33

with any applicable regulations. It shall retain on record all original observations, calculations and derived data, calibration records and a copy of the calibration certificate, test certificate or test report for an appropriate period. The records for each calibration and test shall contain sufficient information to permit their repetition. The records shall include the identity of personnel involved in sampling, preparation, calibration or testing.

(2) All records (including those listed in § 285.33(f)(4) pertaining to calibration and test equipment), certificates and reports shall be safely stored, held secure and in confidence to the client.

(k) Certificates and reports. (1) The results of each calibration, test, or series of calibrations or tests carried out by the laboratory shall be reported accurately, clearly, unambiguously and objectively, in accordance with any instructions in the calibration or test methods. The results should normally be reported in a calibration certificate, test report or test certificate and should include all the information necessary for the interpretation of the calibration or test results and all information required by the method used.

(2) Each certificate or report shall include at least the following information:


(ii) Name and address of laboratory, and location where the calibration or test was carried out if different from the address of the laboratory;

(iii) Unique identification of the certificate or report (such as serial number) and of each page, and the total number of pages;

(iv) Name and address of client, where appropriate;

(v) Description and unambiguous identification of the item calibrated or tested;

(vi) Characterization and condition of the calibration or test item;

(vii) Date of receipt of calibration or test item and date(s) of performance of calibration or test, where appropriate;

(viii) Identification of the calibration or test method used, or unambiguous description of any non-standard method used;

(ix) Reference to sampling procedure, where relevant;

(x) Any deviations from, additions to or exclusions from the calibration or test method, and any other information relevant to a specific calibration or test, such as environmental conditions;

(xi) Measurements, examinations and derived results, supported by tables, graphs, sketches and photographs as appropriate, and any failures identified;

(xii) A statement of the estimated uncertainty of the calibration or test result (where relevant);

(xiii) A signature and title, or an equivalent identification of the person(s) accepting responsibility for the content of the certificate or report (however produced), and date of issue;

(xiv) Where relevant, a statement to the effect that the results relate only to the items calibrated or tested;

(xv) A statement that the certificate or report shall not be reproduced except in full, without the written approval of the laboratory.

(3) Where the certificate or report contains results of calibrations or tests performed by sub-contractors, these results shall be clearly identified.

(4) Particular care and attention shall be paid to the arrangement of the certificate or report, especially with regard to presentation of the calibration or test data and ease of assimilation by the reader. The format shall be carefully and specifically designed for each type of calibration or test carried out, but the headings shall be standardized as far as possible.

(5) Material amendments to a calibration certificate, test report or test certificate after issue shall be made only in the form of a further document, or data transfer including the statement “Supplement to Calibration Certificate for Test Report or Test Certificate, serial number * * * for otherwise identified”, or equivalent form of wording. Such amendments shall meet all the relevant requirements of §285.33(j).

(6) The laboratory shall notify clients promptly, in writing, of any event such as the identification of defective measuring or test equipment that casts doubt on the validity of results given
in any calibration certificate, test report or test certificate of amendment to a report or certificate.

(7) The laboratory shall ensure that, where clients require transmission of calibration or test results by telephone, telex, facsimile or other electronic or electromagnetic means, staff will follow documented procedures that ensure that the requirements of these procedures are met and that confidentiality is preserved.

(l) Subcontracting of calibration or testing. (1) Where a laboratory subcontracts any part of the calibration or testing, this work shall be placed with a laboratory complying with these requirements. The laboratory shall ensure and be able to demonstrate that its subcontractor is competent to perform the activities in question and complies with the same criteria of competence as the laboratory in respect of the work being subcontracted. The laboratory shall advise the client in writing of its intention to subcontract any portion of the calibration or testing to another party.

(2) The laboratory shall record and retain details of its investigation of the competence and compliance of its subcontractors and maintain a register of all subcontracting.

(m) Outside support services and supplies. (1) Where the laboratory procures outside services and supplies, other than those referred to in these procedures, in support of calibrations or tests, the laboratory shall use only those outside support services and supplies that are of adequate quality to sustain confidence in the laboratory's calibrations or tests.

(2) Where no independent assurance of the quality of outside support services or supplies is available, the laboratory shall have procedures to ensure that purchased equipment, materials and services comply with specified requirements. The laboratory should, wherever possible, ensure that purchased equipment and consumable materials are not used until they have been inspected, calibrated or otherwise verified as complying with any standard specifications relevant to the calibrations or tests concerned.

(3) The laboratory shall maintain records of all suppliers from whom it obtains support services or supplies required for calibrations or tests.

(n) Complaints. (1) The laboratory shall have documented policy and procedures for the resolution of complaints received from clients or other parties about the laboratory's activities. A record shall be maintained of all complaints and of the actions taken by the laboratory.

(2) Where a complaint, or any other circumstances, raises doubt concerning the laboratory's compliance with the laboratory's policies or procedures, or with the requirements of this section or otherwise concerning the quality of the laboratory's calibrations or tests, the laboratory shall ensure that those areas of activity and responsibility involved are promptly audited in accordance with this section.

[59 FR 22750, May 3, 1994]

PART 286—NATIONAL VOLUNTARY CONFORMITY ASSESSMENT SYSTEM EVALUATION (NVCASE) PROGRAM

Sec.

286.1 Purpose.

286.2 Scope.

286.3 Objective.

286.4 Implementation.

286.5 Program requirements.

286.6 Public consultation.

286.7 Evaluation process.

286.8 Confidentiality of information.

286.9 Maintaining recognized status.

286.10 Appeal.

286.11 Listings.

286.12 Terminations.


Source: 59 FR 19131, Apr. 22, 1994, unless otherwise noted.

§ 286.1 Purpose.

The purpose of this program is to enable U.S. industry to satisfy mandated foreign technical requirements using the results of U.S.-based conformity assessment programs that perform technical evaluations comparable in their rigor to practices in the receiving country. Under this program, the Department of Commerce, acting through the National Institute of Standards and Technology, evaluates U.S.-based conformity assessment bodies in order
to be able to give assurances to a foreign government that qualifying bodies meet that government's requirements and can provide results that are acceptable to that government. The program is intended to provide a technically-based U.S. approval process for U.S. industry to gain foreign market access; the acceptability of conformity assessment results to the relevant foreign government will be a matter for agreement between the two governments.

§ 286.2 Scope.

(a) For purposes of this program, conformity assessment consists of product sample testing, product certification, and quality system registration. Associated activities can be classified by level:

(1) Conformity level: This level encompasses comparing a product, process, service, or system with a standard or specification. As appropriate, the evaluating body can be a testing laboratory, product certifier or certification body, or quality system registrar.

(2) Accreditation level: This level encompasses the evaluation of a testing laboratory, a certification body, or a quality system registrar by an independent body—an accreditation body—based on requirements for the acceptability of these bodies, and the granting of accreditation to those which meet the established requirements.

(3) Recognition level: This level encompasses the evaluation of an accreditation body based on requirements for its acceptance, and the recognition by the evaluating body of the accreditation body which satisfies the established requirements.

(b) NIST operates the NVCASE program as follows:

(1) Conformity level: Under this program NIST accepts requests for evaluations of U.S. bodies involved in activities related to conformity assessment. NIST does not perform conformity assessments as part of the program and therefore does not accept requests for such evaluations.

(2) Accreditation level: NIST accepts requests for accreditation of conformity assessment bodies only when (i) directed by U.S. law; (ii) requested by another U.S. government agency; or (iii) requested to respond to a specific U.S. industrial or technical need, relative to a mandatory foreign technical requirement, if it has been determined after public consultation that (A) there is no satisfactory accreditation alternative available and the private sector has declined to make acceptable accreditation available, and (B) there is evidence that significant public disadvantage would result from the absence of any alternative.

(3) Recognition level: NIST accepts requests for recognition of bodies that accredit testing laboratories, certification bodies, and quality system registrars when (i) directed by U.S. law; (ii) requested by another U.S. government agency; or (iii) requested to respond to a specific U.S. industrial or technical need relative to a mandatory foreign technical requirement if it has been determined after public consultation that (A) there is no suitable alternative available and (B) there is evidence that significant public disadvantage would result from the absence of any alternative.

§ 286.3 Objective.

The objective of the program is to identify the activities of requesting U.S.-based conformity assessment bodies that have been evaluated as meeting requirements established for their acceptance by foreign governments. The evaluations may be provided by NIST or by bodies recognized by NIST for this purpose under the scope of this program.

§ 286.4 Implementation.

The program is operated on a cost reimbursable basis. It is open for voluntary participation by any U.S.-based body that conducts activities related to conformity assessment falling within the program's scope. A common procedural approach is followed in responding to a request to participate. (See §286.7 Evaluation process.) All evaluation activities rely on the use of generic program requirements based on standards and guides for the operation and acceptance of activities related to conformity assessment. Specific criteria for use in each evaluation are derived from the program requirements,
as appropriate, for the mandated foreign technical requirements specified in the request to participate. A request involving a foreign technical requirement not previously addressed by NVCASE will result in an announcement of NIST's intent to develop evaluation criteria specific to the relevant requirements. NIST will contact all cognizant and interested federal agencies to coordinate appropriate actions and procedures.

§ 286.5 Program requirements.
NIST provides and maintains documented generic requirements to be applied in evaluations related to accreditation and recognition within the scope of the program. Available documentation is provided on request to prospective program participants and other interested parties. Generic requirements are developed with public input and are based on guides for the acceptance of conformity assessment activities issued by such international organizations as the International Organization for Standardization and the International Electrotechnical Commission. NIST also provides and maintains documented criteria provided in response to requests for evaluations specific to mandated foreign technical requirements. Criteria are developed with public input derived from the application and interpretation of generic program requirements in relation to specified mandated requirements. Both documented generic requirements and specific criteria are developed and maintained with input from the public.

§ 286.6 Public consultation.
NIST relies on substantial advice and technical assistance from all parties interested in program requirements and related specific criteria. Interested U.S. government agencies are routinely to be informed of prospective NV CASE actions, and advice is sought from those agencies on any actions of mutual interest. In preparing program documentation, input is also sought from workshops announced in the Federal Register and open to the general public and other public means to identify appropriate standards and guides. Where relevant Federal advisory committees are available, their advice may also be sought. Similar procedures will be followed with respect to each request for evaluation which necessitates the development of criteria, derived from the generic requirements, specific to mandated foreign technical requirements.

§ 286.7 Evaluation process.
(a) Each applicant requesting to be evaluated under NV CASE is expected to initiate the process and assume designated responsibilities as NIST proceeds with its evaluation:
(1) Application. The applicant completes and submit a request to be evaluated.
(2) Fee. The applicant submits a partial payment with the application and agrees to submit the remaining balance based on evaluation costs as a condition for satisfactory completion of the process.
(3) Documentation. The applicant operates a system and procedures that meet the applicable generic requirements and specific criteria. Relevant documentation submitted with the application is reviewed by NIST.
(4) On-site assessment. The applicant and NIST cooperate in the scheduling and conduct of all necessary on-site evaluations, including the resolution of any deficiencies cited.
(5) Final review. The applicant provides any supplementary materials requested by NIST, then NIST completes the review and decides on appropriate action.

(b) NIST may take one of the following actions with regard to an applicant:
(1) Certificate. If an applicant fully demonstrates conformity with all program requirements and specific criteria, NIST issues a certificate documenting this finding. Each certificate is accompanied by a document describing the specific scope of the accreditation or recognition.
(2) Denial. If an applicant cannot demonstrate conformity with all program requirements and specific criteria, NIST may deny award of the certificate. An applicant who has failed to complete the evaluation satisfactorily
may reapply when prepared to demonstrate full conformance with program requirements.

§ 286.8 Confidentiality of information.
All information collected relative to an applicant during an evaluation is maintained as confidential. Information is released only as required under the terms of the Freedom of Information Act or other legal requirement, subject to the rules of the Department of Commerce for such disclosure as found in 15 CFR part 4.

§ 286.9 Maintaining recognized status.
Each program participant remaining in the program shall continuously meet all program requirements and cooperate with NIST in the conduct of all surveillance and reassessment activities. Participants shall reimburse NIST for expenses incurred for these purposes.

§ 286.10 Appeal.
Any applicant or other affected party may appeal to the NIST Director any action taken under the program. When appropriate, the Director may seek an independent review by the Deputy Chief Counsel.

§ 286.11 Listings.
(a) NIST maintains lists of all bodies holding current NIST program certificates, together with the assessment areas for which they are issued.
(b) NIST also maintains lists of those qualified conformity assessment bodies that are currently accredited by bodies recognized by NIST, along with the activities of the assessment bodies within the scope of the NIST recognition program.
(c) The lists are made available to the public through various media, e.g., printed directories, electronic bulletin boards, or other means to ensure accessibility by all potential users.
(d) With respect to the lists specified in paragraph (a) and (b) of this section, NIST may delist any body if it determines the action to be in the public interest.

§ 286.12 Terminations.
(a) Voluntary termination. Any participant may voluntarily terminate participation at any time by written notification to NIST.
(b) Involuntary termination. If a participant does not continue to meet all program requirements, or if NIST determines it to be necessary in the public interest, NIST may withdraw that participant’s certificate. A body that has had its status as a certificate holder terminated may reapply when prepared to demonstrate full conformance with program requirements.
SUBCHAPTER K—ADVANCED TECHNOLOGY PROGRAM
PROCEDURES

PART 290—REGIONAL CENTERS FOR THE TRANSFER OF MANUFACTURING TECHNOLOGY

Sec. 290.1 Purpose.
290.2 Definitions.
290.3 Program description.
290.4 Terms and schedule of financial assistance.
290.5 Basic proposal qualifications.
290.6 Proposal evaluation and selection criteria.
290.7 Proposal selection process.
290.8 Reviews of centers.
290.9 Intellectual property rights.

SOURCE: 55 FR 38275, Sept. 17, 1990, unless otherwise noted.

§ 290.1 Purpose.
This rule provides policy for a program to establish Regional Centers for the Transfer of Manufacturing Technology as well as the prescribed policies and procedures to insure the fair, equitable and uniform treatment of proposals for assistance. In addition, the rule provides general guidelines for the management of the program by the National Institute of Standards and Technology, as well as criteria for the evaluation of the Centers, throughout the lifecycle of financial assistance to the Centers by the National Institute of Standards and Technology.

§ 290.2 Definitions.
(a) The phrase advanced manufacturing technology refers to new technologies which have recently been developed, or are currently under development, for use in product or part design, fabrication, assembly, quality control, or improving production efficiency.

(b) The term Center or Regional Center means a NIST-established Regional Center for the Transfer of Manufacturing Technology described under these procedures.

(c) The term operating award means a cooperative agreement which provides funding and technical assistance to a Center for purposes set forth in §290.3 of these procedures.

(d) The term Director means the Director of the National Institute of Standards and Technology.

(e) The term NIST means the National Institute of Standards and Technology, U.S. Department of Commerce.

(f) The term Program or Centers Program means the NIST program for establishment of, support for, and cooperative interaction with Regional Centers for the Transfer of Manufacturing Technology.

(g) The term qualified proposal means a proposal submitted by a nonprofit organization which meets the basic requirements set forth in §290.5 of these procedures.

(h) The term Secretary means the Secretary of Commerce.

(i) The term target firm means those firms best able to absorb advanced manufacturing technologies and techniques, especially those developed at NIST, and which are already well prepared in an operational, management and financial sense to improve the levels of technology they employ.

§ 290.3 Program description.
(a) The Secretary, acting through the Director, shall provide technical and financial assistance for the creation and support of Regional Centers for the Transfer of Manufacturing Technology. Each Center shall be affiliated with a U.S.-based nonprofit institution or organization which has submitted a qualified proposal for a Center Operating Award under these procedures. Support may be provided for a period not to exceed six years. The Centers work with industry, universities, nonprofit economic development organizations and state governments to transfer advanced manufacturing technologies, processes, and methods as defined in §290.2 to small and medium sized firms. These technology transfer efforts focus on the continuous and incremental improvement of the target firms. The advanced manufacturing technology which is the focus of the Centers is the
subject of research in NIST’s Automated Manufacturing Research Facility (AMRF). The core of AMRF research has principally been applied in discrete part manufacturing, including electronics, composites, plastics, and metal parts fabrication and assembly. Centers will be afforded the opportunity for interaction with the AMRF and will be given access to re-search projects and results to strengthen their technology transfer. Where elements of a solution are available from an existing source, they should be employed. Where private-sector consultants who can meet the needs of a small- or medium-sized manufacturer are available, they should handle the task. Each Center should bring to bear the technology expertise described in §290.3(d) to assist small- and medium-sized manufacturing firms in adopting advanced manufacturing technology.

(b) Program objective. The objective of the NIST Manufacturing Technology Centers is to enhance productivity and technological performance in United States manufacturing. This will be accomplished through:

(1) The transfer of manufacturing technology and techniques developed at NIST to Centers and, through them, to manufacturing companies throughout the United States;

(2) The participation of individuals from industry, universities, State governments, other Federal agencies, and, when appropriate, NIST in cooperative technology transfer activities;

(3) Efforts to make new manufacturing technology and processes usable by United States-based small- and medium-sized companies;

(4) The active dissemination of scientific, engineering, technical, and management information about manufacturing to industrial firms, including small- and medium-sized manufacturing companies; and

(5) The utilization, when appropriate, of the expertise and capability that exists in Federal laboratories other than NIST.

(c) Center Activities. The activities of the Centers shall include:

(1) The establishment of automated manufacturing systems and other advanced production technologies based on research by NIST and other Federal laboratories for the purpose of demonstrations and technology transfer;

(2) The active transfer and dissemination of research findings and Center expertise to a wide range of companies and enterprises, particularly small- and medium-sized manufacturers; and

(3) Loans, on a selective, short-term basis, of items of advanced manufacturing equipment to small manufacturing firms with less than 100 employees.

(d) Center Organization and Operation. Each Center will be organized to transfer advanced manufacturing technology to small and medium sized manufacturers located in its service region. Regional Centers will be established and operated via cooperative agreements between NIST and the award-receiving organizations. Individual awards shall be decided on the basis of merit review, geographical diversity, and the availability of funding.

(e) Leverage. The Centers program must concentrate on approaches which can be applied to other companies, in other regions, or by other organizations. The lessons learned in assisting a particular target firm should be documented in order to facilitate the use of those lessons by other target firms. A Center should build on unique solutions developed for a single company to develop techniques of broad applicability. It should seek wide implementation with well-developed mechanisms for distribution of results. Leverage is the principle of developing less resource-intensive methods of delivering technologies (as when a Center staff person has the same impact on ten firms as was formerly obtained with the resources used for one, or when a project once done by the Center can be carried out for dozens of companies by the private sector or a state or local organization.) Leverage does not imply a larger non-federal funding match (that is, greater expenditure of non-federal dollars for each federal dollar) but rather a greater impact per dollar.

(f) Regional impact. A new Center should not begin by spreading its resources too thinly over too large a geographic area. It should concentrate first on establishing its structure, operating style, and client base within a manageable service area.
§ 290.4 Terms and schedule of financial assistance.

(a) NIST may provide financial support to any Center for a period not to exceed six years, subject to the availability of funding and continued satisfactory performance. Awards under this program shall be subject to all Federal and Departmental regulations, policies, and procedures applicable to Federal assistance awards. NIST may not provide more than 50 percent of the capital and annual operating and maintenance required to create and maintain such Center. Allowable capital costs may be treated as an expense in the year expended or obligated.

(b) NIST Contribution. The funds provided by NIST may be used for capital and operating and maintenance expenses. Each Center will operate on one-year, annually renewable cooperative agreements, contingent upon successful completion of informal annual reviews. Funding can not be provided after the sixth year of support. A formal review of each Center will be conducted during its third year of operation by an independent Merit Review Panel in accordance with §290.8 of these procedures. Centers will be required to demonstrate that they will be self-sufficient by the end of six years of operation. The amount of NIST investment in each Center will depend upon the particular requirements, plans, and performance of the Center, as well as the availability of NIST funds. NIST may support the budget of each Center on a matching-funds basis not to exceed the Schedule of Financial Assistance outlined in Table 1. The remaining portion of the Center’s funding shall be provided by the host organization.

<table>
<thead>
<tr>
<th>Year of center operation</th>
<th>Maximum NIST share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3</td>
<td>1/6</td>
</tr>
<tr>
<td>4</td>
<td>1/4</td>
</tr>
<tr>
<td>5-6</td>
<td>1/2</td>
</tr>
</tbody>
</table>

(c) Host Contribution. The host organization may count as part of its share:

(1) Dollar contributions from state, county, city, industrial, or other sources;

(2) Revenue from licensing and royalties;

(3) Fees for services performed;

(4) In-kind contributions of full-time personnel;

(5) In-kind contribution of part-time personnel, equipment, software, rental value of centrally located space (office and laboratory) and other related contributions up to a maximum of one-half of the host’s annual share. Allowable capital expenditures may be applied in the award year expended or in subsequent award years.


§ 290.5 Basic proposal qualifications.

(a) NIST shall designate each proposal which satisfies the qualifications criteria below as “qualified proposal” and subject the qualified proposals to a merit review. Applications which do not meet the requirements of this section will not receive further consideration.

(1) Qualified Organizations. Any nonprofit institution, or group thereof, or consortium of nonprofit institutions, including entities which already exist or may be incorporated specifically to manage the Center.

(2) Proposal Format. Proposals for Center Operating Awards shall:

(i) Be submitted with a Standard Form 424 to the above address;

(ii) Not exceed 25 typewritten pages in length for the basic proposal document (which must include the information requirements of paragraph (a)(3) of this section); it may be accompanied by additional appendices of relevant supplementary attachments and tabular material. Basic proposal documents which exceed 25 pages in length will not be qualified for further review.

(3) Proposal Requirements. In order to be considered for a Center Operating Award, proposals must contain:

(i) A plan for the allocation of intellectual property rights associated with any invention or copyright which may result from the involvement in the Center’s technology transfer or research activities consistent with the conditions of §290.9.

(ii) A statement which provides adequate assurances that the host organization will contribute 50 percent or
more of the proposed Center’s capital and annual operating and maintenance costs for the first three years and an increasing share for each of the following three additional years. Applicants should provide evidence that the proposed Center will be self-supporting after six years.

(iii) A statement describing linkages to industry, government, and educational organizations within its service region.

(iv) A statement defining the initial service region including a statement of the constituency to be served and the level of service to be provided, as well as outyear plans.

(v) A statement agreeing to focus the mission of the Center on technology transfer activities and not to exclude companies based on state boundaries.

(vi) A proposed plan for the annual evaluation of the success of the Center by the Program, including appropriate criteria for consideration, and weighting of those criteria.

(vii) A plan to focus the Center’s technology emphasis on areas consistent with NIST technology research programs and organizational expertise.

(viii) A description of the planned Center sufficient to permit NIST to evaluate the proposal in accordance with § 290.6 of these procedures.

§ 290.6 Proposal evaluation and selection criteria.

(a) In making a decision whether to provide financial support, NIST shall review and evaluate all qualified proposals in accordance with the following criteria, assigning equal weight to each of the four categories.

(1) Identification of Target Firms in Proposed Region. Does the proposal define an appropriate service region with a large enough population of target firms of small- and medium-sized manufacturers which the applicant understands and can serve, and which is not presently served by an existing Center?

(i) Market Analysis. Demonstrated understanding of the service region’s manufacturing base, including business size, industry types, product mix, and technology requirements.

(ii) Geographical Location. Physical size, concentration of industry, and economic significance of the service region’s manufacturing base. Geographical diversity of Centers will be a factor in evaluation of proposals; a proposal for a Center located near an existing Center may be considered only if the proposal is unusually strong and the population of manufacturers and the technology to be addressed justify it.

(2) Technology Resources. Does the proposal assure strength in technical personnel and programmatic resources, full-time staff, facilities, equipment, and linkages to external sources of technology to develop and transfer technologies related to NIST research results and expertise in the technical areas noted in these procedures?

(3) Technology Delivery Mechanisms. Does the proposal clearly and sharply define an effective methodology for delivering advanced manufacturing technology to small- and medium-sized manufacturers?

(i) Linkages. Development of effective partnerships or linkages to third parties such as industry, universities, non-profit economic organizations, and state governments who will amplify the Center’s technology delivery to reach a large number of clients in its service region.

(ii) Program Leverage. Provision of an effective strategy to amplify the Center’s technology delivery approaches to achieve the proposed objectives as described in § 290.3(e).

(4) Management and Financial Plan. Does the proposal define a management structure and assure management personnel to carry out development and operation of an effective Center?

(i) Organizational Structure. Completeness and appropriateness of the organizational structure, and its focus on the mission of the Center. Assurance of full-time top management of the Center.

(ii) Program Management. Effectiveness of the planned methodology of program management.

(iii) Internal Evaluation. Effectiveness of the planned continuous internal evaluation of program activities.

(iv) Plans for Financial Matching. Demonstrated stability and duration of the applicant’s funding commitments as well as the percentage of operating and capital costs guaranteed by the applicant. Identification of matching
§ 290.7 Proposal selection process.

Upon the availability of funding to establish Regional Centers, the Director shall publish a notice in the Federal Register requesting submission of proposals from interested organizations. Applicants will be given an established time frame, not less than 60 days from the publication date of the notice, to prepare and submit a proposal. The proposal evaluation and selection process will consist of four principal phases: Proposal qualification; Proposal review and selection of finalists; Finalist site visits; and, Award determination. Further descriptions of these phases are provided in the following:

(a) Proposal qualification. All proposals will be reviewed by NIST to assure compliance with §290.5 of these procedures. Proposals which satisfy these requirements will be designated qualified proposals; all others will be disqualified at this phase of the evaluation and selection process.

(b) Proposal review and selection of finalists. The Director of NIST will appoint an evaluation panel to review and evaluate all qualified proposals in accordance with the criteria set forth in §290.6 of these procedures, assigning equal weight to each of the four categories. From the qualified proposals, a group of finalists will be selected based on this review.

(c) Finalist Site Visits. NIST representatives will visit each finalist organization. Finalists will be reviewed and assigned numeric scores using the criteria set forth in §290.6 of these procedures assigning equal weight to each of the four categories. NIST may enter into negotiations with the finalists concerning any aspect of their proposal.

(d) Award Determination. The Director of NIST or his designee shall select awardees for Center Operating Awards based upon the rank order of applicants, the need to assure appropriate regional distribution, and the availability of funds. Upon the final award decision, a notification will be made to each of the proposing organizations.

§ 290.8 Reviews of centers.

(a) Overview. Each Center will be reviewed at least annually, and at the end of its third year of operation according to the procedures and criteria set out below. There will be regular management interaction with NIST and the other Centers for the purpose of evaluation and program shaping. Centers are encouraged to try new approaches, must evaluate their effectiveness, and abandon or adjust those which do not have the desired impact.

(b) Annual Reviews of Centers. Centers will be reviewed annually as part of the funding renewal process using the criteria set out in §290.8(d). The funding level at which a Center is renewed is contingent upon a positive program evaluation and will depend upon the availability of federal funds and on the Center's ability to obtain suitable match, as well as on the budgetary requirements of its proposed program. Centers must continue to demonstrate that they will be self-supporting after six years.

(c) Third Year Review of Centers. Each host receiving a Center Operating Award under these procedures shall be evaluated during its third year of operation by a Merit Review Panel appointed by the Secretary of Commerce. Each such Merit Review Panel shall be composed of private experts, none of whom shall be connected with the involved Center, and Federal officials. An official of NIST shall chair the panel. Each Merit Review Panel shall measure the involved Center's performance against the criteria set out in §290.8(d). The Secretary shall not provide funding for the fourth through the sixth years of such Center's operation unless the evaluation is positive on all grounds. As a condition of receiving continuing funding, the Center must show evidence at the third year review that they are making substantial progress toward self-sufficiency. If the evaluation is positive and funds are available, the Secretary of Commerce may provide continued funding.
through the sixth year at declining levels, which are designed to insure that the Center no longer needs financial support from NIST by the seventh year. In no event shall funding for a Center be provided by the NIST Manufacturing Technology Centers Program after the sixth year of support.

(d) Criteria for Annual and Third Year Reviews. Centers will be evaluated under the following criteria in each of the annual reviews, as well as the third year review:

1. The program objectives specified in §290.3(b) of these procedures;
2. Funds-matching performance;
3. The extent to which the target firms have successfully implemented recently developed or currently developed advanced manufacturing technology and techniques transferred by the Center;
4. The extent to which successes are properly documented and there has been further leveraging or use of a particular advanced manufacturing technology or process;
5. The degree to which there is successful operation of a network, or technology delivery mechanism, involving the sharing or dissemination of information related to manufacturing technologies among industry, universities, nonprofit economic development organizations and state governments.
6. The extent to which the Center can increasingly develop continuing resources—both technological and financial—such that the Centers are finally financially self-sufficient.

§ 290.9 Intellectual property rights.

(a) Awards under the Program will follow the policies and procedures on ownership of inventions made under grants and cooperative agreements that are set out in Public Law 96-517 (35 U.S.C. chapter 18), the Presidential Memorandum on Government Patent Policy to the Heads of Executive Departments and Agencies Dated February 18, 1983, and part 401 of title 37 of the Code of Federal Regulations, as appropriate. These policies and procedures generally require the Government to grant to Centers selected for funding the right to elect to obtain title to any invention made in the course of the conduct of research under an award, subject to the reservation of a Government license.

(b) Except as otherwise specifically provided for in an Award, Centers selected for funding under the Program may establish claim to copyright subsisting in any data first produced in the performance of the award. When claim is made to copyright, the funding recipient shall affix the applicable copyright notice of 17 U.S.C. 401 or 402 and acknowledgment of Government sponsorship to the data when and if the data are delivered to the Government, are published, or are deposited for registration as a published work in the U.S. Copyright Office. For data other than computer software, the funding recipient shall grant to the Government, and others acting on its behalf, a paid up, nonexclusive, irrevocable, worldwide license for all such data to reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, by or on behalf of the Government. For computer software, the funding recipient shall grant to the Government, and others acting on its behalf, a paid up, nonexclusive, irrevocable, worldwide license for all such computer software to reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, by or on behalf of the Government.

PART 291—MANUFACTURING EXTENSION PARTNERSHIP; ENVIRONMENTAL PROJECTS

Sec.
291.1 Program description.
291.2 Environmental integration projects.
291.3 Environmental tools and techniques projects.
291.4 National industry-specific pollution prevention and environmental compliance resource centers.
291.5 Proposal selection process.
291.6 Additional requirements; federal policies and procedures.

AUTHORITY: 15 U.S.C. §272(b)(1) and (c)(3) and §278l.

SOURCE: 60 FR 4082, Jan. 20, 1995, unless otherwise noted.

§ 291.1 Program description.

(a) In accordance with the provisions of the National Institute of Standards
and Technology Act (15 U.S.C. §272(b)(1) and (c)(3) and §2781), as amended, NIST will provide financial assistance to integrate environmentally-related services and resources into the national manufacturing extension system. This assistance will be provided by NIST often in cooperation with the EPA. Under the NIST Manufacturing Extension Partnership (MEP), NIST will periodically make merit-based awards to existing MEP manufacturing extension affiliates for integration of environmental services into extension centers and to non-profit organizations for development of environmentally-related tools and techniques. In addition, NIST will initiate pilot centers providing environmental information for specific industrial sectors to be specified in solicitations. MEP assumes a broad definition of manufacturing, and recognizes a wide range of technology and concepts, including durable goods production; chemical, biotechnology, and other materials processing; electronic component and system fabrication; and engineering services associated with manufacturing, as lying within the definition of manufacturing.

(b) Announcements of solicitations. Announcements of solicitations will be made in the Commerce Business Daily. Specific information on the level of funding available and the deadline for proposals will be contained in that announcement. In addition, any specific industry sectors or types of tools and techniques to be focused on will be specified in the announcement.

(c) Proposal workshops. Prior to an announcement of solicitation, NIST may announce opportunities for potential applicants to learn about these projects through workshops. The time and place of the workshop(s) will be contained in a Commerce Business Daily announcement.

(d) Indirect costs. The total dollar amount of the indirect costs proposed in an application under this program must not exceed the indirect cost rate negotiated and approved by a cognizant Federal agency prior to the proposed effective date of the award or 100 percent of the total proposed direct costs dollar amount in the application, whichever is less.

(e) Proposal format. The Proposal must not exceed 20 typewritten pages in length for integration proposals. Proposals for tools and techniques projects and national information centers must not exceed 30 pages in length. The proposal must contain both technical and cost information. The Proposal page count shall include every page, including pages that contain words, table of contents, executive summary, management information and qualifications, resumes, figures, tables, and pictures. All proposals shall be printed such that pages are single-sided, with no more than fifty-five (55) lines per page. Use 21.6 x 27.9 cm (8½” x 11”) paper or A4 metric paper. Use an easy-to-read font of not more than about 5 characters per cm (fixed pitch font of 12 or fewer characters per inch or proportional font of point size 10 or larger). Smaller type may be used in figures and tables, but must be clearly legible. Margins on all sides (top, bottom, left and right) must be at least 2.5 cm. (1”). The applicant may submit a separately bound document of appendices, containing letters of support for the Basic Proposal. The basic proposal should be self-contained and not rely on the appendices for meeting criteria. Excess pages in the Proposal will not be considered in the evaluation. Applicants must submit one signed original plus six copies of the proposal along with Standard Form 424, 424A (Rev 4/92) and Form CD-511.

(f) Content of basic proposal. The Basic Proposal must, at a minimum, include the following:

(1) An executive summary summarizing the planned project consistent with the Evaluation Criteria stated in this notice.

(2) A description of the planned project sufficient to permit evaluation of the proposal in accordance with the proposal Evaluation Criteria stated in this notice.

(3) A budget for the project which identifies all sources of funds and which breaks out planned expenditures by both activity and object class (e.g., personnel, travel, etc.).

(4) A description of the qualifications of key personnel who will be assigned to work on the proposed project.
(5) A statement of work that discusses the specific tasks to be carried out, including a schedule of measurable events and milestones.

(6) A Standard Form 424, 424A (Rev 4-92) prescribed by the applicable OMB circular and Form CD-511, Certification Regarding Debarment, Suspension and Other Responsibility Matters; Drug-Free Workplace Requirements and Lobbying. SF-424, 424A (Rev 4-92) and Form CD-511 will not be considered part of the page count of the Basic Proposal.

(7) The application requirements and the standard form requirements have been approved by OMB (OMB Control Number 0693-0010, 0348-0043 and 0348-0044).

(g) Applicable federal and departmental guidance. This includes: Administrative Requirements, Cost Principles, and Audits. [Dependent upon type of Recipient organization: nonprofit, for-profit, state/local government, or educational institution]

(1) Nonprofit organizations.

(i) OMB Circular A-110—Uniform Administrative Requirements of Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations.

(ii) OMB Circular A-122—Cost Principles for Nonprofit Organizations.

(iii) 15 CFR part 29b—Audit Requirements for Institutions of Higher Education and Other Nonprofit Organizations [implements OMB Circular A-133—Audits for Institutions of Higher Education and Other Nonprofit Organizations].

(2) State/local governments.

(i) 15 CFR part 24—Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

(ii) OMB Circular A-87—Cost Principles for State and Local Governments.

(iii) 15 CFR part 29a—Audit Requirements for State and Local Governments [implements OMB Circular A-128—Audit of State and Local Governments].

(3) Educational institutions.

(i) OMB Circular A-110—Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations.

(ii) OMB Circular A-21—Cost Principles for Educational Institutions.

(iii) 15 CFR part 29b—Audit Requirements for Institutions of Higher Education and Other Nonprofit Organizations [implements OMB Circular A-133—Audits for Institutions of Higher Education and Other Nonprofit Organizations].

§291.2 Environmental integration projects.

(a) Eligibility criteria. Eligible applicants for these projects are manufacturing extension centers or state technology extension programs which at the time of solicitation have grants, cooperative agreements or contracts with the NIST Manufacturing Extension Partnership. Only one proposal per organization per solicitation is permitted in this category.

(b) Project objective. The purpose of these projects is to support the integration of environmentally-focused technical assistance, and especially pollution prevention assistance, for smaller manufacturers into the broader services provided by existing MEP manufacturing extension centers. Proposers are free to structure their project in whatever way will be most effective and efficient in increasing the ability of the center to deliver high quality environmental and pollution prevention technical assistance (either directly or in partnership with other organizations). Following are some examples of purposes for which these funds could be used. This list is by no means meant to be all inclusive. A center might propose a set of actions encompassing several of these examples as well as others.

(1) Environmental needs assessment. Detailed assessment of the environmentally-related technical assistance needs of manufacturers within the state or region of the manufacturing extension center. This would be done as part of a broader plan to incorporate environmentally related services into the services of the manufacturing extension center. The center might propose to document its process and findings so that other centers may learn from its work.
(2) Partnership with another organization. The center might propose to partner with an existing organization which is providing environmentally-focused technical assistance to manufacturers. The partnership would lead to greater integration of service delivery through joint technical assistance projects and joint training.

(3) Accessing private-sector environmental resources. The center might propose to increase its ability to access environmental technical services for smaller manufacturers from environmental consultants or environmental firms.

(4) Training of field engineers/agents in environmental topics. Funding for training which empowers the field engineer/agent with the knowledge needed to recognize potential environmental, and especially pollution prevention, problems and opportunities. In addition, training might be funded which empowers the field engineer/agent with the knowledge needed to make appropriate recommendations for solutions or appropriate referrals to other sources of information or expertise. The overarching goal is for the field engineer/agent to enable the manufacturer to be both environmentally clean and competitive.

(5) Access to environmentally related information or expertise. A center might propose to fund access to databases or other sources of environmentally-related information or expertise which might be necessary to augment the environmentally focused activities of the manufacturing extension center.

(6) Addition of environmentally focused staff. It may be necessary for manufacturing extension centers to have an environmental program manager or lead field engineer/agent with environmental training and experience. Funds could be requested to hire this person. However, the proposer would have to demonstrate a clear and reasonable plan for providing for the support of this person after the funds provided under this project are exhausted since no commitment is being made to ongoing funding.

(c) Award period. Projects initiated under this category may be carried out over multiple years. The proposer should include optional second and third years in their proposal. Proposals selected for award may receive one, two or three years of funding from currently available funds at the discretion of DOC. If an application is selected for funding, DOC has no obligation to provide any additional future funding in connection with that award. A separate cooperative agreement will be written with winning applicants. Renewal of an award to increase funding or extend the period of performance is at the total discretion of DOC. It is anticipated that successful projects will be given the opportunity to roll the funding for these efforts into the base funding for the extension center. Such a roll-over will be based on a performance review and the availability of funds.

(d) Matching requirements. No matching funds are required for these proposals. However, the presence of matching funds (cash and in-kind) will be considered in the evaluation under the Financial Plan criteria.

(e) Environmental integration projects evaluation criteria. In most solicitations, preference will be given to projects which are focused on a single industry sector. This is desired to build on the expertise and resources which are being built in tools and resources projects in these industry sectors. Industry focus will be specified in the solicitation announcement. However, actual services need not be limited exclusively to this sector. In addition preference may be given to extension centers which do not have extensive environmentally-related services already in place. In addition to these preferences, the criteria for selection of awards will be as follows in descending order of importance:

(1) Demonstrated commitment to incorporating environmentally related services. The extension center must demonstrate its commitment to incorporate environmentally-related technical services into its overall manufacturing extension services even after funding for this project is exhausted. It is not the objective of this effort to establish completely autonomous environmentally focused extension centers. Rather, the goal is to ensure that such services are integrated directly with
general manufacturing extension services focused on competitiveness. The center must demonstrate that such integration will take place. Factors that may be considered include: The amount of matching funds devoted to the efforts proposed as demonstration of the center's commitment to the activity; indication that environmental services are a significant aspect of the organization's long range planning; strength of commitment and plans for continuing service beyond funding which might be awarded through this project; the degree to which environmental services will become an integral part of each field engineers' portfolio of services; the level of current or planned education and training of staff on relevant environmental issues; and the extent of environmentally related information and expert resources which will be easily accessible by field engineers.

(2) Demonstrated understanding of the environmentally related technical assistance needs of manufacturers in the target population. Target population must be clearly defined. The manufacturing center must demonstrate that it understands the populations environmentally related needs or include a coherent methodology for identifying those needs. The proposal should show that the efforts being proposed will enable the center to better meet those needs. Factors that may be considered include: A clear definition of the target population, its size and demographic characteristics; demonstrated understanding of the target population's environmental technical assistance needs or a plan to develop this understanding; and appropriateness of the size of the target population and the anticipated impact for the proposed expenditure.

(3) Coordination with other relevant organizations. Wherever possible the project should be coordinated with and leverage other organizations which are providing high quality environmentally related services to manufacturers in the same target population or which have relevant resources which can be of assistance in the proposed effort. If no such organizations exist, the proposal should build the case that there are no such organizations. Applicants will need to describe how they will coordinate to allow for increased economies of scale and to avoid duplication of services in providing assistance to small and medium-sized manufacturers. Factors that may be considered include: Demonstrated understanding of existing organizations and resources relevant for providing technology assistance related services to the target population; adequate linkages and partnerships with existing organizations and clear definition of those organizations' roles in the proposed activities; and that the proposed activity does not duplicate existing services or resources.

(4) Program evaluation: The applicant should specify plans for evaluation of the effectiveness of the proposed program and for ensuring continuous improvement of program activities. Factors that may be considered include: Thoroughness of evaluation plans, including internal evaluation for management control, external evaluation for assessing outcomes of the activity, and “customer satisfaction” measures of performance.

(5) Management experience and plans. Applicants should specify plans for proper organization, staffing, and management of the implementation process. Factors that may be considered include: Appropriateness and authority of the governing or managing organization to conduct the proposed activities; qualifications of the project team and its leadership to conduct the proposed activity; soundness of any staffing plans, including recruitment, selection, training, and continuing professional development; appropriateness of the organizational approach for carrying out the proposed activity; evidence of involvement and support by private industry.

(6) Financial plan: Applicants should show the relevance and cost effectiveness of the financial plan for meeting the objectives of the project; the firmness and level of the applicant's total financial support for the project; and a plan to maintain the program after the cooperative agreement has expired. Factors that may be considered include: Reasonableness of the budget both in income and expenses; strength of commitment and amount of the proposer's cost share, if any; effectiveness
of management plans for control of budget; appropriateness of matching contributions; and plans for maintaining the program after the cooperative agreement has expired.

§ 291.3 Environmental tools and techniques projects.

(a) Eligibility criteria. Eligible applicants for these projects include all nonprofit organizations including universities, community colleges, state governments, state technology programs and independent nonprofit organizations. Organizations may submit multiple proposals under this category in each solicitation for unique projects.

(b) Project objective. The purpose of these projects is to support the initial development and implementation of tools or techniques which will aide manufacturing extension organizations in providing environmentally-related services to smaller manufacturers and which may also be of direct use by the smaller manufacturers themselves. Specific industry sectors to be addressed and sub-categories of tools and techniques may be specified in solicitations. These sectors or sub-categories will be specified in the solicitation announcement. Examples of tools and techniques include, but are not limited to, manufacturing assessment tools, environmental benchmarking tools, training delivery programs, electronically accessible environmental information resources, environmental demonstration facilities, software tools, etc. Projects must be completed within the scope of the effort proposed and should not require on-going federal support.

(c) Award period. Projects initiated under this category may be carried out over up to three years. Proposals selected for award will receive all funding from currently available funds. If an application is selected for funding, DOC has no obligation to provide any additional future funding in connection with that award. Renewal of an award to increase funding or extend the period of performance is at the total discretion of DOC.

(d) Matching requirements. No matching funds are required for these proposals. However, the presence of matching funds (cash and in-kind) will be considered in the evaluation under the Financial Plan criteria.

(e) Environmental tools and techniques projects evaluation criteria. Proposals from applicants will be evaluated and rated on the basis of the following criteria listed in descending order of importance:

1. Demonstrated understanding of the environmentally-related technical assistance needs of manufacturers and technical assistance providers in the target population. Target population must be clearly defined. The proposal must demonstrate that it understands the population’s environmentally related tool or technique needs. The proposal should show that the efforts being proposed meet the needs identified. Factors that may be considered include: A clear definition of the target population, size and demographic distribution; demonstrated understanding of the target population’s environmental tools or techniques needs; and appropriateness of the size of the target population and the anticipated impact for the proposed expenditure.

2. Technology and information sources. The proposal must delineate the sources of technology and/or information which will be used to create the tool or resource. Sources may include those internal to the center (including staff expertise) or from other organizations. Factors that may be considered include: Strength of core competency in the proposed area of activity; and demonstrated access to relevant technical or information sources external to the organization.

3. Degree of integration with the manufacturing extension partnership. The proposal must demonstrate that the tool or resource will be integrated into and will be of service to the NIST Manufacturing Extension Centers. Factors that may be considered include: Ability to access the tool or resource especially for MEP extension centers; methodology for disseminating or promoting use of the tool or technique especially within the MEP system; and demonstrated interest in using the tool or technique especially by MEP extension centers.

4. Coordination with other relevant organizations. Wherever possible the project should be coordinated with and
leverage other organizations which are developing or have expertise on similar tools or techniques. If no such organizations exist, the proposal should show that this the case. Applicants will need to describe how they will coordinate to allow for increased economies of scale and to avoid duplication. Factors that may be considered include: Demonstrated understanding of existing organizations and resources relevant to the proposed project; Adequate linkages and partnerships with existing organizations and clear definition of those organizations’ roles in the proposed activities; and that the proposed activity does not duplicate existing services or resources.

(5) Program evaluation. The applicant should specify plans for evaluation of the effectiveness of the proposed tool or technique and for ensuring continuous improvement of the tool. Factors that may be considered include: Thoroughness of evaluation plans, including internal evaluation for management control, external evaluation for assessing outcomes of the activity, and “customer satisfaction” measures of performance.

(6) Management experience and plans. Applicants should specify plans for proper organization, staffing, and management of the implementation process. Factors that may be considered include: Appropriateness and authority of the governing or managing organization to conduct the proposed activities; qualifications of the project team and its leadership to conduct the proposed activity; soundness of any staffing plans, including recruitment, selection, training, and continuing professional development; and appropriateness of the organizational approach for carrying out the proposed activity.

(7) Financial plan: Applicants should show the relevance and cost effectiveness of the financial plan for meeting the objectives of the project; the firmness and level of the applicant’s total financial support for the project; and a plan to maintain the program after the cooperative agreement has expired. Factors that may be considerable include: Reasonableness of the budget, both in income and expenses; strength of commitment and amount of the proposer’s cost share, if any; effectiveness of management plans for control of budget appropriateness of matching contributions; and plan for maintaining the program after the cooperative agreement has expired.

§ 291.4 National industry-specific pollution prevention and environmental compliance resource centers.

(a) Eligibility criteria. Eligible applicants for these projects include all nonprofit organizations including universities, community colleges, state governments, state technology programs and independent nonprofit organizations. Only one proposal per organization is permitted in this category.

(b) Project objective. These centers will provide easy access to relevant, current, reliable and comprehensive information on pollution prevention opportunities, regulatory compliance and technologies and techniques for reducing pollution in the most competitive manner for a specific industry sector or industrial process. The sector or industrial process to be addressed will be specified in the solicitation. The center will enhance the ability of small businesses to implement risk based pollution prevention alternatives to increase competitiveness and reduce adverse environmental impacts. The center should use existing resources, information and expertise and will avoid duplication of existing efforts. The information provided by the center will create links between relevant EPA Pollution Prevention programs, EPA and other technical information, NIST manufacturing extension efforts, EPA regulation and guidance, and state requirements. The center will emphasize pollution prevention methods as the principal means to both comply with government regulations and enhance competitiveness.

(c) Project goal. To improve the environmental and competitive performance of smaller manufacturers by:

(1) Enhancing the national capability to provide pollution prevention and regulatory requirements information (federal, state and local) to specific industries.

(2) Providing easy access to relevant and reliable information and tools on pollution prevention technologies and
techniques that achieve manufacturing efficiency and enhanced competitiveness with reduced environmental impact.

(3) Providing easy access to relevant and reliable information and tools to enable specific industries to achieve the continued environmental improvement to meet or exceed compliance requirements.

(d) Project customers. (1) The customers for this center will be the businesses in the industrial sector or businesses which use the industrial process specified as the focus for the solicitation. In addition, consultants providing services to those businesses, the NIST Manufacturing Extension Centers, and federal state and local programs providing technical, pollution prevention and compliance assistance.

(2) The center should assist the customer in choosing the most cost-effective, environmentally sound options or practices that enhance the company's competitiveness. Assistance must be accessible to all interested customers. The center, wherever feasible, shall use existing materials and information to enhance and develop the services to its customers. The centers should rarely, if ever, perform research, but should find and assimilate data and information produced by other sources. The center should not duplicate any existing distribution system. The center should distribute and provide information, but should not directly provide on-site assistance to customers. Rather, referrals to local technical assistance organizations should be given when appropriate. Information would likely be available through multiple avenues such as phone, fax, electronically accessible databases, printed material, networks of technical experts, etc.

(e) Award period. The pilot initiated under this category may be carried out over multiple years. The proposers should include optional second and third years in their proposal. Proposals selected for award may receive one, two or three years of funding from currently available finds at the discretion of DOC. If an application is selected for funding, DOC has no obligation to provide any additional future funding in connection with that award. Renewal of an award to increase funding or extend the period of performance is at the total discretion of DOC. Successful centers may be given an opportunity to receive continuing funding as a NIST manufacturing center after the expiration of their initial cooperative agreement. Such a roll-over will be based upon the performance of the center and availability of funding.

(f) Matching requirements. A matching contribution from each applicant will be required. NIST may provide financial support up to 50% of the total budget for the project. The applicant's share of the budget may include dollar contributions from state, county, industrial or other non-federal sources and non-federal in-kind contributions necessary and reasonable for proper accomplishment of project objectives.

(g) Resource center evaluation criteria. Proposals from applicants will be evaluated and rated on the basis of the following criteria listed in descending order of importance:

(1) Demonstrated understanding of the environmentally-related information needs of manufacturers and technical assistance providers in the target population. Understanding the environmentally-related needs of the target population (i.e., customers) is absolutely critical to the success of such a resource center. Factors that may be considered include: A clear definition of the target population, size and demographic distribution; demonstrated understanding of the target population's environmentally-related information needs or a clear plan for identifying those customer needs; and methodologies for continually improving the understanding of the target population's environmentally-related information needs.

(2) Delivery mechanisms. The proposal must set forth clearly defined, effective mechanisms for delivery of services to target population. Factors that may be considered include: Potential effectiveness and efficiency of proposed delivery systems; and demonstrated understanding of the target population's environmentally-related information needs or a clear plan for identifying those customer needs; and methodologies for continually improving the understanding of the target population's environmentally-related information needs.

(3) Technology and information sources. The proposal must delineate the sources of information which will be
§ 291.5 Proposal selection process.

The proposal evaluation and selection process will consist of three principal phases: Proposal qualification; proposal review and selection of finalists; and award determination.

(a) Proposal qualification. All proposals will be reviewed by NIST to assure compliance with the proposal content and other basic provisions of this notice. Proposals which satisfy these requirements will be designated qualified proposals; all others will be disqualified at this phase of the evaluation and selection process.

(b) Proposal review and selection of finalists. NIST will appoint an evaluation panel composed of NIST and in some cases other federal employees to review and evaluate all qualified proposals in accordance with the evaluation criteria and values set forth in this notice. A site visit may be required to
§ 291.6 Additional requirements; federal policies and procedures.

Recipients and subrecipients are subject to all Federal laws and Federal and Department of Commerce policies, regulations, and procedures applicable to Federal financial assistance awards.

PART 292—MANUFACTURING EXTENSION PARTNERSHIP; INFRASTRUCTURE DEVELOPMENT PROJECTS

Sec. 292.1 Program description.
292.2 Training development and deployment projects.
292.3 Technical tools, techniques, practices, and analyses projects.
292.4 Information infrastructure projects.
292.5 Proposal selection process.
292.6 Additional requirements.

AUTHORITY: 15 U.S.C. 272 (b)(1) and (c)(3) and 278.

SOURCE: 60 FR 44751, Aug. 29, 1995, unless otherwise noted.

§ 292.1 Program description.

(a) Purpose. In accordance with the provisions of the National Institute of Standards and Technology Act (15 U.S.C. 272 (b)(1) and (c)(3) and 278), as amended, NIST will provide financial assistance to develop the infrastructure of the national manufacturing extension system. Under the NIST Manufacturing Extension Partnership (MEP), NIST will periodically make merit-based awards to develop and deploy training capability and technical tools, techniques, practices, and analyses. In addition, NIST will develop and implement information infrastructure services and pilots. MEP assumes a broad definition of manufacturing, and recognizes a wide range of technology and concepts, including durable goods production; chemical, biotechnology, and other materials processing; electronic component and system fabrication; and engineering services associated with manufacturing, as lying within the definition of manufacturing.

(b) Announcements of solicitations. Announcements of solicitations will be made in the Commerce Business Daily. Specific information on the level of funding available and the deadline for proposals will be contained in that announcement. In addition, any specific industry sectors or types of tools and techniques to be focused on will be specified in the announcement, as well as any further definition of the selection criteria.

(c) Proposal workshops. Prior to an announcement of solicitation, NIST may announce opportunities for potential applicants to learn about these projects through workshops. The time and place of the workshop(s) will be contained in a Commerce Business Daily announcement.

(d) Indirect costs. The total dollar amount of the indirect costs proposed in an application under this program must not exceed the indirect cost rate negotiated and approved by a cognizant Federal agency prior to the proposed effective date of the award or 100 percent of the total proposed direct costs dollar amount in the application, whichever is less.

(e) Proposal format. The proposal must contain both technical and cost information. The proposal page count shall include every page, including pages that contain words, table of contents, executive summary, management information and qualifications, resumes, figures, tables, and pictures. All proposals shall be printed such that pages are single-sided, with no more than fifty-five (55) lines per page. Use 21.6×27.9 cm (8½ ×11”) paper or A4 metric paper. Use an easy-to-read font of not more than about 5 characters per cm (fixed pitch font of 12 or fewer characters per inch or proportional font of point size 10 or larger). Smaller type may be used in figures and tables, but must be clearly legible. Margins on all sides (top, bottom, left and right) must

428
be at lease 2.5 cm. (1”). Length limitations for proposals will be specified in solicitations. The applicant may submit a separately bound document of appendices, containing letters of support for the proposal. The proposal should be self-contained and not rely on the appendices for meeting criteria. Excess pages in the proposal will not be considered in the evaluation. Applicants must submit one signed original plus six copies of the proposal and Standard Form 424, 424A, and 424B (Rev 4/92), Standard Form LLL, and Form CD-511. Applicants for whom the submission of six copies presents financial hardship may submit one original and two copies of the application.

(f) Content of proposal. (1) The proposal must, at a minimum, include the following:

(i) An executive summary summarizing the planned project consistent with the Evaluation Criteria stated in this part.

(ii) A description of the planned project sufficient to permit evaluation of the proposal in accordance with the proposal Evaluation Criteria stated in this part.

(iii) A budget for the project which identifies all sources of funds and which breaks out planned expenditures by both activity and object class (e.g., personnel, travel, etc.).

(iv) A description of the qualifications of key personnel who will be assigned to work on the proposed project.

(v) A statement of work that discusses the specific tasks to be carried out, including a schedule of measurable events and milestones.

(vi) A completed Standard Form 424, 424A, and 424B (Rev 4-92) prescribed by the applicable OMB circular, Standard Form LLL, and Form CD-511, Certification Regarding Debarment, Suspension and Other Responsibility Matters; Drug-Free Workplace Requirements and Lobbying. SF-424, 424A, 424B (Rev 4-92), SF-LLL, and Form CD-511 will not be considered part of the page count of the proposal.

(2) The application requirements and the standard form requirements have been approved by OMB (OMB Control Number 0693-0005, 0348-0043 and 0348-0044).

(g) Applicable federal and departmental guidance. The Administrative Requirements, Cost Principles, and Audits are dependent upon type of Recipient organization as follows:

(1) Nonprofit organizations. (i) OMB Circular A-110—Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations.

(ii) OMB Circular A-122—Cost Principles for Nonprofit Organizations.


(2) State/local governments. (i) 15 CFR Part 24—Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

(ii) OMB Circular A-87—Cost Principles for State and Local Governments.

(iii) 15 CFR Part 29a—Audit Requirements for State and Local Governments (implements OMB Circular A-128—Audit of State and Local Governments).

(3) Educational institutions. (i) OMB Circular A-110—Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations.

(ii) OMB Circular A-21—Cost Principles for Educational Institutions.


(4) For-profit organizations. (i) OMB Circular A-110—Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations.

(iii) 15 CFR Part 29b—Audit Requirements for Institutions of Higher Education and Other Nonprofit Organizations (implements OMB Circular A-133).

(h) Availability of forms and circulars.

(1) Copies of forms referenced in this part may be obtained from the Manufacturing Extension Partnership, National Institute of Standards and Technology, Room C121, Building 301, Gaithersburg, MD 20899.

(2) Copies of OMB Circulars may be obtained from the Office of Administration, Publications Office, 725 17th St., NW, Room 2200, New Executive Office Building, Washington, DC 20503.

§ 292.2 Training development and deployment projects.

(a) Eligibility criteria. In general, eligible applicants for these projects include all for-profit and nonprofit organizations including universities, community colleges, state governments, state technology programs and independent nonprofit organizations. However, specific limitations on eligibility may be specified in solicitations. Organizations may submit multiple proposals under this category in each solicitation for unique projects.

(b) Project objective. The purpose of these projects is to support the development and deployment of training programs which will aid manufacturing extension organizations in providing services to smaller manufacturers. While primarily directed toward the field agents/engineers of the extension organizations, the training may also be of direct use by the smaller manufacturers themselves. Specific industry sectors to be addressed and sub-categories of training may be specified in solicitations. Examples of training topic areas include, but are not limited to, manufacturing assessment functions, business systems management, quality assurance assistance, and financial management activities. Examples of training program deployment include, but are not limited to, organization and conduct of training courses, development and conduct of train-the-trainer courses, preparations and delivery of distance learning activities, and preparation of self-learning and technical-guideline materials. Projects must be completed within the scope of the effort proposed and should not require on-going federal support.

(c) Award period. Projects initiated under this category may be carried out over a period of up to three years. If an application is selected for funding, DOC has no obligation to provide any additional future funding in connection with that award. Renewal of an award to increase funding or extend the period of performance is at the total discretion of DOC.

(d) Matching requirements. Matching fund requirements for these proposals will be specified in solicitations including the breakdown of cash and in-kind requirements. For those projects not requiring matching funds, the presence of match will be considered in the evaluation under the Financial Plan criteria.

(e) Training development and deployment projects evaluation criteria. Proposals will be evaluated and rated on the basis of the following criteria listed in descending order of importance:

(1) Demonstration that the proposed project will meet the training needs of technical assistance providers and manufacturers in the target population. The target population must be clearly defined and the proposal must demonstrate that it understands the population's training needs within the proposed project area. The proposal should show that the efforts being proposed meet the needs identified. Factors that may be considered include: A clear definition of the target population, size and demographic distribution; demonstrated understanding of the target population's training needs; and appropriateness of the size of the target population and the anticipated impact for the proposed expenditure.

(2) Development/deployment methodology and use of appropriate technology and information sources. The proposal must describe the technical plan for the development or deployment of the training, including the project activities to be used in the training development/deployment and the sources of technology and/or information which will be used to create or deploy the training activity. Sources may include those internal to the proposer or from other organizations. Factors that may...
be considered include: Adequacy of the proposed technical plan; strength of core competency in the proposed area of activity; and demonstrated access to relevant technical or information sources external to the organization.

(3) Delivery and implementation mechanisms. The proposal must set forth clearly defined, effective mechanisms for delivery and/or implementation of proposed services to the target population. The proposal also must demonstrate that training activities will be integrated into and will be of service to the NIST Manufacturing Extension Centers. Factors that may be considered include: Ease of access to the training activity especially for MEP extension centers; methodology for disseminating or promoting involvement in the training especially within the MEP system; and demonstrated interest in the training activity especially by MEP extension centers.

(4) Coordination with other relevant organizations. Wherever possible the project should be coordinated with and leverage other organizations which are developing or have expertise with similar training. If no such organizations exist, the proposal should show that this is the case. Applicants will need to describe how they will coordinate to allow for increased economies of scale and to avoid duplication. Factors that may be considered include: Demonstrated understanding of existing organizations and resources relevant to the proposed project; adequate linkages and partnerships with existing organizations and clear definition of those organizations’ roles in the proposed activities; and that the proposed activity does not duplicate existing services or resources.

(5) Program evaluation. The applicant should specify plans for evaluation of the effectiveness of the proposed training activity and for ensuring continuous improvement of the training. Factors that may be considered include: Thoroughness of evaluation plans, including internal evaluation for management control, external evaluation for assessing outcomes of the activity, and “customer satisfaction” measures of performance.

(6) Management and organizational experience and plans. Applicants should specify plans for proper organization, staffing, and management of the implementation process. Factors that may be considered include: Appropriateness and authority of the governing or managing organization to conduct the proposed activities; qualifications of the project team and its leadership to conduct the proposed activity; soundness of any staffing plans, including recruitment, selection, training, and continuing professional development; and appropriateness of the organizational approach for carrying out the proposed activity.

(7) Financial plan. Applicants should show the relevance and cost effectiveness of the financial plan for meeting the objectives of the project; the firmness and level of the applicant’s total financial support for the project; and a plan to maintain the program after the cooperative agreement has expired. Factors that may be considered include: Reasonableness of the budget, both in income and expenses; strength of commitment and amount of the proposer’s cost share, if any; effectiveness of management plans for control of budget; appropriateness of matching contributions; and plan for maintaining the program after the cooperative agreement has expired.

§ 292.3 Technical tools, techniques, practices, and analyses projects.

(a) Eligibility criteria. In general, eligible applicants for these projects include all for profit and nonprofit organizations including universities, community colleges, state governments, state technology programs and independent nonprofit organizations. However, specific limitations on eligibility may be specified in solicitations. Organizations may submit multiple proposals under this category in each solicitation for unique projects.

(b) Project objective. The purpose of these projects is to support the initial development, implementation, and analysis of tools, techniques, and practices which will aid manufacturing extension organizations in providing services to smaller manufacturers and which may also be of direct use by the smaller manufacturers themselves. Specific industry sectors to be addressed and sub-categories of tools,
§ 292.3

Techniques, practices, and analyses may be specified in solicitations. Examples of tools, techniques, and practices include, but are not limited to, manufacturing assessment tools, benchmarking tools, business systems management tools, quality assurance assistance tools, financial management tools, software tools, practices for partnering, techniques for urban or rural firms, and comparative analysis of assessment methods. Projects must be completed within the scope of the effort proposed and should not require ongoing federal support.

(c) Award period. Projects initiated under this category may be carried out over a period of up to three years. If an application is selected for funding, DOC has no obligation to provide any additional future funding in connection with that award. Renewal of an award to increase funding or extend the period of performance is at the total discretion of DOC.

(d) Matching requirements. Matching fund requirements for these proposals will be specified in solicitations including the breakdown of cash and in-kind requirements. For those projects not requiring matching funds, the presence of match will be considered in the evaluation under the Financial Plan criteria.

(e) Tools, techniques, practices, and analyses projects evaluation criteria. Proposals from applicants will be evaluated and rated on the basis of the following criteria listed in descending order of importance:

1. Demonstration that the proposed project will meet the technical assistance needs of technical assistance providers and manufacturers in the target population. Target population must be clearly defined. The proposal must demonstrate that it understands the population’s tool or technique needs within the proposed project area. The proposal should show that the efforts being proposed meet the needs identified. Factors that may be considered include: A clear definition of the target population, size and demographic distribution; demonstrated understanding of the target population’s tools or technique needs; and appropriateness of the size of the target population and the anticipated impact for the proposed expenditure.

2. Development methodology and use of appropriate technology and information sources. The proposal must describe the technical plan for the development of the tool or resource, including the project activities to be used in the tool/resource development and the sources of technology and/or information which will be used to create the tool or resource. Sources may include those internal to the proposer or from other organizations. Factors that may be considered include: Adequacy of the proposed technical plan; strength of core competency in the proposed area of activity; and demonstrated access to relevant technical or information sources external to the organization.

3. Degree of integration with the manufacturing extension partnership. The proposal must demonstrate that the tool or resource will be integrated into and will be of service to the NIST Manufacturing Extension Centers. Factors that may be considered include: Ability to access the tool or resource especially for MEP extension centers; methodology for disseminating or promoting use of the tool or technique especially within the MEP system; and demonstrated interest in using the tool or technique especially by MEP extension centers.

4. Coordination with other relevant organizations. Wherever possible the project should be coordinated with and leverage other organizations which are developing or have expertise on similar tools, techniques, practices, or analyses. If no such organizations exist, the proposal should show that this is the case. Applicants will need to describe how they will coordinate to allow for increased economies of scale and to avoid duplication. Factors that may be considered include: Demonstrated understanding of existing organizations and resources relevant to the proposed project; adequate linkages and partnerships with existing organizations and clear definition of those organizations’ roles in the proposed activities; and that the proposed activity does not duplicate existing services or resources.

5. Program evaluation. The applicant should specify plans for evaluation of the effectiveness of the proposed tool.
or technique and for ensuring continuous improvement of the tool. Factors that may be considered include: Thoroughness of evaluation plans, including internal evaluation for management control, external evaluation for assessing outcomes of the activity, and “customer satisfaction” measures of performance.

(6) Management experience and plans. Applicants should specify plans for proper organization, staffing, and management of the implementation process. Factors that may be considered include: Appropriateness and authority of the governing or managing organization to conduct the proposed activities; qualifications of the project team and its leadership to conduct the proposed activity; soundness of any staffing plans, including recruitment, selection, training, and continuing professional development; and appropriateness of the organizational approach for carrying out the proposed activity.

(7) Financial plan. Applicants should show the relevance and cost effectiveness of the financial plan for meeting the objectives of the project; the firmness and level of the applicant’s total financial support for the project; and a plan to maintain the program after the cooperative agreement has expired. Factors that may be considered include: Reasonableness of the budget, both in income and expenses; strength of commitment and amount of the proposer’s cost share, if any; effectiveness of management plans for control of budget; appropriateness of matching contributions; and plan for maintaining the program after the cooperative agreement has expired.

§ 292.4 Information infrastructure projects.

(a) Eligibility criteria. In general, eligible applicants for these projects include all for profit and nonprofit organizations including universities, community colleges, state governments, state technology programs and independent nonprofit organizations. However, specific limitations on eligibility may be specified in solicitations. Organizations may submit multiple proposals under this category in each solicitation for unique projects.

(b) Project objective. The purpose of these projects is to support and act as a catalyst for the development and implementation of information infrastructure services and pilots. These projects will aid manufacturing extension organizations and smaller manufacturers in accessing the technical information they need or will accelerate the rate of adoption of electronic commerce. Specific industry sectors to be addressed or subcategories of information infrastructure projects include, but are not limited to, pilot demonstration of electronic data interchange in a supplier chain, implementation of an electronic information service for field engineers at MEP extension centers, and industry specific electronic information services for MEP centers and smaller manufacturers.

(c) Award period. Projects initiated under this category may be carried out over a period of up to three years. If an application is selected for funding, DOC has no obligation to provide any additional future funding in connection with that award. Renewal of an award to increase funding or extend the period of performance is at the total discretion of DOC.

(d) Matching requirements. Matching fund requirements for these proposals will be specified in solicitations including the breakdown of cash and in-kind requirements. For those projects not requiring matching funds, the presence of match will be considered in the evaluation under the Financial Plan criteria.

(e) Information infrastructure projects evaluation criteria. Proposals from applicants will be evaluated and rated on the basis of the following criteria listed in descending order of importance:

(1) Demonstration that the proposed project will meet the need of the target customer base. The target customer base must be clearly defined and, in general, will be technical assistance providers and/or smaller manufacturers. The proposal should demonstrate a clear understanding of the customer base’s needs within the proposed project area. The proposal should also show that the efforts being proposed meet the needs identified. Factors that may be considered include: A clear definition of the...
customer base, size and demographic distribution; demonstrated understanding of the customer base's needs within the project area; and appropriateness of the size of the customer base and the anticipated impact for the proposed expenditure.

(2) Development plans and delivery/implementation mechanisms. The proposal must set forth clearly defined, effective plans for the development, delivery and/or implementation of proposed services to the customer base. The proposal must delineate the sources of information which will be used to implement the project. Sources may include those internal to the center (including staff expertise) or from other organizations. Factors that may be considered include: Adequacy of plans; potential effectiveness and efficiency of proposed delivery and implementation systems; demonstrated capacity to form effective linkages; partnerships necessary for success of the proposed activity; strength of core competency in the proposed area of activity; and demonstrated access to relevant technical or information sources external to the organization.

(3) Coordination with other relevant organizations. Wherever possible the project should be coordinated with and leverage other organizations which are developing or have expertise within the project area. In addition, the project should demonstrate that it does not duplicate efforts which already are being performed by the private sector without government support. Applicants will need to describe how they will coordinate to allow for increased economies of scale and to avoid duplication. If the proposer will not be partnering with any other organizations, then the proposal should clearly explain why the project will be more successful if implemented as proposed. A proposal which makes a credible case for why there are no, or very limited, partnerships will not be penalized in evaluation. Factors that may be considered include: Demonstrated understanding of existing organizations and resources relevant to the proposed project; Adequate linkages and partnerships with relevant existing organizations; clear definition of the roles of partnering organizations in the proposed activities; and that the proposed activity does not duplicate existing services or resources.

(4) Management and organizational experience and plans. Applicants should specify plans for proper organization, staffing, and management of the project. Factors that may be considered include: Appropriateness and authority of the governing or managing organization to conduct the proposed activities; qualifications of the project team and its leadership to conduct the proposed activity; soundness of any staffing plans, including recruitment, selection, training, and continuing professional development; and appropriateness of the organizational approach for carrying out the proposed activity.

(5) Financial plan. Applicants should show the relevance and cost effectiveness of the financial plan for meeting the objectives of the project; the firmness and level of the applicant’s total financial support for the project; and the ability of the project to continue after the cooperative agreement has expired without federal support. While projects that appear to require ongoing public support will be considered, in general, they will be evaluated lower than those which show a strong ability to become self-sufficient. Factors that may be considered include: Reasonableness of the budget, both in income and expenses; strength of commitment and amount of the proposer’s cost share, if any; effectiveness of management plans for control of budget; appropriateness of matching contributions; and plan for maintaining the program after the cooperative agreement has expired.

(6) Evaluation. The applicant should specify plans for evaluation of the effectiveness of the proposed project and for ensuring continuous improvement. Factors that may be considered include: Thoroughness of evaluation plans, including internal evaluation for management control, external evaluation for assessing outcomes of the activity, and “customer satisfaction” measures of performance.
§ 292.5 Proposal selection process.

The proposal evaluation and selection process will consist of three principal phases: Proposal qualifications; proposal review and selection of finalists; and award determination as follows:

(a) Proposal qualification. All proposals will be reviewed by NIST to assure compliance with the proposal content and other basic provisions of this part. Proposals which satisfy these requirements will be designated qualified proposals; all others will be disqualified at this phase of the evaluation and selection process.

(b) Proposal review and selection of finalists. NIST will appoint an evaluation panel to review and evaluate all qualified proposals in accordance with the evaluation criteria and values set forth in this part. Evaluation panels will consist of NIST employees and in some cases other federal employees or non-federal experts who sign non-disclosure agreements. A site visit may be required to make full evaluation of a proposal. From the qualified proposals, a group of finalists will be numerically ranked and recommended for award based on this review.

(c) Award determination. The Director of the NIST, or her/his designee, shall select awardees based on total evaluation scores, geographic distribution, and the availability of funds. All three factors will be considered in making an award. Upon the final award decision, a notification will be made to each of the proposing organizations.

§ 292.6 Additional requirements.

Federal policies and procedures. Recipients and subrecipients are subject to all Federal laws and Federal and Department of Commerce policies, regulations, and procedures applicable to Federal financial assistance awards.
of cooperative agreements under the Advanced Technology Program in order to ensure the fair treatment of all proposals. While the Advanced Technology Program is authorized to enter into grants, cooperative agreements, and contracts to carry out its mission, the rules in this part address only the award of cooperative agreements. The Program employs cooperative agreements rather than grants because such agreements allow ATP to exercise appropriate management Oversight of projects and also to link ATP-funded projects to ongoing R&D at the National Institute of Standards and Technology wherever such linkage would increase the likelihood of success of the project.

(c) In carrying out the rules in this part, the Program endeavors to put more emphasis on joint ventures and consortia with a broad range of participants, including large companies, and less emphasis on support of individual large companies.


§ 295.2 Definitions.

(a) For the purposes of the ATP, the term award means Federal financial assistance made under a grant or cooperative agreement.

(b) The term cooperative agreement refers to a Federal assistance instrument used whenever the principal purpose of the relationship between the Federal Government and the recipient is the transfer of money, property, or services, or anything of value to the recipient to accomplish a public purpose of support or stimulation authorized by Federal statute, rather than acquisition by purchase, lease, or barter, of property or services for the direct benefit or use of the Federal Government; and substantial involvement is anticipated between the executive agency, acting for the Federal Government, and the recipient during performance of the contemplated activity.

(c) The term direct costs means costs that can be identified readily with activities carried out in support of a particular final objective. A cost may not be allocated to an award as a direct cost if any other cost incurred for the same purpose in like circumstances has been assigned to an award as an indirect cost. Because of the diverse characteristics and accounting practices of different organizations, it is not possible to specify the types of costs which may be classified as direct costs in all situations. However, typical direct costs could include salaries of personnel working on the ATP project and associated reasonable fringe benefits such as medical insurance. Direct costs might also include supplies and materials, special equipment required specifically for the ATP project, and travel associated with the ATP project. ATP shall determine the allowability of direct costs in accordance with applicable Federal cost principles.

(d) The term foreign-owned company means a company other than a United States-owned company as defined in §295.2(q).

(e) The term grant means a Federal assistance instrument used whenever the principal purpose of the relationship between the Federal Government and the recipient is the transfer of money, property, services, or anything of value to the recipient in order to accomplish a public purpose of support or stimulation authorized by Federal statute, rather than acquisition by purchase, lease, or barter, of property or services for the direct benefit or use of the Federal Government; and no substantial involvement is anticipated between the executive agency, acting for the Federal Government, and the recipient during performance of the contemplated activity.

(f) The term independent research organization (IRO) means a nonprofit research and development corporation or association organized under the laws of any state for the purpose of carrying out research and development on behalf of other organizations.

(g) The term indirect costs means those costs incurred for common or joint objectives that cannot be readily identified with activities carried out in support of a particular final objective. A cost may not be allocated to an award as an indirect cost if any other cost incurred for the same purpose in like circumstances has been assigned to an award as a direct cost. Because of diverse characteristics and accounting practices it is not possible to specify

436
the types of costs which may be classified as indirect costs in all situations. However, typical examples of indirect costs include general administration expenses, such as the salaries and expenses of executive officers, personnel administration, maintenance, library expenses, and accounting. ATP shall determine the allowability of indirect costs in accordance with applicable Federal cost principles.

(h) The term industry-led joint research and development venture means a joint research and development venture that consists of two or more separately-owned, for-profit businesses that perform research and development in the project; control the venture's membership, research directions, and funding priorities; and share total project costs with the Federal government. The venture may include additional companies, independent research organizations, universities, and/or governmental laboratories (other than NIST) which may or may not contribute funds (other than Federal funds) to the project and perform research and development. An independent research organization may perform administrative tasks on behalf of an industry-led joint research and development venture, such as handling receipts and disbursements of funds and making anti-trust filings.

(i) The term intellectual property means an invention patentable under title 35, United States Code, or any patent on such an invention.

(j)(1) The term joint research and development venture means any group of activities, including attempting to make, making, or performing a contract, by two or more persons for the purpose of:

(i) Theoretical analysis, experimentation, or systematic study of phenomena or observable facts;

(ii) The development or testing of basic engineering techniques;

(iii) The extension of investigative findings or theory of a scientific or technical nature into practical application for experimental and demonstration purposes, including the experimental production and testing of models, prototypes, equipment, materials, and processes;

(iv) The collection, exchange, and analysis of research information; or

(v) The production of any product, process, or service; or

(vi) Any combination of the purposes specified in paragraphs (j)(1)(i), (ii), (iii), (iv) and (v) of this section, and may include the establishment and operation of facilities for the conducting of research, the conducting of such venture on a protected and proprietary basis, and the prosecuting of applications for patents and the granting of licenses for the results of such venture, but does not include any activity specified in paragraph (j)(2) of this section. For the purposes of this document, the terms consortia and partnerships are considered to be joint ventures.

(2) The term joint research and development venture excludes the following activities involving two or more persons:

(i) Exchanging information among competitors relating to costs, sales, profitability, prices, marketing, or distribution of any product, process, or service that is not reasonably required to conduct the research and development that is the purpose of such venture;

(ii) Entering into any agreement or engaging in any other conduct restricting, requiring, or otherwise involving the production or marketing by any person who is a party to such joint venture of any product, process, or service, other than the production or marketing of proprietary information developed through such venture, such as patents and trade secrets; and

(iii) Entering into any agreement or engaging in any other conduct:

(A) To restrict or require the sale, licensing, or sharing of inventions or developments not developed through such venture, or

(B) To restrict or require participation by such party in other research and development activities, that is not reasonably required to prevent misappropriation of proprietary information contributed by any person who is a party to such venture or of the results of such venture.

(k) The term large business for a particular ATP competition means any business, including any parent company plus related subsidiaries, having
§ 295.3 Eligibility of United States- and foreign-owned businesses.

(a) A company shall be eligible to receive an award from the Program only if:

(1) The Program finds that the company's participation in the Program would be in the economic interest of the United States, as evidenced by investments in the United States in research, development, and manufacturing, including, for example, the manufacture of major components or subassemblies in the United States; significant contributions to employment in the United States; and agreement with respect to any technology arising from assistance provided by the Program to promote the manufacture within the United States of products resulting from that technology (taking into account the goals of promoting the competitiveness of United States industry), and to procure parts and materials from competitive suppliers; and

(2) Either the company is a United States-owned company, or the Program finds that the company, the country of incorporation of the company or a parent company, or the country in which the company is primarily located, offers a joint venture similar to those authorized under the Program; affords the United States-owned companies local investment opportunities comparable to those afforded to any other company; and affords adequate and effective protection for the intellectual property rights of United States-owned companies.

(b) The Program may, within 30 days after notice to Congress, suspend a company or joint venture from continued assistance under the Program if the Program determines that the company, the country of incorporation of the company or a parent company, or
the joint venture has failed to satisfy
any of the criteria contained in para-
graph (a) of this section, and that it is
in the national interest of the United
States to do so.
(c) Companies owned by legal resi-
dents (green card holders) may apply to
the Program, but before an award can
be given, the owner(s) must either be-
come a citizen or ownership must be
transferred to a U.S. citizen(s).
§ 295.4  The selection process.
(a) The selection process for awards
is a multi-step process based on the cri-
teria listed in § 295.6. A source evalua-
tion board (SEB) is established to en-
sure that all proposals receive careful
consideration. In the first step, called
"preliminary screening," proposals are
eliminated that do not meet the re-
quirements of this part or the Program
announcement. Typical but not exclu-
sive of the reasons for eliminating a
proposal at this stage is that the pro-
posal: is deemed to have serious defi-
ciencies in either the technical or busi-
ness plan; involves product develop-
ment rather than high risk R&D; is not
industry-led; is significantly over-
priced or underpriced given the scope
of the work; does not meet the require-
ments set out in the notice of avail-
ability of funds issued pursuant to
§ 295.7; or, in the case of joint ventures,
requests more than a minority share of
funding. NIST will also examine pro-
posals that have been submitted to a
previous competition to determine
whether substantive revisions have
been made to the earlier proposal, and,
if not, may reject the proposal or for-
ward it to a later stage in the review
process based upon the earlier review.
(b) In the second step, referred to as
the "technical and business review,"
proposals are evaluated under the cri-
teria found in § 295.6. Proposals judged
to have the highest merit based on the
selection criteria receive further con-
sideration and are referred to as
"semifinalists."
(c) In the third step, referred to as
"selection of semifinalists," the Program
prepares a final scoring and ranking of
semifinalist proposals. During this
step, the semifinalist proposers may be
asked to make oral presentations on
their proposals at NIST, and in some
cases site visits may be required. Sub-
ject to the provisions of § 295.6, a list of
ranked semifinalists is submitted to the Se-
lecting Official.
(d) In the final step, referred to as
"selection of awardees," the Selecting
Official selects funding recipients from
among the semifinalists, based upon:
(1) The rank order of the proposals on
the basis of all selection criteria
§ 295.6; (2) Assuring an appropriate distribu-
tion of funds among technologies and
their applications; and (3) The availabil-
ity of funds. The Selecting Official is responsible for ensur-
ing that only proposals that meet the
Program selection criteria receive
awards. The Program reserves the
right to withhold awards in any case
where a search of Federal records dis-
closes information that raises a reason-
able doubt as to the responsibility of
the proposer. The decision of the Se-
lecting Official is final.
(e) If a joint venture is ranked as a fi-
nalist, but the Program determines
that the joint venture contains weak-
nesses in its structure or cohesiveness
that may substantially lessen the prob-
ability of the proposed program being
completed successfully, the Program
may inform the proposer of the defi-
ciencies and enter into negotiations
with the proposer in an effort to rem-
dy the deficiencies. If appropriate,
funding up to 10 percent of the amount
originally requested by the proposer
may be awarded by the Program to the
proposer to assist in overcoming the
organizational deficiencies. If the Pro-
gram determines within six months of
this award that the organizational defi-
ciencies have been corrected, the Pro-
gram may award the remaining funds
requested by the proposer to that pro-
poser.
(f) NIST reserves the right to nego-
tiate with proposers selected to receive
awards the cost and scope of the pro-
posed work, e.g., to add or delete a
task(s) to improve the probability of
success or to make the proposal more
consistent with ATP's mission.
§ 295.5 Use of abbreviated proposals in the selection process.

To reduce proposal preparation costs incurred by applicants and to make the selection process more efficient, NIST may use a preliminary qualification process based on abbreviated proposals. Announcements requesting abbreviated proposals will be published as indicated in § 295.7, seeking proposals that address all of the selection criteria, but in considerably less detail than full proposals. The Program will review the abbreviated proposals and select those that best meet the selection criteria. Submitters of abbreviated proposals will be notified in writing whether their proposals are recommended for full proposal, or, not recommended for full proposal. Those whose proposals are recommended for full proposal submission will be invited to prepare and submit full proposals. Those not invited to submit proposals may nonetheless elect to do so, and will have an equal opportunity for selection. When the full proposals are received, the review and selection process will continue as described in § 295.4.

[59 FR 668, Jan. 6, 1994]

§ 295.6 Criteria for selection.

The evaluation criteria to be used in selecting any proposal for funding under this Program, and their respective weights, are listed in this section. No proposal will be funded unless the Program determines that it has high scientific and technical merit, no matter how meritorious the proposal might be with respect to the other selection criteria. Similarly, no proposal will be funded that does not require Federal support or that is product development rather than high risk R&D. Each of the subfactors within a selection criterion shall be weighted equally.

(a) Scientific and technical merit (30 percent). (1) Quality, innovativeness, and cost-effectiveness of the proposed technical program, that is, uniqueness with respect to current industry practice. Proposers shall compare and contrast their approaches with those taken by other domestic and foreign companies working in the same field.

(2) Appropriateness of the technical risk and feasibility of the project, that is, is there a sufficient knowledge base to justify the level of technical risk involved, and is the risk commensurate with the potential payoff. Projects should press the state of the art while still having credibility with regard to technical approach.

(3) Coherency of the technical plan and clarity of vision of the technical objectives, and the degree to which the technical plan meets the project and, in the case of focused program competitions, program goals.

(4) Integrated, forward-looking, team approach to the project. This factor includes the extent to which the R&D team will take into account aspects such as research and raw material suppliers and considerations of manufacturability and requirements of customers, regulatory concerns, safety issues, and environmental impacts. It also includes the extent to which all of the necessary technical disciplines will be brought into the R&D and how R&D, manufacturing, and marketing will work together in an integrated fashion.

(b) Potential broad impact on U.S. technology and knowledge base.

(1) Integrated, forward-looking, team approach to the project. This factor includes the extent to which the R&D team will take into account aspects such as research and raw material suppliers and considerations of manufacturability and requirements of customers, regulatory concerns, safety issues, and environmental impacts. It also includes the extent to which all of the necessary technical disciplines will be brought into the R&D and how R&D, manufacturing, and marketing will work together in an integrated fashion.

(2) Appropriateness of the technical risk and feasibility of the project, that is, is there a sufficient knowledge base to justify the level of technical risk involved, and is the risk commensurate with the potential payoff. Projects should press the state of the art while still having credibility with regard to technical approach.

(3) Coherency of the technical plan and clarity of vision of the technical objectives, and the degree to which the technical plan meets the project and, in the case of focused program competitions, program goals.

(4) Integrated, forward-looking, team approach to the project. This factor includes the extent to which the R&D team will take into account aspects such as research and raw material suppliers and considerations of manufacturability and requirements of customers, regulatory concerns, safety issues, and environmental impacts. It also includes the extent to which all of the necessary technical disciplines will be brought into the R&D and how R&D, manufacturing, and marketing will work together in an integrated fashion.

(b) Potential net broad-based economic benefits (20 percent). Potential to improve U.S. economic growth, taking into account the timeliness of the proposal; that is, the potential project results will not occur too late or too early to be competitively useful, and the degree to which ATP support is essential for the achievement of the broad-based benefits from the proposed R&D and appropriateness of proposed R&D for ATP support. This criterion takes into consideration the likelihood of the results being achieved in the same general time frame by the proposer or by other U.S. researchers without ATP support, and whether other Federal agencies or other sponsors are already funding very similar kinds of work. Projects will not be selected if the Program judges that Federal support is not needed. In assessing the potential for broad-based economic benefits, emphasis is placed on a strong potential for spillover benefits extending well beyond those accruing to the awardee(s). Benefits are compared against the costs of the proposal to determine cost-effectiveness of the proposal.
(c) Adequacy of plans for eventual commercialization (20 percent). (1) Evidence that if the project is successful, the proposers will pursue further development of the technology toward commercial application, either through their own organization(s) or through others.

(2) Degree to which proposal identifies potential applications of the technology and provides evidence that the proposer has credible plans to assure prompt and widespread use of the technology if the R&D is successful and to ensure adequate protection of the intellectual property by the participant(s) and, as appropriate, by other U.S. businesses.

(d) Level of commitment and organization structure (20 percent). (1) Level of commitment of proposer as demonstrated by contribution of personnel, equipment, facilities, and cost-sharing. Extent to which the proposer assigns the company's best people to the project. Priority given to this work in relation to other company activities.

(2) For joint ventures, the extent to which the joint venture has been structured (vertical integration, horizontal integration, or both) so as to include sufficient participants possessing all of the skills required to complete successfully the proposed work.

(3) For joint ventures, the extent to which participation by small businesses is encouraged and is a key component of the proposal.

(4) Appropriateness of subcontractor/supplier/collaborator participation and relationships (where applicable). For large company single proposers, the extent to which subcontractor teaming arrangements are featured and are a key component of the proposal.

(5) Clarify and appropriateness of management plan. Extent to which the proposers have clarified who is responsible for each task, and the chain of command. Extent to which those responsible for the work have adequate authority and access to higher level management.

(e) Experience and qualifications (10 percent). (1) Adequacy of proposer's facilities, equipment, and other technical, financial, and administrative resources to accomplish the proposed program objectives. This factor includes consideration of resources possessed by subcontractors to the proposer or other collaborators.

(2) Quality and appropriateness of the technical staff to carry out the proposed work program and to identify and overcome barriers to meeting project objectives.

(3) Past performance of the company or joint venture members in carrying out similar kinds of efforts successfully, including technology application. Consideration of this factor in the case of a start-up company or new joint venture, will take into account the past performance of the key people in carrying out similar kinds of efforts.


§ 295.7 Notice of availability of funds.

(a) The Program shall publish at least annually a FEDERAL REGISTER notice inviting interested parties to submit proposals, and may more frequently publish invitations for proposals in the Commerce Business Daily, based upon the annual notice. Potential proposers must request a proposal preparation kit from the Program. Applications will only be considered for funding when submitted in response to an invitation published in the FEDERAL REGISTER, or a related announcement in the Commerce Business Daily.

(b) All notices published in accord with § 295.7(a) shall include the amount of funds available, the approximate number of awards, types of awards, closing dates, the name, address and telephone number of the contact person, a requirement that proposals be submitted with a NIST Form 1262 (for single proposers), or NIST Form 1263 (for joint ventures), and any other appropriate guidance.

(c) Notices issued under § 295.7(a) shall also state that awards under the Program shall be subject to all Federal laws and Federal and Departmental regulations, policies and procedures applicable to financial assistance awards, and shall require that funds awarded by the Program under subpart C (single proposers) shall be used only for direct costs and not for indirect costs, profits, or management fees of the funding recipients. Notices shall also include the notification that section 319 of Public
§ 295.8 Intellectual property rights; Publication of research results.

(a)(1) Patent rights: Title to inventions arising from assistance provided by the Program must vest in a company or companies incorporated in the United States. The United States may reserve a non-exclusive, non-transferable, irrevocable paid-up license to practice or have practiced for or on behalf of the United States any such intellectual property, but shall not, in the exercise of such license, publicly disclose proprietary information related to the license. Title to any such intellectual property shall not be transferred or passed, except to a company incorporated in the United States, until the expiration of the first patent obtained in connection with such intellectual property. Nothing in this paragraph shall be construed to prohibit the licensing to any company of intellectual property rights arising from assistance provided under this section.

(2) Patent procedures: Each award by the Program will contain procedures regarding reporting of inventions by the funding recipient to the Program; determinations by the Program as to whether it will retain a governmental use license; march-in rights, and other matters.

(b) Copyrights: Except as otherwise specifically provided for in an Award, funding recipients under the Program may establish claim to copyright subsisting in any data first produced in the performance of the award. When claim is made to copyright, the funding recipient shall affix the applicable copyright notice of 17 U.S.C. 401 or 402 and acknowledgment of Government sponsorship to the data when and if the data are delivered to the Government, are published, or are deposited for registration as a published work in the U.S. Copyright Office. The funding recipient shall grant to the Government, and others acting on its behalf, a paid up, nonexclusive, irrevocable, worldwide license for all such data to reproduce, prepare derivative works, perform publicly and display publicly, and for data other than computer software to distribute to the public by or on behalf of the Government.

(c) Publication of research results: The decision on whether or not to publish research results will be made by the funding recipient(s). Unpublished intellectual property owned and developed by any business or joint research and development venture receiving funding or by any member of such a joint venture may not be disclosed by any officer or employee of the Federal Government except in accordance with a written agreement between the owner or developer and the Program. The licenses granted to the Government under §295.8(b) shall not be considered a waiver of this requirement.

§ 295.9 Protection of confidential information.

As required by section 270n(d)(5) of title 15 of the United States Code, the following information obtained by the Secretary on a confidential basis in connection with the activities of any business or joint research and development venture receiving funding under the program shall be exempt from disclosure under the Freedom of Information Act—

(1) Information on the business operation of any member of the business or joint venture;

(2) Trade secrets possessed by any business or any member of the joint venture.

§ 295.10 Unspent balances of Federal funds.

If a business or joint research and development venture receiving funds under these procedures fails before the completion of the period for which an award has been made, after all allowable costs have been paid and appropriate audits conducted, the unspent balance of the Federal funds shall be
§ 295.11 Coordination/Cooperation with other Federal agencies.

So as to avoid any unnecessary duplication of effort and to increase the possibilities of joint funding of projects of common interest with other agencies, the Secretary intends to coordinate with other agencies as appropriate, but particularly where the Secretary determines that the subject is of substantial interest to another agency.


§ 295.12 Special reporting and auditing requirements.

Each award by the Program shall contain procedures regarding technical, business, and financial reporting and auditing requirements to ensure that awards are being used in accordance with the Program’s objectives and applicable Federal cost principles. The purpose of the technical reporting is to monitor “best effort” progress toward overall project goals. The purpose of the business reporting system is to monitor project performance against the Program’s mission as required by the Government Performance and Results Act (GPRA) mandate for program evaluation. The audit standards to be applied to ATP awards are the “Government Auditing Standards” (GAS) issued by the Comptroller General of the United States (also known as yellow book standards) and the ATP program-specified audit guidelines. The ATP program-specific audit guidelines include guidance on the number of audits required under an award. In the interest of efficiency, the recipients are encouraged to retain their own independent CPA firm to perform these audits. The Department of Commerce’s Office of Inspector General (OIG) reserves the right to conduct audits as deemed necessary and appropriate.


§ 295.13 NIST technical assistance to recipients of awards.

(a) Under the Federal Technology Transfer Act of 1986, the National Institute of Standards and Technology of the Technology Administration has the authority to enter into cooperative research and development agreements with non-Federal parties to provide personnel, services, facilities, equipment, or other resources except funds toward the conduct of specified research or development efforts which are consistent with the missions of the laboratory. In turn, the National Institute of Standards and Technology has the authority to accept funds, personnel, services, facilities, equipment and other resources from the non-Federal party or parties for the joint research effort. Cooperative research and development agreements do not include procurement contracts or cooperative agreements as those terms are used in sections 6303, 6304, and 6305 of title 31, United States Code.

(b) In no event will the National Institute of Standards and Technology enter into a cooperative research and development agreement with a recipient of awards under the Program which provides for the payment of Program funds from the award recipient to the National Institute of Standards and Technology.


Subpart B—Assistance to United States Industry-Led Joint Research and Development Ventures

§ 295.20 Types of assistance available.

This subpart describes the types of assistance that may be provided under the authority of 15 U.S.C. 278n(b)(1). Such assistance includes but is not limited to:

(a) Partial start-up funding for joint research and development ventures.

(b) A minority share of the cost of joint research and development ventures for up to five years.

(c) Equipment, facilities and personnel for joint research and development ventures.
§ 295.21 Qualification of proposers.

(a) Assistance under this subpart is available to industry-led joint research and development ventures only, subject to the limitations set out in §295.3 of these regulations. These ventures may include universities, independent research organizations, and governmental entities; however, the Program will not provide funding directly to any university or governmental organization.

(b) Applications for funding under this subpart may be submitted on behalf of an industry-led joint research and development venture by one or more businesses or independent research organizations that are members of the venture. Applications must, however, include letters of commitment from all proposed members of the venture, verifying the availability of matching funds, and authorizing the party or parties submitting the proposal to act on behalf of the venture with the Program on all matters pertaining to the proposal.

[59 FR 670, Jan 6, 1994]

§ 295.22 Limitations on assistance.

(a) An award will be made under this subpart only if the award will facilitate the formation of a joint venture or the initiation of a new research and development project by an existing joint venture.

(b) The total value of any in-kind contributions used to satisfy the cost sharing requirement may not exceed 30 percent of the non-federal share of the total project costs.


§ 295.23 Dissolution of joint research and development ventures.

Upon dissolution of any joint research and development venture receiving funds under these procedures or at a time otherwise agreed upon, the Federal Government shall be entitled to a share of the residual assets of the joint venture proportional to the Federal share of the costs of the joint venture as determined by independent audit.


§ 295.24 Registration.

Joint research and development ventures selected for funding must notify the Department of Justice or the Federal Trade Commission under the National Cooperative Research Act of 1984. No funds will be released prior to receipt by the Program of copies of such notification.

[59 FR 670, Jan. 6, 1994]

§ 295.25 Special rule for the valuation of transfers between separately-owned joint venture members.

(a) Applicability. This section applies to transfers of goods, including computer software, and services provided by the transferor related to the maintenance of those goods, when those goods or services are transferred from one joint venture member to other separately-owned joint venture members.

(b) Rule. The greater amount of the actual cost of the transferred goods and services as determined in accordance with applicable Federal cost principles, or 75 percent of the best customer price of the transferred goods and services, shall be deemed to be allowable costs; provided, however, that in no event shall the aggregate of these allowable costs exceed 30 percent of the non-Federal share of the total cost of the joint research and development program.

(c) Definition. The term “best customer price” shall mean the GSA schedule price, or if such price is unavailable, the lowest price at which a sale was made during the last twelve months prior to the transfer of the particular good or service.


Subpart C—Assistance to Single-Proposer U.S. Businesses

§ 295.30 Types of assistance available.

This subpart describes the types of assistance that may be provided under the authority of 15 U.S.C. 278n(b)(2). Such assistance includes but is not limited to entering into cooperative agreements with United States businesses, especially small businesses.

[59 FR 670, Jan. 6, 1994]
§ 295.31 Qualification of proposers.

Awards under this subpart will be available to all businesses, subject to the limitations set out in §§ 295.3 and 295.32.


§ 295.32 Limitations on assistance.

(a) The Program will not directly provide funding under this subpart to any governmental entity, academic institution or independent research organization.

(b) For proposals submitted to ATP after December 31, 1997, awards to large businesses made under this subpart shall not exceed 40 percent of the total project costs of those awards in any year of the award.

(c) Awards under this subpart may not exceed $2,000,000, or be for more than three years, unless the Secretary provides a written explanation to the authorizing committees of both Houses of Congress and then, only after thirty days during which both Houses of Congress are in session. No funding for indirect costs, profits, or management fees shall be available for awards made under this subpart.

(d) The total value of any in-kind contributions used to satisfy a cost sharing requirement may not exceed 30 percent of the non-federal share of the total project costs.


PARTS 296—299 [RESERVED]
FINDING AIDS

A list of CFR titles, subtitles, chapters, subchapters and parts and an alphabetical list of agencies publishing in the CFR are included in the CFR Index and Finding Aids volume to the Code of Federal Regulations which is published separately and revised annually.

Table of CFR Titles and Chapters
Alphabetical List of Agencies Appearing in the CFR
List of CFR Sections Affected
**Table of CFR Titles and Chapters**
*(Revised as of January 1, 1998)*

**Title 1—General Provisions**

I Administrative Committee of the Federal Register (Parts 1—49)
II Office of the Federal Register (Parts 50—299)
IV Miscellaneous Agencies (Parts 400—500)

**Title 2—[Reserved]**

**Title 3—The President**

I Executive Office of the President (Parts 100—199)

**Title 4—Accounts**

I General Accounting Office (Parts 1—99)
II Federal Claims Collection Standards (General Accounting Office—Department of Justice) (Parts 100—299)

**Title 5—Administrative Personnel**

I Office of Personnel Management (Parts 1—1199)
II Merit Systems Protection Board (Parts 1200—1299)
III Office of Management and Budget (Parts 1300—1399)
IV Advisory Committee on Federal Pay (Parts 1400—1499)
V The International Organizations Employees Loyalty Board (Parts 1500—1599)
VI Federal Retirement Thrift Investment Board (Parts 1600—1699)
VII Advisory Commission on Intergovernmental Relations (Parts 1700—1799)
VIII Office of Special Counsel (Parts 1800—1899)
IX Appalachian Regional Commission (Parts 1900—1999)
XI Armed Forces Retirement Home (Part 2100)
XIV Federal Labor Relations Authority, General Counsel of the Federal Labor Relations Authority and Federal Service Impasses Panel (Parts 2400—2499)
XV Office of Administration, Executive Office of the President (Parts 2500—2599)
XVI Office of Government Ethics (Parts 2600—2699)
XXI Department of the Treasury (Parts 3100—3199)
XXII Department of Energy (Part 3301)
<table>
<thead>
<tr>
<th>Chap.</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>XXIV</td>
<td>Federal Energy Regulatory Commission (Part 3401)</td>
</tr>
<tr>
<td>XXV</td>
<td>Department of the Interior (Part 3501)</td>
</tr>
<tr>
<td>XXVI</td>
<td>Department of Defense (Part 3601)</td>
</tr>
<tr>
<td>XXVIII</td>
<td>Department of Justice (Part 3801)</td>
</tr>
<tr>
<td>XXIX</td>
<td>Federal Communications Commission (Parts 3900—3999)</td>
</tr>
<tr>
<td>XXX</td>
<td>Farm Credit System Insurance Corporation (Parts 4000—4099)</td>
</tr>
<tr>
<td>XXXI</td>
<td>Farm Credit Administration (Parts 4100—4199)</td>
</tr>
<tr>
<td>XXXIII</td>
<td>Overseas Private Investment Corporation (Part 4301)</td>
</tr>
<tr>
<td>XXXV</td>
<td>Office of Personnel Management (Part 4501)</td>
</tr>
<tr>
<td>XL</td>
<td>Interstate Commerce Commission (Part 5001)</td>
</tr>
<tr>
<td>XLI</td>
<td>Commodity Futures Trading Commission (Part 5101)</td>
</tr>
<tr>
<td>XLII</td>
<td>Department of Labor (Part 5201)</td>
</tr>
<tr>
<td>XLIII</td>
<td>National Science Foundation (Part 5301)</td>
</tr>
<tr>
<td>XLV</td>
<td>Department of Health and Human Services (Part 5501)</td>
</tr>
<tr>
<td>XLVI</td>
<td>Postal Rate Commission (Part 5601)</td>
</tr>
<tr>
<td>XLVII</td>
<td>Federal Trade Commission (Part 5701)</td>
</tr>
<tr>
<td>XLVIII</td>
<td>Nuclear Regulatory Commission (Part 5801)</td>
</tr>
<tr>
<td>L</td>
<td>Department of Transportation (Part 6001)</td>
</tr>
<tr>
<td>LII</td>
<td>Export-Import Bank of the United States (Part 6201)</td>
</tr>
<tr>
<td>LIII</td>
<td>Department of Education (Parts 6300—6399)</td>
</tr>
<tr>
<td>LIV</td>
<td>Environmental Protection Agency (Part 6401)</td>
</tr>
<tr>
<td>LVII</td>
<td>General Services Administration (Part 6701)</td>
</tr>
<tr>
<td>LVIII</td>
<td>Board of Governors of the Federal Reserve System (Part 6801)</td>
</tr>
<tr>
<td>LIX</td>
<td>National Aeronautics and Space Administration (Part 6901)</td>
</tr>
<tr>
<td>LX</td>
<td>United States Postal Service (Part 7001)</td>
</tr>
<tr>
<td>LXI</td>
<td>National Labor Relations Board (Part 7101)</td>
</tr>
<tr>
<td>LXII</td>
<td>Equal Employment Opportunity Commission (Part 7201)</td>
</tr>
<tr>
<td>LXIII</td>
<td>Inter-American Foundation (Part 7301)</td>
</tr>
<tr>
<td>LXV</td>
<td>Department of Housing and Urban Development (Part 7501)</td>
</tr>
<tr>
<td>LXVI</td>
<td>National Archives and Records Administration (Part 7601)</td>
</tr>
<tr>
<td>LXIX</td>
<td>Tennessee Valley Authority (Part 7901)</td>
</tr>
<tr>
<td>LXXI</td>
<td>Consumer Product Safety Commission (Part 8101)</td>
</tr>
<tr>
<td>LXXIV</td>
<td>Federal Mine Safety and Health Review Commission (Part 8401)</td>
</tr>
<tr>
<td>LXXVI</td>
<td>Federal Retirement Thrift Investment Board (Part 8601)</td>
</tr>
<tr>
<td>LXXVII</td>
<td>Office of Management and Budget (Part 8701)</td>
</tr>
</tbody>
</table>

**Title 6—[Reserved]**

**Title 7—Agriculture**

*Subtitle A—Office of the Secretary of Agriculture (Parts 0—26)*

*Subtitle B—Regulations of the Department of Agriculture*

I Agricultural Marketing Service (Standards, Inspections, Marketing Practices), Department of Agriculture (Parts 27—209)

II Food and Consumer Service, Department of Agriculture (Parts 210—299)
Title 7—Agriculture—Continued

III Animal and Plant Health Inspection Service, Department of Agriculture (Parts 300—399)
IV Federal Crop Insurance Corporation, Department of Agriculture (Parts 400—499)
V Agricultural Research Service, Department of Agriculture (Parts 500—599)
VI Natural Resources Conservation Service, Department of Agriculture (Parts 600—699)
VII Farm Service Agency, Department of Agriculture (Parts 700—799)
VIII Grain Inspection, Packers and Stockyards Administration (Federal Grain Inspection Service), Department of Agriculture (Parts 800—899)
IX Agricultural Marketing Service (Marketing Agreements and Orders; Fruits, Vegetables, Nuts), Department of Agriculture (Parts 900—999)
X Agricultural Marketing Service (Marketing Agreements and Orders; Milk), Department of Agriculture (Parts 1000—1199)
XI Agricultural Marketing Service (Marketing Agreements and Orders; Miscellaneous Commodities), Department of Agriculture (Parts 1200—1299)
XIII Northeast Dairy Compact Commission (Parts 1300—1399)
XIV Commodity Credit Corporation, Department of Agriculture (Parts 1400—1499)
XV Foreign Agricultural Service, Department of Agriculture (Parts 1500—1599)
XVI Rural Telephone Bank, Department of Agriculture (Parts 1600—1699)
XVII Rural Utilities Service, Department of Agriculture (Parts 1700—1799)
XVIII Rural Housing Service, Rural Business-Cooperative Service, and Farm Service Agency, Department of Agriculture (Parts 1800—1899)
XXVI Office of Inspector General, Department of Agriculture (Parts 2600—2699)
XXVII Office of Information Resources Management, Department of Agriculture (Parts 2700—2799)
XXVIII Office of Operations, Department of Agriculture (Parts 2800—2899)
XXIX Office of Energy, Department of Agriculture (Parts 2900—2999)
XXX Office of the Chief Financial Officer, Department of Agriculture (Parts 3000—3099)
XXXI Office of Environmental Quality, Department of Agriculture (Parts 3100—3199)
XXXII [Reserved]
XXXIII Office of Transportation, Department of Agriculture (Parts 3300—3399)
XXXIV Cooperative State Research, Education, and Extension Service, Department of Agriculture (Parts 3400—3499)
XXXV Rural Housing Service, Department of Agriculture (Parts 3500—3599)
Title 7—Agriculture—Continued

XXXVI National Agricultural Statistics Service, Department of Agriculture (Parts 3600–3699)

XXXVII Economic Research Service, Department of Agriculture (Parts 3700–3799)

XXXVIII World Agricultural Outlook Board, Department of Agriculture (Parts 3800–3899)

XLI [Reserved]

XLII Rural Business-Cooperative Service and Rural Utilities Service, Department of Agriculture (Parts 4200–4299)

Title 8—Aliens and Nationality

I Immigration and Naturalization Service, Department of Justice (Parts 1–499)

Title 9—Animals and Animal Products

I Animal and Plant Health Inspection Service, Department of Agriculture (Parts 1–199)

II Grain Inspection, Packers and Stockyards Administration (Packers and Stockyards Programs), Department of Agriculture (Parts 200–299)

III Food Safety and Inspection Service, Meat and Poultry Inspection, Department of Agriculture (Parts 300–599)

Title 10—Energy

I Nuclear Regulatory Commission (Parts 0–199)

II Department of Energy (Parts 200–699)

III Department of Energy (Parts 700–999)

X Department of Energy (General Provisions) (Parts 1000–1099)

XI United States Enrichment Corporation (Parts 1100–1199)

XV Office of the Federal Inspector for the Alaska Natural Gas Transportation System (Parts 1500–1599)

XVII Defense Nuclear Facilities Safety Board (Parts 1700–1799)

Title 11—Federal Elections

I Federal Election Commission (Parts 1–9099)

Title 12—Banks and Banking

I Comptroller of the Currency, Department of the Treasury (Parts 1–199)

II Federal Reserve System (Parts 200–299)

III Federal Deposit Insurance Corporation (Parts 300–399)

IV Export-Import Bank of the United States (Parts 400–499)

V Office of Thrift Supervision, Department of the Treasury (Parts 500–599)

VI Farm Credit Administration (Parts 600–699)

VII National Credit Union Administration (Parts 700–799)
Title 12—Banks and Banking—Continued

Chap.

VIII Federal Financing Bank (Parts 800—899)
IX Federal Housing Finance Board (Parts 900—999)
XI Federal Financial Institutions Examination Council (Parts 1100—1199)
XIV Farm Credit System Insurance Corporation (Parts 1400—1499)
XV Thrift Depositor Protection Oversight Board (Parts 1500—1599)
XVII Office of Federal Housing Enterprise Oversight, Department of Housing and Urban Development (Parts 1700-1799)
XVIII Community Development Financial Institutions Fund, Department of the Treasury (Parts 1800—1899)

Title 13—Business Credit and Assistance

I Small Business Administration (Parts 1—199)
III Economic Development Administration, Department of Commerce (Parts 300—399)

Title 14—Aeronautics and Space

I Federal Aviation Administration, Department of Transportation (Parts 1—199)
II Office of the Secretary, Department of Transportation (Aviation Proceedings) (Parts 200—399)
III Commercial Space Transportation, Federal Aviation Administration, Department of Transportation (Parts 400—499)
V National Aeronautics and Space Administration (Parts 1200—1299)

Title 15—Commerce and Foreign Trade

SUBTITLE A—Office of the Secretary of Commerce (Parts 0—29)
SUBTITLE B—Regulations Relating to Commerce and Foreign Trade
I Bureau of the Census, Department of Commerce (Parts 30—199)
II National Institute of Standards and Technology, Department of Commerce (Parts 200—299)
III International Trade Administration, Department of Commerce (Parts 300—399)
IV Foreign-Trade Zones Board, Department of Commerce (Parts 400—499)
VII Bureau of Export Administration, Department of Commerce (Parts 700—799)
VIII Bureau of Economic Analysis, Department of Commerce (Parts 800—899)
IX National Oceanic and Atmospheric Administration, Department of Commerce (Parts 900—999)
XI Technology Administration, Department of Commerce (Parts 1100—1199)
XIII East-West Foreign Trade Board (Parts 1300—1399)
XIV Minority Business Development Agency (Parts 1400—1499)
Title 15—Commerce and Foreign Trade—Continued

Chap.

Subtitle C—Regulations Relating to Foreign Trade Agreements

XX Office of the United States Trade Representative (Parts 2000—2099)

Subtitle D—Regulations Relating to Telecommunications and Information

XXIII National Telecommunications and Information Administration, Department of Commerce (Parts 2300—2399)

Title 16—Commercial Practices

I Federal Trade Commission (Parts 0—999)
II Consumer Product Safety Commission (Parts 1000—1799)

Title 17—Commodity and Securities Exchanges

I Commodity Futures Trading Commission (Parts 1—199)
II Securities and Exchange Commission (Parts 200—399)
IV Department of the Treasury (Parts 400—499)

Title 18—Conservation of Power and Water Resources

I Federal Energy Regulatory Commission, Department of Energy (Parts 1—399)
III Delaware River Basin Commission (Parts 400—499)
VI Water Resources Council (Parts 700—799)
VIII Susquehanna River Basin Commission (Parts 800—899)
XIII Tennessee Valley Authority (Parts 1300—1399)

Title 19—Customs Duties

I United States Customs Service, Department of the Treasury (Parts 1—199)
II United States International Trade Commission (Parts 200—299)
III International Trade Administration, Department of Commerce (Parts 300—399)

Title 20—Employees’ Benefits

I Office of Workers’ Compensation Programs, Department of Labor (Parts 1—199)
II Railroad Retirement Board (Parts 200—399)
III Social Security Administration (Parts 400—499)
IV Employees’ Compensation Appeals Board, Department of Labor (Parts 500—599)
V Employment and Training Administration, Department of Labor (Parts 600—699)
VI Employment Standards Administration, Department of Labor (Parts 700—799)
VII Benefits Review Board, Department of Labor (Parts 800—899)
VIII Joint Board for the Enrollment of Actuaries (Parts 900—999)

454
Title 20—Employees' Benefits—Continued

Chap. IX Office of the Assistant Secretary for Veterans' Employment and Training, Department of Labor (Parts 1000—1099)

Title 21—Food and Drugs

I Food and Drug Administration, Department of Health and Human Services (Parts 1—1299)
II Drug Enforcement Administration, Department of Justice (Parts 1300—1399)
III Office of National Drug Control Policy (Parts 1400—1499)

Title 22—Foreign Relations

I Department of State (Parts 1—199)
II Agency for International Development, International Development Cooperation Agency (Parts 200—299)
III Peace Corps (Parts 300—399)
IV International Joint Commission, United States and Canada (Parts 400—499)
V United States Information Agency (Parts 500—599)
VI United States Arms Control and Disarmament Agency (Parts 600—699)
VII Overseas Private Investment Corporation, International Development Cooperation Agency (Parts 700—799)
IX Foreign Service Grievance Board Regulations (Parts 900—999)
X Inter-American Foundation (Parts 1000—1099)
XI International Boundary and Water Commission, United States and Mexico, United States Section (Parts 1100—1199)
XII United States International Development Cooperation Agency (Parts 1200—1299)
XIII Board for International Broadcasting (Parts 1300—1399)
XIV Foreign Service Labor Relations Board; Federal Labor Relations Authority; General Counsel of the Federal Labor Relations Authority; and the Foreign Service Impasse Disputes Panel (Parts 1400—1499)
XV African Development Foundation (Parts 1500—1599)
XVI Japan-United States Friendship Commission (Parts 1600—1699)
XVII United States Institute of Peace (Parts 1700—1799)

Title 23—Highways

I Federal Highway Administration, Department of Transportation (Parts 1—999)
II National Highway Traffic Safety Administration and Federal Highway Administration, Department of Transportation (Parts 1200—1299)
III National Highway Traffic Safety Administration, Department of Transportation (Parts 1300—1399)
Title 24—Housing and Urban Development

Chap.

Subtitle A—Office of the Secretary, Department of Housing and Urban Development (Parts 0—99)

Subtitle B—Regulations Relating to Housing and Urban Development

I Office of Assistant Secretary for Equal Opportunity, Department of Housing and Urban Development (Parts 100—199)

II Office of Assistant Secretary for Housing-Federal Housing Commissioner, Department of Housing and Urban Development (Parts 200—299)

III Government National Mortgage Association, Department of Housing and Urban Development (Parts 300—399)

V Office of Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development (Parts 500—599)

VI Office of Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development (Parts 600—699) [Reserved]

VII Office of the Secretary, Department of Housing and Urban Development (Housing Assistance Programs and Public and Indian Housing Programs) (Parts 700—799)

VIII Office of the Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development (Section 8 Housing Assistance Programs and Section 202 Direct Loan Program) (Parts 800—899)

IX Office of Assistant Secretary for Public and Indian Housing, Department of Housing and Urban Development (Parts 900—999)

X Office of Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development (Interstate Land Sales Registration Program) (Parts 1700—1799)

XII Office of Inspector General, Department of Housing and Urban Development (Parts 2000—2099)

XX Office of Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development (Parts 3200—3899)

XXV Neighborhood Reinvestment Corporation (Parts 4100—4199)

Title 25—Indians

I Bureau of Indian Affairs, Department of the Interior (Parts 1—299)

II Indian Arts and Crafts Board, Department of the Interior (Parts 300—399)

III National Indian Gaming Commission, Department of the Interior (Parts 500—599)

IV Office of Navajo and Hopi Indian Relocation (Parts 700—799)

V Bureau of Indian Affairs, Department of the Interior, and Indian Health Service, Department of Health and Human Services (Part 900)

VI Office of the Assistant Secretary-Indian Affairs, Department of the Interior (Part 1001)
**Title 25—Indians—Continued**

<table>
<thead>
<tr>
<th>Chap.</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>VII</td>
<td>Office of the Special Trustee for American Indians, Department of the Interior (Part 1200)</td>
</tr>
</tbody>
</table>

**Title 26—Internal Revenue**

<table>
<thead>
<tr>
<th>I</th>
<th>Title</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Revenue Service, Department of the Treasury (Parts 1—799)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Title 27—Alcohol, Tobacco Products and Firearms**

<table>
<thead>
<tr>
<th>I</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury (Parts 1—299)</td>
<td></td>
</tr>
</tbody>
</table>

**Title 28—Judicial Administration**

<table>
<thead>
<tr>
<th>I</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Justice (Parts 0—199)</td>
<td></td>
</tr>
<tr>
<td>III</td>
<td>Federal Prison Industries, Inc., Department of Justice (Parts 300—399)</td>
</tr>
<tr>
<td>V</td>
<td>Bureau of Prisons, Department of Justice (Parts 500—599)</td>
</tr>
<tr>
<td>VI</td>
<td>Offices of Independent Counsel, Department of Justice (Parts 600—699)</td>
</tr>
<tr>
<td>VII</td>
<td>Office of Independent Counsel (Parts 700—799)</td>
</tr>
</tbody>
</table>

**Title 29—Labor**

<p>| Subtitle A—Office of the Secretary of Labor (Parts 0—99) |
| Subtitle B—Regulations Relating to Labor |</p>
<table>
<thead>
<tr>
<th>I</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Labor Relations Board (Parts 100—199)</td>
<td></td>
</tr>
<tr>
<td>II</td>
<td>Office of Labor-Management Standards, Department of Labor (Parts 200—299)</td>
</tr>
<tr>
<td>III</td>
<td>National Railroad Adjustment Board (Parts 300—399)</td>
</tr>
<tr>
<td>IV</td>
<td>Office of Labor-Management Standards, Department of Labor (Parts 400—499)</td>
</tr>
<tr>
<td>V</td>
<td>Wage and Hour Division, Department of Labor (Parts 500—899)</td>
</tr>
<tr>
<td>IX</td>
<td>Construction Industry Collective Bargaining Commission (Parts 900—999)</td>
</tr>
<tr>
<td>X</td>
<td>National Mediation Board (Parts 1200—1299)</td>
</tr>
<tr>
<td>XII</td>
<td>Federal Mediation and Conciliation Service (Parts 1400—1499)</td>
</tr>
<tr>
<td>XIV</td>
<td>Equal Employment Opportunity Commission (Parts 1600—1699)</td>
</tr>
<tr>
<td>XVII</td>
<td>Occupational Safety and Health Administration, Department of Labor (Parts 1900—1999)</td>
</tr>
<tr>
<td>XX</td>
<td>Occupational Safety and Health Review Commission (Parts 2200—2499)</td>
</tr>
<tr>
<td>XXV</td>
<td>Pension and Welfare Benefits Administration, Department of Labor (Parts 2500—2599)</td>
</tr>
<tr>
<td>XXVII</td>
<td>Federal Mine Safety and Health Review Commission (Parts 2700—2799)</td>
</tr>
<tr>
<td>XL</td>
<td>Pension Benefit Guaranty Corporation (Parts 4000—4999)</td>
</tr>
</tbody>
</table>
**Title 30—Mineral Resources**

Chap. I Mine Safety and Health Administration, Department of Labor (Parts 1—199)
II Minerals Management Service, Department of the Interior (Parts 200—299)
III Board of Surface Mining and Reclamation Appeals, Department of the Interior (Parts 300—399)
IV Geological Survey, Department of the Interior (Parts 400—499)
VI Bureau of Mines, Department of the Interior (Parts 600—699)
VII Office of Surface Mining Reclamation and Enforcement, Department of the Interior (Parts 700—999)

**Title 31—Money and Finance: Treasury**

Subtitle A—Office of the Secretary of the Treasury (Parts 0—50)
Subtitle B—Regulations Relating to Money and Finance
I Monetary Offices, Department of the Treasury (Parts 51—199)
II Fiscal Service, Department of the Treasury (Parts 200—399)
IV Secret Service, Department of the Treasury (Parts 400—499)
V Office of Foreign Assets Control, Department of the Treasury (Parts 500—599)
VI Bureau of Engraving and Printing, Department of the Treasury (Parts 600—699)
VII Federal Law Enforcement Training Center, Department of the Treasury (Parts 700—799)
VIII Office of International Investment, Department of the Treasury (Parts 800—899)

**Title 32—National Defense**

Subtitle A—Department of Defense
I Office of the Secretary of Defense (Parts 1—399)
V Department of the Army (Parts 400—699)
VI Department of the Navy (Parts 700—799)
VII Department of the Air Force (Parts 800—1099)
Subtitle B—Other Regulations Relating to National Defense
XII Defense Logistics Agency (Parts 1200—1299)
XVI Selective Service System (Parts 1600—1699)
XIX Central Intelligence Agency (Parts 1900—1999)
XX Information Security Oversight Office, National Archives and Records Administration (Parts 2000—2099)
XXI National Security Council (Parts 2100—2199)
XXIV Office of Science and Technology Policy (Parts 2400—2499)
XXVII Office for Micronesian Status Negotiations (Parts 2700—2799)
XXVIII Office of the Vice President of the United States (Parts 2800—2899)
XXIX Presidential Commission on the Assignment of Women in the Armed Forces (Part 2900)
Title 33—Navigation and Navigable Waters

I Coast Guard, Department of Transportation (Parts 1—199)
II Corps of Engineers, Department of the Army (Parts 200—399)
IV Saint Lawrence Seaway Development Corporation, Department of Transportation (Parts 400—499)

Title 34—Education

SUBTITLE A—Office of the Secretary, Department of Education (Parts 1—99)
SUBTITLE B—Regulations of the Offices of the Department of Education
I Office for Civil Rights, Department of Education (Parts 100—199)
II Office of Elementary and Secondary Education, Department of Education (Parts 200—299)
III Office of Special Education and Rehabilitative Services, Department of Education (Parts 300—399)
IV Office of Vocational and Adult Education, Department of Education (Parts 400—499)
V Office of Bilingual Education and Minority Languages Affairs, Department of Education (Parts 500—599)
VI Office of Postsecondary Education, Department of Education (Parts 600—699)
VII Office of Educational Research and Improvement, Department of Education (Parts 700—799)
XI National Institute for Literacy (Parts 1100—1199)
SUBTITLE C—Regulations Relating to Education
XII National Council on Disability (Parts 1200—1299)

Title 35—Panama Canal

I Panama Canal Regulations (Parts 1—299)

Title 36—Parks, Forests, and Public Property

I National Park Service, Department of the Interior (Parts 1—199)
II Forest Service, Department of Agriculture (Parts 200—299)
III Corps of Engineers, Department of the Army (Parts 300—399)
IV American Battle Monuments Commission (Parts 400—499)
V Smithsonian Institution (Parts 500—599)
VII Library of Congress (Parts 700—799)
VIII Advisory Council on Historic Preservation (Parts 800—899)
IX Pennsylvania Avenue Development Corporation (Parts 900—999)
XI Architectural and Transportation Barriers Compliance Board (Parts 1100—1199)
XII National Archives and Records Administration (Parts 1200—1299)
XIV Assassination Records Review Board (Parts 1400—1499)
Title 37—Patents, Trademarks, and Copyrights

Chap.

I Patent and Trademark Office, Department of Commerce (Parts 1—199)
II Copyright Office, Library of Congress (Parts 200—299)
IV Assistant Secretary for Technology Policy, Department of Commerce (Parts 400—499)
V Under Secretary for Technology, Department of Commerce (Parts 500—599)

Title 38—Pensions, Bonuses, and Veterans’ Relief

I Department of Veterans Affairs (Parts 0—99)

Title 39—Postal Service

I United States Postal Service (Parts 1—999)
III Postal Rate Commission (Parts 3000—3099)

Title 40—Protection of Environment

I Environmental Protection Agency (Parts 1—799)
V Council on Environmental Quality (Parts 1500—1599)

Title 41—Public Contracts and Property Management

SUBTITLE B—Other Provisions Relating to Public Contracts
50 Public Contracts, Department of Labor (Parts 50±1—50±999)
51 Committee for Purchase From People Who Are Blind or Severely Disabled (Parts 51±1—51±99)
60 Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Parts 60±1—60±999)
61 Office of the Assistant Secretary for Veterans Employment and Training, Department of Labor (Parts 61±1—61±999)

SUBTITLE C—Federal Property Management Regulations System
101 Federal Property Management Regulations (Parts 101±1—101±99)
105 General Services Administration (Parts 105±1—105±999)
109 Department of Energy Property Management Regulations (Parts 109±1—109±999)
114 Department of the Interior (Parts 114±1—114±99)
115 Environmental Protection Agency (Parts 115±1—115±99)
128 Department of Justice (Parts 128±1—128±99)

SUBTITLE D—Other Provisions Relating to Property Management [Reserved]

SUBTITLE E—Federal Information Resources Management Regulations System
201 Federal Information Resources Management Regulation (Parts 201±1—201±999) [Reserved]

SUBTITLE F—Federal Travel Regulation System
301 Travel Allowances (Parts 301±1—301±999)
302 Relocation Allowances (Parts 302±1—302±999)

460
Title 41—Public Contracts and Property Management—Continued

Chap. 303 Payment of Expenses Connected with the Death of Certain Employees (Parts 303–1—303–2)

Chap. 304 Payment from a Non-Federal Source for Travel Expenses (Parts 304–1—304–99)

Title 42—Public Health

I Public Health Service, Department of Health and Human Services (Parts 1—199)

IV Health Care Financing Administration, Department of Health and Human Services (Parts 400—499)

V Office of Inspector General—Health Care, Department of Health and Human Services (Parts 1000—1999)

Title 43—Public Lands: Interior

SUBTITLE A—Office of the Secretary of the Interior (Parts 1—199)

SUBTITLE B—Regulations Relating to Public Lands

I Bureau of Reclamation, Department of the Interior (Parts 200—499)

II Bureau of Land Management, Department of the Interior (Parts 1000—9999)

III Utah Reclamation Mitigation and Conservation Commission (Parts 10000—10005)

Title 44—Emergency Management and Assistance

I Federal Emergency Management Agency (Parts 0—399)

IV Department of Commerce and Department of Transportation (Parts 400—499)

Title 45—Public Welfare

SUBTITLE A—Department of Health and Human Services (Parts 1—199)

SUBTITLE B—Regulations Relating to Public Welfare

II Office of Family Assistance (Assistance Programs), Administration for Children and Families, Department of Health and Human Services (Parts 200—299)

III Office of Child Support Enforcement (Child Support Enforcement Program), Administration for Children and Families, Department of Health and Human Services (Parts 300—399)

IV Office of Refugee Resettlement, Administration for Children and Families Department of Health and Human Services (Parts 400—499)

V Foreign Claims Settlement Commission of the United States, Department of Justice (Parts 500—599)

VI National Science Foundation (Parts 600—699)

VII Commission on Civil Rights (Parts 700—799)

VIII Office of Personnel Management (Parts 800—899)
Title 45—Public Welfare—Continued

Chap.
X Office of Community Services, Administration for Children and Families, Department of Health and Human Services (Parts 1000—1099)
XI National Foundation on the Arts and the Humanities (Parts 1100—1199)
XII ACTION (Parts 1200—1299)
XIII Office of Human Development Services, Department of Health and Human Services (Parts 1300—1399)
XVI Legal Services Corporation (Parts 1600—1699)
XVII National Commission on Libraries and Information Science (Parts 1700—1799)
XVIII Harry S. Truman Scholarship Foundation (Parts 1800—1899)
XXI Commission on Fine Arts (Parts 2100—2199)
XXII Christopher Columbus Quincentenary Jubilee Commission (Parts 2200—2299)
XXIII Arctic Research Commission (Part 2301)
XXIV James Madison Memorial Fellowship Foundation (Parts 2400—2499)
XXV Corporation for National and Community Service (Parts 2500—2599)

Title 46—Shipping

I Coast Guard, Department of Transportation (Parts 1—199)
II Maritime Administration, Department of Transportation (Parts 200—399)
IV Federal Maritime Commission (Parts 500—599)

Title 47—Telecommunication

I Federal Communications Commission (Parts 0—199)
II Office of Science and Technology Policy and National Security Council (Parts 200—299)
III National Telecommunications and Information Administration, Department of Commerce (Parts 300—399)

Title 48—Federal Acquisition Regulations System

1 Federal Acquisition Regulation (Parts 1—99)
2 Department of Defense (Parts 200—299)
3 Department of Health and Human Services (Parts 300—399)
4 Department of Agriculture (Parts 400—499)
5 General Services Administration (Parts 500—599)
6 Department of State (Parts 600—699)
7 United States Agency for International Development (Parts 700—799)
8 Department of Veterans Affairs (Parts 800—899)
9 Department of Energy (Parts 900—999)
10 Department of the Treasury (Parts 1000—1099)
Title 48—Federal Acquisition Regulations System—Continued

12 Department of Transportation (Parts 1200—1299)
13 Department of Commerce (Parts 1300—1399)
14 Department of the Interior (Parts 1400—1499)
15 Environmental Protection Agency (Parts 1500—1599)
16 Office of Personnel Management Federal Employees Health Benefits Acquisition Regulation (Parts 1600—1699)
17 Office of Personnel Management (Parts 1700—1799)
18 National Aeronautics and Space Administration (Parts 1800—1899)
19 United States Information Agency (Parts 1900—1999)
20 Nuclear Regulatory Commission (Parts 2000—2099)
21 Office of Personnel Management, Federal Employees Group Life Insurance Federal Acquisition Regulation (Parts 2100—2199)
23 Social Security Administration (Parts 2300—2399)
24 Department of Housing and Urban Development (Parts 2400—2499)
25 National Science Foundation (Parts 2500—2599)
28 Department of Justice (Parts 2800—2899)
29 Department of Labor (Parts 2900—2999)
34 Department of Education Acquisition Regulation (Parts 3400—3499)
35 Panama Canal Commission (Parts 3500—3599)
44 Federal Emergency Management Agency (Parts 4400—4499)
51 Department of the Army Acquisition Regulations (Parts 5100—5199)
52 Department of the Navy Acquisition Regulations (Parts 5200—5299)
53 Department of the Air Force Federal Acquisition Regulation Supplement (Parts 5300—5399)
54 Defense Logistics Agency, Department of Defense (Part 5452)
57 African Development Foundation (Parts 5700—5799)
61 General Services Administration Board of Contract Appeals (Parts 6100—6199)
63 Department of Transportation Board of Contract Appeals (Parts 6300—6399)
99 Cost Accounting Standards Board, Office of Federal Procurement Policy, Office of Management and Budget (Parts 9900—9999)

Title 49—Transportation

Subtitle A—Office of the Secretary of Transportation (Parts 1—99)
Subtitle B—Other Regulations Relating to Transportation
1 Research and Special Programs Administration, Department of Transportation (Parts 100—199)
11 Federal Railroad Administration, Department of Transportation (Parts 200—299)
Title 49—Transportation—Continued

III Federal Highway Administration, Department of Transportation (Parts 300—999)

IV Coast Guard, Department of Transportation (Parts 400—499)

V National Highway Traffic Safety Administration, Department of Transportation (Parts 500—999)

VI Federal Transit Administration, Department of Transportation (Parts 600—999)

VII National Railroad Passenger Corporation (AMTRAK) (Parts 700—799)

VIII National Transportation Safety Board (Parts 800—999)

X Surface Transportation Board, Department of Transportation (Parts 1000—1399)

Title 50—Wildlife and Fisheries

I United States Fish and Wildlife Service, Department of the Interior (Parts 1—199)

II National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce (Parts 200—299)

III International Fishing and Related Activities (Parts 300—399)

IV Joint Regulations (United States Fish and Wildlife Service, Department of the Interior and National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce), Endangered Species Committee Regulations (Parts 400—499)

V Marine Mammal Commission (Parts 500—599)

VI Fishery Conservation and Management, National Oceanic and Atmospheric Administration, Department of Commerce (Parts 600—699)

CFR Index and Finding Aids

Subject/Agency Index
List of Agency Prepared Indexes
Parallel Tables of Statutory Authorities and Rules
List of CFR Titles, Chapters, Subchapters, and Parts
Alphabetical List of Agencies Appearing in the CFR
## Alphabetical List of Agencies Appearing in the CFR

(Revised as of January 1, 1998)

<table>
<thead>
<tr>
<th>Agency</th>
<th>CFR Title, Subtitle or Chapter</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACTION</td>
<td>45, XII</td>
</tr>
<tr>
<td>Adminis. Comm. of the Fed. Register</td>
<td>1, I</td>
</tr>
<tr>
<td>Advanced Research Projects Agency</td>
<td>32, I</td>
</tr>
<tr>
<td>Advisory Commission on Intergovernmental Relations</td>
<td>5, VII</td>
</tr>
<tr>
<td>Advisory Committee on Federal Pay</td>
<td>5, IV</td>
</tr>
<tr>
<td>Advisory Council on Historic Preservation</td>
<td>36, VIII</td>
</tr>
<tr>
<td>African Development Foundation</td>
<td>22, XV</td>
</tr>
<tr>
<td>F ederal Acquisition Regulation</td>
<td>48, 57</td>
</tr>
<tr>
<td>Agency for International Development, United States</td>
<td>22, II</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 7</td>
</tr>
<tr>
<td>Agricultural Marketing Service</td>
<td>7, I, IX, X, XI</td>
</tr>
<tr>
<td>Agricultural Research Service</td>
<td>7, V</td>
</tr>
<tr>
<td>Agriculture Department</td>
<td></td>
</tr>
<tr>
<td>Agricultural Marketing Service</td>
<td>7, I, IX, X, XI</td>
</tr>
<tr>
<td>Agricultural Research Service</td>
<td>7, V</td>
</tr>
<tr>
<td>Animal and Plant Health Inspection Service</td>
<td>7, III; 9, I</td>
</tr>
<tr>
<td>Chief Financial Officer, Office of</td>
<td>7, XXX</td>
</tr>
<tr>
<td>Commodity Credit Corporation</td>
<td>7, XIV</td>
</tr>
<tr>
<td>Cooperative State Research, Education, and Extension Service</td>
<td>7, XXXIV</td>
</tr>
<tr>
<td>Economic Research Service</td>
<td>7, XXXVII</td>
</tr>
<tr>
<td>Energy, Office of</td>
<td>7, XXXIX</td>
</tr>
<tr>
<td>Environmental Quality, Office of</td>
<td>7, XXXI</td>
</tr>
<tr>
<td>Farm Service Agency</td>
<td>7, VII, XVIII</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 4</td>
</tr>
<tr>
<td>Federal Crop Insurance Corporation</td>
<td>7, IV</td>
</tr>
<tr>
<td>Food and Consumer Service</td>
<td>7, II</td>
</tr>
<tr>
<td>Food Safety and Inspection Service</td>
<td>9, III</td>
</tr>
<tr>
<td>Foreign Agricultural Service</td>
<td>7, XV</td>
</tr>
<tr>
<td>Forest Service</td>
<td>36, II</td>
</tr>
<tr>
<td>Grain Inspection, Packers and Stockyards Administration</td>
<td>7, VIII; 9, II</td>
</tr>
<tr>
<td>Information Resources Management, Office of</td>
<td>7, XXVII</td>
</tr>
<tr>
<td>Inspector General, Office of</td>
<td>7, XXVI</td>
</tr>
<tr>
<td>National Agricultural Library</td>
<td>7, XLI</td>
</tr>
<tr>
<td>National Agricultural Statistics Service</td>
<td>7, XXXVI</td>
</tr>
<tr>
<td>National Resources Conservation Service</td>
<td>7, VII</td>
</tr>
<tr>
<td>Operations, Office of</td>
<td>7, XXVIII</td>
</tr>
<tr>
<td>Rural Business-Cooperative Service</td>
<td>7, XVIII, XLII</td>
</tr>
<tr>
<td>Rural Development Administration</td>
<td>7, XLII</td>
</tr>
<tr>
<td>Rural Housing Service</td>
<td>7, XVIII, XXXV</td>
</tr>
<tr>
<td>Rural Telephone Bank</td>
<td>7, XIX</td>
</tr>
<tr>
<td>Rural Utilities Service</td>
<td>7, XVII, XVIII, XLII</td>
</tr>
<tr>
<td>Secretary of Agriculture, Office of</td>
<td>7, Subtitle A</td>
</tr>
<tr>
<td>Transportation, Office of</td>
<td>7, XXXIII</td>
</tr>
<tr>
<td>World Agricultural Outlook Board</td>
<td>7, XXXVIII</td>
</tr>
<tr>
<td>Air Force Department</td>
<td>32, VII</td>
</tr>
<tr>
<td>Federal Acquisition Regulation Supplement</td>
<td>48, 53</td>
</tr>
<tr>
<td>Alaska Natural Gas Transportation System, Office of the Federal Inspector</td>
<td>10, XV</td>
</tr>
<tr>
<td>Alcohol, Tobacco and Firearms, Bureau of</td>
<td>27, I</td>
</tr>
<tr>
<td>AMTRAK</td>
<td>49, VII</td>
</tr>
<tr>
<td>American Battle Monuments Commission</td>
<td>36, IV</td>
</tr>
<tr>
<td>American Indians, Office of the Special Trustee</td>
<td>25, VII</td>
</tr>
<tr>
<td>Agency</td>
<td>CFR Title, Subtitle or Chapter</td>
</tr>
<tr>
<td>------------------------------------------------------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>Animal and Plant Health Inspection Service</td>
<td>7, III; 9, I</td>
</tr>
<tr>
<td>Appalachian Regional Commission</td>
<td>5, IX</td>
</tr>
<tr>
<td>Architectural and Transportation Barriers Compliance Board</td>
<td>36, XI</td>
</tr>
<tr>
<td>Arctic Research Commission</td>
<td>45, XXIII</td>
</tr>
<tr>
<td>Armed Forces Retirement Home</td>
<td>5, XI</td>
</tr>
<tr>
<td>Arms Control and Disarmament Agency, United States</td>
<td>22, VI</td>
</tr>
<tr>
<td>Army Department</td>
<td>32, V</td>
</tr>
<tr>
<td>Engineers, Corps of</td>
<td>33, II; 36, III</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 51</td>
</tr>
<tr>
<td>Assassination Records Review Board</td>
<td>36, XIV</td>
</tr>
<tr>
<td>Benefits Review Board</td>
<td>20, VII</td>
</tr>
<tr>
<td>Bilingual Education and Minority Languages Affairs, Office of</td>
<td>34, V</td>
</tr>
<tr>
<td>Blind or Severely Disabled, Committee for Purchase From People Who Are</td>
<td>41, 51</td>
</tr>
<tr>
<td>Board for International Broadcasting</td>
<td>22, XIII</td>
</tr>
<tr>
<td>Census Bureau</td>
<td>15, I</td>
</tr>
<tr>
<td>Central Intelligence Agency</td>
<td>32, XIX</td>
</tr>
<tr>
<td>Chief Financial Officer, Office of</td>
<td>7, XXX</td>
</tr>
<tr>
<td>Child Support Enforcement, Office of</td>
<td>45, III</td>
</tr>
<tr>
<td>Children and Families, Administration for</td>
<td>45, II, III, IV, X</td>
</tr>
<tr>
<td>Christopher Columbus Quincentenary Jubilee Commission</td>
<td>45, XXII</td>
</tr>
<tr>
<td>Civil Rights, Commission on</td>
<td>45, VII</td>
</tr>
<tr>
<td>Civil Rights, Office for</td>
<td>34, I</td>
</tr>
<tr>
<td>Coast Guard</td>
<td>33, I; 45, I; 49, IV</td>
</tr>
<tr>
<td>Commerce Department</td>
<td>44, IV</td>
</tr>
<tr>
<td>Census Bureau</td>
<td>15, I</td>
</tr>
<tr>
<td>Economic Affairs, Under Secretary</td>
<td>37, V</td>
</tr>
<tr>
<td>Economic Analysis, Bureau of</td>
<td>15, VIII</td>
</tr>
<tr>
<td>Economic Development Administration</td>
<td>13, III</td>
</tr>
<tr>
<td>Emergency Management and Assistance</td>
<td>44, IV</td>
</tr>
<tr>
<td>Export Administration, Bureau of</td>
<td>15, VII</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 13</td>
</tr>
<tr>
<td>Fishery Conservation and Management</td>
<td>50, VI</td>
</tr>
<tr>
<td>Foreign-Trade Zones Board</td>
<td>15, IV</td>
</tr>
<tr>
<td>International Trade Administration</td>
<td>15, III; 19, III</td>
</tr>
<tr>
<td>National Institute of Standards and Technology</td>
<td>15, II</td>
</tr>
<tr>
<td>National Marine Fisheries Service</td>
<td>50, II, IV</td>
</tr>
<tr>
<td>National Oceanic and Atmospheric Administration</td>
<td>15, I; 50, II, III, IV, VI</td>
</tr>
<tr>
<td>National Telecommunications and Information</td>
<td>15, XXIII; 47, III</td>
</tr>
<tr>
<td>Administration</td>
<td></td>
</tr>
<tr>
<td>National Weather Service</td>
<td>15, I</td>
</tr>
<tr>
<td>Patent and Trademark Office</td>
<td>37, I</td>
</tr>
<tr>
<td>Productivity, Technology and Innovation, Assistant Secretary for</td>
<td>37, IV</td>
</tr>
<tr>
<td>Secretary for</td>
<td></td>
</tr>
<tr>
<td>Secretary of Commerce, Office of</td>
<td>15, Subtitle A</td>
</tr>
<tr>
<td>Technology, Under Secretary for</td>
<td>37, V</td>
</tr>
<tr>
<td>Technology Administration</td>
<td>15, XI</td>
</tr>
<tr>
<td>Technology Policy, Assistant Secretary for</td>
<td>37, IV</td>
</tr>
<tr>
<td>Commercial Space Transportation</td>
<td>14, III</td>
</tr>
<tr>
<td>Commodity Credit Corporation</td>
<td>7, XIV</td>
</tr>
<tr>
<td>Commodity Futures Trading Commission</td>
<td>5, XLI; 17, I</td>
</tr>
<tr>
<td>Community Planning and Development, Office of Assistant Secretary for</td>
<td>24, V, VI</td>
</tr>
<tr>
<td>Secretory for</td>
<td></td>
</tr>
<tr>
<td>Community Services, Office of</td>
<td>45, X</td>
</tr>
<tr>
<td>Comptroller of the Currency</td>
<td>12, I</td>
</tr>
<tr>
<td>Construction Industry Collective Bargaining Commission</td>
<td>29, IX</td>
</tr>
<tr>
<td>Consumer Product Safety Commission</td>
<td>5, LXXI; 16, II</td>
</tr>
<tr>
<td>Cooperative State Research, Education, and Extension Service</td>
<td>7, XXXIV</td>
</tr>
<tr>
<td>Copyright Office</td>
<td>37, II</td>
</tr>
<tr>
<td>Cost Accounting Standards Board</td>
<td>48, 99</td>
</tr>
<tr>
<td>Council on Environmental Quality</td>
<td>40, V</td>
</tr>
<tr>
<td>Customs Service, United States</td>
<td>19, I</td>
</tr>
<tr>
<td>Defense Contract Audit Agency</td>
<td>32, I</td>
</tr>
<tr>
<td>Defense Department</td>
<td>5, XXVI; 32, Subtitle A</td>
</tr>
<tr>
<td>Advanced Research Projects Agency</td>
<td>32, I</td>
</tr>
<tr>
<td>Air Force Department</td>
<td>32, VII</td>
</tr>
<tr>
<td>Agency</td>
<td>CFR Title,Subtitle or Chapter</td>
</tr>
<tr>
<td>--------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Army Department</td>
<td>32, V; 33, II; 36, III, 48, 51</td>
</tr>
<tr>
<td>Defense Intelligence Agency</td>
<td>32, I</td>
</tr>
<tr>
<td>Defense Logistics Agency</td>
<td>32, I, XII; 48, 54</td>
</tr>
<tr>
<td>Engineers, Corps of</td>
<td>33, II; 36, III</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 2</td>
</tr>
<tr>
<td>National Imagery and Mapping Agency</td>
<td>32, I</td>
</tr>
<tr>
<td>Navy Department</td>
<td>32, VI; 48, 52</td>
</tr>
<tr>
<td>Secretary of Defense, Office of</td>
<td>32, I</td>
</tr>
<tr>
<td>Defense Contract Audit Agency</td>
<td>32, I</td>
</tr>
<tr>
<td>Defense Intelligence Agency</td>
<td>32, I</td>
</tr>
<tr>
<td>Defense Logistics Agency</td>
<td>32, XII; 48, 54</td>
</tr>
<tr>
<td>Defense Nuclear Facilities Safety Board</td>
<td>10, XVII</td>
</tr>
<tr>
<td>Delaware River Basin Commission</td>
<td>18, III</td>
</tr>
<tr>
<td>Drug Enforcement Administration</td>
<td>21, II</td>
</tr>
<tr>
<td>East-West Foreign Trade Board</td>
<td>15, XIII</td>
</tr>
<tr>
<td>Economic Affairs, Under Secretary</td>
<td>37, V</td>
</tr>
<tr>
<td>Economic Analysis, Bureau of</td>
<td>15, VIII</td>
</tr>
<tr>
<td>Economic Development Administration</td>
<td>13, III</td>
</tr>
<tr>
<td>Economic Research Service</td>
<td>7, XXXVII</td>
</tr>
<tr>
<td>Education, Department of</td>
<td>5, LIII</td>
</tr>
<tr>
<td>Bilingual Education and Minority Languages Affairs, Office of</td>
<td>34, V</td>
</tr>
<tr>
<td>Civil Rights, Office of</td>
<td>34, I</td>
</tr>
<tr>
<td>Educational Research and Improvement, Office of</td>
<td>34, VII</td>
</tr>
<tr>
<td>Elementary and Secondary Education, Office of</td>
<td>34, II</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 34</td>
</tr>
<tr>
<td>Postsecondary Education, Office of</td>
<td>34, VI</td>
</tr>
<tr>
<td>Secretary of Education, Office of</td>
<td>34, Subtitle A</td>
</tr>
<tr>
<td>Special Education and Rehabilitative Services, Office of</td>
<td>34, III</td>
</tr>
<tr>
<td>Vocational and Adult Education, Office of</td>
<td>34, IV</td>
</tr>
<tr>
<td>Educational Research and Improvement, Office of</td>
<td>34, VII</td>
</tr>
<tr>
<td>Elementary and Secondary Education, Office of</td>
<td>34, II</td>
</tr>
<tr>
<td>Employees' Compensation Appeals Board</td>
<td>20, IV</td>
</tr>
<tr>
<td>Employees Loyalty Board</td>
<td>5, V</td>
</tr>
<tr>
<td>Employment and Training Administration</td>
<td>20, V</td>
</tr>
<tr>
<td>Employment Standards Administration</td>
<td>20, VI</td>
</tr>
<tr>
<td>Endangered Species Committee</td>
<td>50, IV</td>
</tr>
<tr>
<td>Energy, Department of</td>
<td>5, XXIII; 10, II, III, X</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 9</td>
</tr>
<tr>
<td>Federal Energy Regulatory Commission</td>
<td>5, XXIV; 18, I</td>
</tr>
<tr>
<td>Property Management Regulations</td>
<td>41, 109</td>
</tr>
<tr>
<td>Energy, Office of</td>
<td>7, XXIX</td>
</tr>
<tr>
<td>Engineers, Corps of</td>
<td>33, II; 36, III</td>
</tr>
<tr>
<td>Engraving and Printing, Bureau of</td>
<td>31, VI</td>
</tr>
<tr>
<td>Enrichment Corporation, United States</td>
<td>10, XI</td>
</tr>
<tr>
<td>Environmental Protection Agency</td>
<td>5, LIV; 40, I</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 15</td>
</tr>
<tr>
<td>Property Management Regulations</td>
<td>41, 115</td>
</tr>
<tr>
<td>Environmental Quality, Office of</td>
<td>7, XXI</td>
</tr>
<tr>
<td>Equal Employment Opportunity Commission</td>
<td>5, LXIII; 29, XIV</td>
</tr>
<tr>
<td>Equal Opportunity, Office of Assistant Secretary for</td>
<td>24, I</td>
</tr>
<tr>
<td>Executive Office of the President</td>
<td>3, I</td>
</tr>
<tr>
<td>Administration, Office of</td>
<td>5, XV</td>
</tr>
<tr>
<td>Environmental Quality, Council on</td>
<td>40, V</td>
</tr>
<tr>
<td>Management and Budget, Office of</td>
<td>25, III, LXXVII; 48, 99</td>
</tr>
<tr>
<td>National Drug Control Policy, Office of</td>
<td>21, III</td>
</tr>
<tr>
<td>National Security Council</td>
<td>32, XXI; 47, 2</td>
</tr>
<tr>
<td>Presidential Documents</td>
<td>3</td>
</tr>
<tr>
<td>Science and Technology Policy, Office of</td>
<td>32, XXIV; 47, II</td>
</tr>
<tr>
<td>Trade Representative, Office of the United States</td>
<td>15, XX</td>
</tr>
<tr>
<td>Export Administration, Bureau of</td>
<td>15, VII</td>
</tr>
<tr>
<td>Export-Import Bank of the United States</td>
<td>5, LII; 12, IV</td>
</tr>
<tr>
<td>Family Assistance, Office of</td>
<td>45, II</td>
</tr>
<tr>
<td>Farm Credit Administration</td>
<td>5, XXX; 12, VI</td>
</tr>
<tr>
<td>Farm Credit System Insurance Corporation</td>
<td>5, XXX; 12, XIV</td>
</tr>
<tr>
<td>Farm Service Agency</td>
<td>7, VII, XVIII</td>
</tr>
<tr>
<td>Agency</td>
<td>CFR Title, Subtitle or Chapter</td>
</tr>
<tr>
<td>--------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 1</td>
</tr>
<tr>
<td>Federal Aviation Administration</td>
<td>14, I</td>
</tr>
<tr>
<td>Commercial Space Transportation</td>
<td>14, III</td>
</tr>
<tr>
<td>Federal Claims Collection Standards</td>
<td>4, IV</td>
</tr>
<tr>
<td>Federal Communications Commission</td>
<td>5, XXIX; 47, I</td>
</tr>
<tr>
<td>Federal Contract Compliance Programs, Office of</td>
<td>41, 60</td>
</tr>
<tr>
<td>Federal Crop Insurance Corporation</td>
<td>7, IV</td>
</tr>
<tr>
<td>Federal Deposit Insurance Corporation</td>
<td>5, XXII; 12, III</td>
</tr>
<tr>
<td>Federal Election Commission</td>
<td>11, I</td>
</tr>
<tr>
<td>Federal Emergency Management Agency</td>
<td>44, I</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 44</td>
</tr>
<tr>
<td>Federal Employees Group Life Insurance Federal Acquisition Regulation</td>
<td>48, 21</td>
</tr>
<tr>
<td>Federal Employees Health Benefits Acquisition Regulation</td>
<td>48, 16</td>
</tr>
<tr>
<td>Federal Energy Regulatory Commission</td>
<td>5, XXIV; 18, I</td>
</tr>
<tr>
<td>Federal Financial Institutions Examination Council</td>
<td>12, XI</td>
</tr>
<tr>
<td>Federal Financing Bank</td>
<td>12, VIII</td>
</tr>
<tr>
<td>Federal Highway Administration</td>
<td>23, I, II; 49, III</td>
</tr>
<tr>
<td>Federal Home Loan Mortgage Corporation</td>
<td>1, IV</td>
</tr>
<tr>
<td>Federal Housing Enterprise Oversight Office</td>
<td>12, XVII</td>
</tr>
<tr>
<td>Federal Housing Finance Board</td>
<td>12, IX</td>
</tr>
<tr>
<td>Federal Inspector for the Alaska Natural Gas Transportation System, Office of</td>
<td>10, XV</td>
</tr>
<tr>
<td>Federal Labor Relations Authority, and General Counsel of the Federal Labor Relations Authority</td>
<td>5, XIV; 22, XIV</td>
</tr>
<tr>
<td>Federal Law Enforcement Training Center</td>
<td>31, VII</td>
</tr>
<tr>
<td>Federal Maritime Commission</td>
<td>46, IV</td>
</tr>
<tr>
<td>Federal Mediation and Conciliation Service</td>
<td>29, XII</td>
</tr>
<tr>
<td>Federal Mine Safety and Health Review Commission</td>
<td>5, LXXIV; 29, XXVII</td>
</tr>
<tr>
<td>Federal Pay, Advisory Committees on</td>
<td>5, IV</td>
</tr>
<tr>
<td>Federal Prison Industries, Inc.</td>
<td>28, III</td>
</tr>
<tr>
<td>Federal Procurement Policy Office</td>
<td>48, 99</td>
</tr>
<tr>
<td>Federal Property Management Regulations</td>
<td>41, 103</td>
</tr>
<tr>
<td>Federal Property Management Regulations System</td>
<td>41, Subtitle C</td>
</tr>
<tr>
<td>Federal Railroad Administration</td>
<td>49, II</td>
</tr>
<tr>
<td>Federal Register, Administrative Committee of</td>
<td>1, I</td>
</tr>
<tr>
<td>Federal Register, Office of</td>
<td>1, I</td>
</tr>
<tr>
<td>Federal Reserve System</td>
<td>12, II</td>
</tr>
<tr>
<td>Board of Governors</td>
<td>5, LVIII</td>
</tr>
<tr>
<td>Federal Retirement Thrift Investment Board</td>
<td>5, VI, LXXVI</td>
</tr>
<tr>
<td>Federal Service Impasses Panel</td>
<td>5, XIV</td>
</tr>
<tr>
<td>Federal Trade Commission</td>
<td>5, XLVII; 16, I</td>
</tr>
<tr>
<td>Federal Transit Administration</td>
<td>49, VI</td>
</tr>
<tr>
<td>Federal Travel Regulation System</td>
<td>41, Subtitle F</td>
</tr>
<tr>
<td>Fine Arts, Commission on</td>
<td>45, XXI</td>
</tr>
<tr>
<td>Fiscal Service</td>
<td>31, II</td>
</tr>
<tr>
<td>Fish and Wildlife Service, United States</td>
<td>50, I, IV</td>
</tr>
<tr>
<td>Fishery Conservation and Management</td>
<td>50, VI</td>
</tr>
<tr>
<td>Food and Drug Administration</td>
<td>21, I</td>
</tr>
<tr>
<td>Food and Consumer Service</td>
<td>7, III</td>
</tr>
<tr>
<td>Food Safety and Inspection Service</td>
<td>9, III</td>
</tr>
<tr>
<td>Foreign Agricultural Service</td>
<td>7, XV</td>
</tr>
<tr>
<td>Foreign Assets Control, Office of</td>
<td>31, V</td>
</tr>
<tr>
<td>Foreign Claims Settlement Commission of the United States</td>
<td>45, V</td>
</tr>
<tr>
<td>Foreign Service Grievance Board</td>
<td>22, 1X</td>
</tr>
<tr>
<td>Foreign Service Impasse Disputes Panel</td>
<td>22, XIV</td>
</tr>
<tr>
<td>Foreign Service Labor Relations Board</td>
<td>22, XIV</td>
</tr>
<tr>
<td>Foreign-Trade Zones Board</td>
<td>15, IV</td>
</tr>
<tr>
<td>Forest Service</td>
<td>36, II</td>
</tr>
<tr>
<td>General Accounting Office</td>
<td>4, I, II</td>
</tr>
<tr>
<td>General Services Administration</td>
<td>5, LVIII</td>
</tr>
<tr>
<td>Contract Appeals, Board of</td>
<td>48, 61</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 5</td>
</tr>
<tr>
<td>Federal Property Management Regulations System</td>
<td>41, 101, 105</td>
</tr>
<tr>
<td>Federal Travel Regulation System</td>
<td>41, Subtitle F</td>
</tr>
<tr>
<td>Payment From a Non-Federal Source for Travel Expenses</td>
<td>41, 304</td>
</tr>
<tr>
<td>Payment of Expenses Connected With the Death of Certain Employees</td>
<td>41, 303</td>
</tr>
<tr>
<td>Agency</td>
<td>CFR Title, Subtitle or Chapter</td>
</tr>
<tr>
<td>---------------------------------------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Relocation Allowances</td>
<td>41, 302</td>
</tr>
<tr>
<td>Travel Allowances</td>
<td>41, 301</td>
</tr>
<tr>
<td>Geological Survey</td>
<td>30, 1V</td>
</tr>
<tr>
<td>Government Ethics, Office of</td>
<td>5, XVI</td>
</tr>
<tr>
<td>Government National Mortgage Association</td>
<td>24, III</td>
</tr>
<tr>
<td>Grain Inspection, Packers and Stockyards Administration</td>
<td>7, VIII; 9, II</td>
</tr>
<tr>
<td>Great Lakes Pilotage</td>
<td>46, III</td>
</tr>
<tr>
<td>Harry S. Truman Scholarship Foundation</td>
<td>45, XVIII</td>
</tr>
<tr>
<td>Health and Human Services, Department of</td>
<td>5, XLV; 45, Subtitle A</td>
</tr>
<tr>
<td>Child Support Enforcement, Office of</td>
<td>45, III</td>
</tr>
<tr>
<td>Children and Families, Administration for</td>
<td>45, II, III, IV, X</td>
</tr>
<tr>
<td>Community Services, Office of</td>
<td>45, X</td>
</tr>
<tr>
<td>Family Assistance, Office of</td>
<td>45, II</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 3</td>
</tr>
<tr>
<td>Food and Drug Administration</td>
<td>21, I</td>
</tr>
<tr>
<td>Health Care Financing Administration</td>
<td>42, IV</td>
</tr>
<tr>
<td>Human Development Services, Office of</td>
<td>45, XIII</td>
</tr>
<tr>
<td>Indian Health Service</td>
<td>25, V</td>
</tr>
<tr>
<td>Inspector General (Health Care), Office of</td>
<td>42, V</td>
</tr>
<tr>
<td>Public Health Service</td>
<td>42, I</td>
</tr>
<tr>
<td>Refugee Resettlement, Office of</td>
<td>45, IV</td>
</tr>
<tr>
<td>Health Care Financing Administration</td>
<td>42, IV</td>
</tr>
<tr>
<td>Housing and Urban Development, Department of</td>
<td>5, LXV; 24, Subtitle B</td>
</tr>
<tr>
<td>Secretary for</td>
<td></td>
</tr>
<tr>
<td>Community Planning and Development, Office of Assistant</td>
<td>24, V, VI</td>
</tr>
<tr>
<td>Secretary for</td>
<td></td>
</tr>
<tr>
<td>Equal Opportunity, Office of Assistant Secretary for</td>
<td>24, I</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 24</td>
</tr>
<tr>
<td>Federal Housing Enterprise Oversight, Office of</td>
<td>12, XVII</td>
</tr>
<tr>
<td>Government National Mortgage Association</td>
<td>24, III</td>
</tr>
<tr>
<td>Housing—Federal Housing Commissioner, Office of</td>
<td>24, II, VIII, X, XX</td>
</tr>
<tr>
<td>Assistant Secretary for</td>
<td></td>
</tr>
<tr>
<td>Inspector General, Office of</td>
<td>24, XII</td>
</tr>
<tr>
<td>Public and Indian Housing, Office of Assistant Secretary for</td>
<td>24, IX</td>
</tr>
<tr>
<td>Secretary, Office of</td>
<td>24, Subtitle A, VII</td>
</tr>
<tr>
<td>Housing—Federal Housing Commissioner, Office of Assistant Secretary for</td>
<td>24, II, VIII, X, XX</td>
</tr>
<tr>
<td>Secretary for</td>
<td></td>
</tr>
<tr>
<td>Human Development Services, Office of</td>
<td>45, XIII</td>
</tr>
<tr>
<td>Immigration and Naturalization Service</td>
<td>8, I</td>
</tr>
<tr>
<td>Independent Counsel, Office of</td>
<td>28, VII</td>
</tr>
<tr>
<td>Indian Affairs, Bureau of</td>
<td>25, I, V</td>
</tr>
<tr>
<td>Indian Affairs, Office of the Assistant Secretary</td>
<td>25, VI</td>
</tr>
<tr>
<td>Indian Arts and Crafts Board</td>
<td>25, II</td>
</tr>
<tr>
<td>Indian Health Service</td>
<td>25, V</td>
</tr>
<tr>
<td>Information Agency, United States</td>
<td>22, V</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 19</td>
</tr>
<tr>
<td>Information Resources Management, Office of</td>
<td>7, XXVII</td>
</tr>
<tr>
<td>Information Security Oversight Office, National Archives and Records Administration</td>
<td>32, XX</td>
</tr>
<tr>
<td>Inspector General</td>
<td></td>
</tr>
<tr>
<td>Agriculture Department</td>
<td>7, XXVI</td>
</tr>
<tr>
<td>Health and Human Services Department</td>
<td>42, V</td>
</tr>
<tr>
<td>Housing and Urban Development Department</td>
<td>24, XII</td>
</tr>
<tr>
<td>Institute of Peace, United States</td>
<td>22, XVII</td>
</tr>
<tr>
<td>Inter-American Foundation</td>
<td>5, LXIII; 22, X</td>
</tr>
<tr>
<td>Intergovernmental Relations, Advisory Commission on</td>
<td>5, VII</td>
</tr>
<tr>
<td>Interior Department</td>
<td></td>
</tr>
<tr>
<td>American Indians, Office of the Special Trustee</td>
<td>25, VII</td>
</tr>
<tr>
<td>Endangered Species Committee</td>
<td>50, IV</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 14</td>
</tr>
<tr>
<td>Federal Property Management Regulations System</td>
<td>41, 114</td>
</tr>
<tr>
<td>Fish and Wildlife Service, United States</td>
<td>50, I, IV</td>
</tr>
<tr>
<td>Geological Survey</td>
<td>30, IV</td>
</tr>
<tr>
<td>Indian Affairs, Bureau of</td>
<td>25, I, V</td>
</tr>
<tr>
<td>Indian Affairs, Office of the Assistant Secretary</td>
<td>25, VI</td>
</tr>
<tr>
<td>Indian Arts and Crafts Board</td>
<td>25, II</td>
</tr>
<tr>
<td>Land Management, Bureau of</td>
<td>43, II</td>
</tr>
<tr>
<td>Minerals Management Service</td>
<td>30, II</td>
</tr>
<tr>
<td>Agency</td>
<td>CFR Title, Subtitle or Chapter</td>
</tr>
<tr>
<td>--------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Mines, Bureau of</td>
<td>30, VI</td>
</tr>
<tr>
<td>National Indian Gaming Commission</td>
<td>25, III</td>
</tr>
<tr>
<td>National Park Service</td>
<td>36, I</td>
</tr>
<tr>
<td>Reclamation, Bureau of</td>
<td>43, I</td>
</tr>
<tr>
<td>Secretary of the Interior, Office of</td>
<td>43, Subtitle A</td>
</tr>
<tr>
<td>Surface Mining and Reclamation Appeals, Board of</td>
<td>30, III</td>
</tr>
<tr>
<td>Surface Mining Reclamation and Enforcement, Office of</td>
<td>30, VII</td>
</tr>
<tr>
<td>Internal Revenue Service</td>
<td>26, I</td>
</tr>
<tr>
<td>International Boundary and Water Commission, United States and Mexico, United States Section</td>
<td>22, XI</td>
</tr>
<tr>
<td>International Development, United States Agency for</td>
<td>22, II</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 7</td>
</tr>
<tr>
<td>International Development Cooperation Agency, United States</td>
<td>22, XII</td>
</tr>
<tr>
<td>International Development, United States Agency for</td>
<td>22, II; 48, 7</td>
</tr>
<tr>
<td>Overseas Private Investment Corporation</td>
<td>5, XXXIII; 22, VII</td>
</tr>
<tr>
<td>International Fishing and Related Activities</td>
<td>50, III</td>
</tr>
<tr>
<td>International Investment, Office of</td>
<td>31, VIII</td>
</tr>
<tr>
<td>International Joint Commission, United States and Canada</td>
<td>22, IV</td>
</tr>
<tr>
<td>International Organizations Employees Loyalty Board</td>
<td>5, V</td>
</tr>
<tr>
<td>International Trade Administration</td>
<td>15, III; 19, III</td>
</tr>
<tr>
<td>International Trade Commission, United States</td>
<td>19, II</td>
</tr>
<tr>
<td>Interstate Commerce Commission</td>
<td>5, XL</td>
</tr>
<tr>
<td>James Madison Memorial Fellowship Foundation</td>
<td>45, XXIV</td>
</tr>
<tr>
<td>Japan-United States Friendship Commission</td>
<td>22, XVI</td>
</tr>
<tr>
<td>Joint Board for the Enrollment of Actuaries</td>
<td>20, VIII</td>
</tr>
<tr>
<td>Justice Department</td>
<td>5, XXVIII; 28, I</td>
</tr>
<tr>
<td>Drug Enforcement Administration</td>
<td>21, II</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 28</td>
</tr>
<tr>
<td>Federal Claims Collection Standards</td>
<td>4, II</td>
</tr>
<tr>
<td>Federal Prison Industries, Inc.</td>
<td>28, III</td>
</tr>
<tr>
<td>Foreign Claims Settlement Commission of the United States</td>
<td>45, V</td>
</tr>
<tr>
<td>Immigration and Naturalization Service</td>
<td>8, I</td>
</tr>
<tr>
<td>Offices of Independent Counsel</td>
<td>28, VI</td>
</tr>
<tr>
<td>Prisons, Bureau of</td>
<td>28, V</td>
</tr>
<tr>
<td>Property Management Regulations</td>
<td>41, 128</td>
</tr>
<tr>
<td>Labor Department</td>
<td>5, XLII</td>
</tr>
<tr>
<td>Benefits Review Board</td>
<td>20, VII</td>
</tr>
<tr>
<td>Employees' Compensation Appeals Board</td>
<td>20, IV</td>
</tr>
<tr>
<td>Employment and Training Administration</td>
<td>20, V</td>
</tr>
<tr>
<td>Employment Standards Administration</td>
<td>20, VI</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 29</td>
</tr>
<tr>
<td>Federal Contract Compliance Programs, Office of</td>
<td>41, 60</td>
</tr>
<tr>
<td>Federal Procurement Regulations System</td>
<td>41, 50</td>
</tr>
<tr>
<td>Labor-Management Standards, Office of</td>
<td>29, II, IV</td>
</tr>
<tr>
<td>Mine Safety and Health Administration</td>
<td>30, I</td>
</tr>
<tr>
<td>Occupational Safety and Health Administration</td>
<td>29, XVII</td>
</tr>
<tr>
<td>Pension and Welfare Benefits Administration</td>
<td>29, XV</td>
</tr>
<tr>
<td>Public Contracts</td>
<td>41, 50</td>
</tr>
<tr>
<td>Secretary of Labor, Office of</td>
<td>29, Subtitle A</td>
</tr>
<tr>
<td>Veterans' Employment and Training, Office of the Assistant Secretary for</td>
<td>41, 63; 20, IX</td>
</tr>
<tr>
<td>Wage and Hour Division</td>
<td>29, V</td>
</tr>
<tr>
<td>Workers' Compensation Programs, Office of</td>
<td>29, I</td>
</tr>
<tr>
<td>Labor-Management Standards, Office of</td>
<td>29, II, IV</td>
</tr>
<tr>
<td>Land Management, Bureau of</td>
<td>43, II</td>
</tr>
<tr>
<td>Legal Services Corporation</td>
<td>45, XVII</td>
</tr>
<tr>
<td>Library of Congress</td>
<td>36, VII</td>
</tr>
<tr>
<td>Copyright Office</td>
<td>37, II</td>
</tr>
<tr>
<td>Management and Budget, Office of</td>
<td>5, III, LXXVII; 48, 99</td>
</tr>
<tr>
<td>Marine Mammal Commission</td>
<td>50, V</td>
</tr>
<tr>
<td>Maritime Administration</td>
<td>46, II</td>
</tr>
<tr>
<td>Merit Systems Protection Board</td>
<td>5, II</td>
</tr>
<tr>
<td>Micronesian Status Negotiations, Office for</td>
<td>32, XXVII</td>
</tr>
<tr>
<td>Mine Safety and Health Administration</td>
<td>30, I</td>
</tr>
<tr>
<td>Minerals Management Service</td>
<td>30, II</td>
</tr>
<tr>
<td>Agency</td>
<td>CFR Title, Subtitle or Chapter</td>
</tr>
<tr>
<td>--------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Mines, Bureau of</td>
<td>30, VI</td>
</tr>
<tr>
<td>Minority Business Development Agency</td>
<td>15, XIV</td>
</tr>
<tr>
<td>Miscellaneous Agencies</td>
<td>1, IV</td>
</tr>
<tr>
<td>Monetary Offices</td>
<td>31, I</td>
</tr>
<tr>
<td>National Aeronautics and Space Administration</td>
<td>5, LIX; 14, V</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 18</td>
</tr>
<tr>
<td>National Agricultural Library</td>
<td>7, XLI</td>
</tr>
<tr>
<td>National Agricultural Statistics Service</td>
<td>7, XXXVI</td>
</tr>
<tr>
<td>National Archives and Records Administration</td>
<td>5, LXVI; 36, XII</td>
</tr>
<tr>
<td>Information Security Oversight Office</td>
<td>32, XX</td>
</tr>
<tr>
<td>National Bureau of Standards</td>
<td>15, II</td>
</tr>
<tr>
<td>National Capital Planning Commission</td>
<td>1, IV</td>
</tr>
<tr>
<td>National Commission for Employment Policy</td>
<td>1, IV</td>
</tr>
<tr>
<td>National Commission on Libraries and Information Science</td>
<td>45, XVII</td>
</tr>
<tr>
<td>National and Community Service, Corporation for</td>
<td>45, XXV</td>
</tr>
<tr>
<td>National Council on Disability</td>
<td>34, XII</td>
</tr>
<tr>
<td>National Credit Union Administration</td>
<td>12, VII</td>
</tr>
<tr>
<td>National Drug Control Policy, Office of</td>
<td>21, III</td>
</tr>
<tr>
<td>National Foundation on the Arts and the Humanities</td>
<td>45, XI</td>
</tr>
<tr>
<td>National Highway Traffic Safety Administration</td>
<td>23, II, III; 49, V</td>
</tr>
<tr>
<td>National Imagery and Mapping Agency</td>
<td>32, I</td>
</tr>
<tr>
<td>National Indian Gaming Commission</td>
<td>25, III</td>
</tr>
<tr>
<td>National Institute for Literacy</td>
<td>34, XI</td>
</tr>
<tr>
<td>National Institute of Standards and Technology</td>
<td>15, II</td>
</tr>
<tr>
<td>National Labor Relations Board</td>
<td>5, LXI; 29, I</td>
</tr>
<tr>
<td>National Marine Fisheries Service</td>
<td>50, II, IV</td>
</tr>
<tr>
<td>National Mediation Board</td>
<td>29, X</td>
</tr>
<tr>
<td>National Oceanic and Atmospheric Administration</td>
<td>15, IX; 50, II, III, IV, VI</td>
</tr>
<tr>
<td>National Park Service</td>
<td>36, I</td>
</tr>
<tr>
<td>National Railroad Adjustment Board</td>
<td>29, III</td>
</tr>
<tr>
<td>National Railroad Passenger Corporation (AMTRAK)</td>
<td>49, VII</td>
</tr>
<tr>
<td>National Science Foundation</td>
<td>5, XLIII; 45, VI</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 25</td>
</tr>
<tr>
<td>National Security Council</td>
<td>35, XXI</td>
</tr>
<tr>
<td>National Security Council and Office of Science and Technology Policy</td>
<td>47, II</td>
</tr>
<tr>
<td>National Telecommunications and Information Administration</td>
<td>15, XXIII; 47, III</td>
</tr>
<tr>
<td>National Transportation Safety Board</td>
<td>49, VIII</td>
</tr>
<tr>
<td>National Weather Service</td>
<td>15, IX</td>
</tr>
<tr>
<td>National Resources Conservation Service</td>
<td>7, VI</td>
</tr>
<tr>
<td>Navajo and Hopi Indian Relocation, Office of</td>
<td>25, IV</td>
</tr>
<tr>
<td>Navy Department</td>
<td>32, VI</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 52</td>
</tr>
<tr>
<td>Neighborhood Reinvestment Corporation</td>
<td>24, XXV</td>
</tr>
<tr>
<td>Northeast Dairy Compact Commission</td>
<td>7, XIII</td>
</tr>
<tr>
<td>Nuclear Regulatory Commission</td>
<td>5, XLVIII; 10, I</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 20</td>
</tr>
<tr>
<td>Occupational Safety and Health Administration</td>
<td>29, XVII</td>
</tr>
<tr>
<td>Occupational Safety and Health Review Commission</td>
<td>29, XX</td>
</tr>
<tr>
<td>Offices of Independent Counsel</td>
<td>28, VI</td>
</tr>
<tr>
<td>Operations Office</td>
<td>7, XXVIII</td>
</tr>
<tr>
<td>Overseas Private Investment Corporation</td>
<td>5, XXXIII; 22, VII</td>
</tr>
<tr>
<td>Panama Canal Commission</td>
<td>48, 25</td>
</tr>
<tr>
<td>Panama Canal Regulations</td>
<td>35, I</td>
</tr>
<tr>
<td>Patent and Trademark Office</td>
<td>37, I</td>
</tr>
<tr>
<td>Payment From a Non-Federal Source for Travel Expenses</td>
<td>41, 304</td>
</tr>
<tr>
<td>Payment of Expenses Connected With the Death of Certain Employees</td>
<td>41, 303</td>
</tr>
<tr>
<td>Peace Corps</td>
<td>22, III</td>
</tr>
<tr>
<td>Pennsylvania Avenue Development Corporation</td>
<td>36, IX</td>
</tr>
<tr>
<td>Pension and Welfare Benefits Administration</td>
<td>29, XXV</td>
</tr>
<tr>
<td>Pension Benefit Guaranty Corporation</td>
<td>29, XL</td>
</tr>
<tr>
<td>Personnel Management, Office of</td>
<td>5, I, XXXV; 45, VIII</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 17</td>
</tr>
<tr>
<td>Federal Employees Group Life Insurance Federal Acquisition Regulation</td>
<td>48, 21</td>
</tr>
<tr>
<td>Agency</td>
<td>CFR Title, Subtitle or Chapter</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>Federal Employees Health Benefits Acquisition Regulation</td>
<td>48, 16</td>
</tr>
<tr>
<td>Postal Rate Commission</td>
<td>5, XLVI; 39, III</td>
</tr>
<tr>
<td>Postal Service, United States</td>
<td>5, LX; 39, I</td>
</tr>
<tr>
<td>Postsecondary Education, Office of</td>
<td>34, VI</td>
</tr>
<tr>
<td>President's Commission on White House Fellowships</td>
<td>1, IV</td>
</tr>
<tr>
<td>Presidential Commission on the Assignment of Women in the Armed Forces</td>
<td>32, XXIX</td>
</tr>
<tr>
<td>Presidential Documents</td>
<td>3</td>
</tr>
<tr>
<td>Prisons, Bureau of</td>
<td>28, V</td>
</tr>
<tr>
<td>Productivity, Technology and Innovation, Assistant Secretary</td>
<td>37, IV</td>
</tr>
<tr>
<td>Public Contracts, Department of Labor</td>
<td>41, 50</td>
</tr>
<tr>
<td>Public and Indian Housing, Office of Assistant Secretary for</td>
<td>24, 1X</td>
</tr>
<tr>
<td>Public Health Service</td>
<td>42, I</td>
</tr>
<tr>
<td>Railroad Retirement Board</td>
<td>20, II</td>
</tr>
<tr>
<td>Reclamation, Bureau of</td>
<td>43, I</td>
</tr>
<tr>
<td>Refugee Resettlement, Office of</td>
<td>45, IV</td>
</tr>
<tr>
<td>Regional Action Planning Commissions</td>
<td>13, V</td>
</tr>
<tr>
<td>Relocation Allowances</td>
<td>42, 302</td>
</tr>
<tr>
<td>Research and Special Programs Administration</td>
<td>49, I</td>
</tr>
<tr>
<td>Rural Business-Coooperative Service</td>
<td>7, XVIII, XLII</td>
</tr>
<tr>
<td>Rural Development Administration</td>
<td>7, XLII</td>
</tr>
<tr>
<td>Rural Housing Service</td>
<td>7, XVIII, XXXV</td>
</tr>
<tr>
<td>Rural Telephone Bank</td>
<td>7, XVI</td>
</tr>
<tr>
<td>Rural Utilities Service</td>
<td>7, XVII, XVIII, XLII</td>
</tr>
<tr>
<td>Saint Lawrence Seaway Development Corporation</td>
<td>33, 7</td>
</tr>
<tr>
<td>Science and Technology Policy, Office of</td>
<td>32, XXIV</td>
</tr>
<tr>
<td>Science and Technology Policy, Office of, and National Security Council</td>
<td>47, 7</td>
</tr>
<tr>
<td>Secret Service</td>
<td>31, 4</td>
</tr>
<tr>
<td>Securities and Exchange Commission</td>
<td>17, II</td>
</tr>
<tr>
<td>Selective Service System</td>
<td>32, XVI</td>
</tr>
<tr>
<td>Small Business Administration</td>
<td>13, I</td>
</tr>
<tr>
<td>Smithsonian Institution</td>
<td>36, V</td>
</tr>
<tr>
<td>Social Security Administration</td>
<td>20, 11; 48, 23</td>
</tr>
<tr>
<td>Soldiers' and Airmen's Home, United States</td>
<td>5, XI</td>
</tr>
<tr>
<td>Special Counsel, Office of</td>
<td>5, VIII</td>
</tr>
<tr>
<td>Special Education and Rehabilitative Services, Office of</td>
<td>34, 3</td>
</tr>
<tr>
<td>State Department</td>
<td>22, 3</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 6</td>
</tr>
<tr>
<td>Surface Mining and Reclamation Appeals, Board of</td>
<td>30, 3</td>
</tr>
<tr>
<td>Surface Mining Reclamation and Enforcement, Office of</td>
<td>30, 7</td>
</tr>
<tr>
<td>Surface Transportation Board</td>
<td>49, 10</td>
</tr>
<tr>
<td>Susquehanna River Basin Commission</td>
<td>18, VIII</td>
</tr>
<tr>
<td>Technology Administration</td>
<td>15, 1</td>
</tr>
<tr>
<td>Technology Policy, Assistant Secretary for</td>
<td>37, 4</td>
</tr>
<tr>
<td>Technology, Under Secretary for</td>
<td>37, 5</td>
</tr>
<tr>
<td>Tennessee Valley Authority</td>
<td>5, LXIII; 18, XIII</td>
</tr>
<tr>
<td>Thrift Depositor Protection Oversight Board</td>
<td>12, V</td>
</tr>
<tr>
<td>Thrift Supervision Office, Department of the Treasury</td>
<td>12, V</td>
</tr>
<tr>
<td>Trade Representative, United States, Office of</td>
<td>15, XX</td>
</tr>
<tr>
<td>Transportation, Department of</td>
<td>5, L</td>
</tr>
<tr>
<td>Coast Guard</td>
<td>33, 4; 46, 1; 49, 4</td>
</tr>
<tr>
<td>Commercial Space Transportation</td>
<td>14, XII</td>
</tr>
<tr>
<td>Contract Appeals, Board of</td>
<td>48, 63</td>
</tr>
<tr>
<td>Emergency Management and Assistance</td>
<td>44, 1V</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 12</td>
</tr>
<tr>
<td>Federal Aviation Administration</td>
<td>14, 1</td>
</tr>
<tr>
<td>Federal Highway Administration</td>
<td>23, 1, 11; 49, 311</td>
</tr>
<tr>
<td>Federal Railroad Administration</td>
<td>49, 2</td>
</tr>
<tr>
<td>Federal Transit Administration</td>
<td>49, VI</td>
</tr>
<tr>
<td>Maritime Administration</td>
<td>46, 2</td>
</tr>
<tr>
<td>National Highway Traffic Safety Administration</td>
<td>23, 11, 111; 49, 5</td>
</tr>
<tr>
<td>Research and Special Programs Administration</td>
<td>49, 1</td>
</tr>
<tr>
<td>Saint Lawrence Seaway Development Corporation</td>
<td>33, 4</td>
</tr>
<tr>
<td>Secretary of Transportation, Office of</td>
<td>14, 11; 49, Subtitle A</td>
</tr>
<tr>
<td>Surface Transportation Board</td>
<td>49, 5</td>
</tr>
<tr>
<td>472</td>
<td></td>
</tr>
<tr>
<td>Agency</td>
<td>CFR Title, Subtitle or Chapter</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Transportation, Office of</td>
<td>7, XXXIII</td>
</tr>
<tr>
<td>Travel Allowances</td>
<td>41, 301</td>
</tr>
<tr>
<td>Treasury Department</td>
<td>5, XIX; 17, IV</td>
</tr>
<tr>
<td>Alcohol, Tobacco and Firearms, Bureau of</td>
<td>27, I</td>
</tr>
<tr>
<td>Comptroller of the Currency</td>
<td>12, XVIII</td>
</tr>
<tr>
<td>Community Development Financial Institutions Fund</td>
<td>12, XVIII</td>
</tr>
<tr>
<td>Engraving and Printing, Bureau of</td>
<td>31, VI</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 10</td>
</tr>
<tr>
<td>Federal Law Enforcement Training Center</td>
<td>31, VII</td>
</tr>
<tr>
<td>Fiscal Service</td>
<td>31, II</td>
</tr>
<tr>
<td>Foreign Assets Control, Office of</td>
<td>31, V</td>
</tr>
<tr>
<td>Internal Revenue Service</td>
<td>26, I</td>
</tr>
<tr>
<td>International Investment, Office of</td>
<td>31, VIII</td>
</tr>
<tr>
<td>Monetary Offices</td>
<td>31, I</td>
</tr>
<tr>
<td>Secret Service</td>
<td>31, IV</td>
</tr>
<tr>
<td>Secretary of the Treasury, Office of</td>
<td>31, Subtitle A</td>
</tr>
<tr>
<td>Thrift Supervision, Office of</td>
<td>12, V</td>
</tr>
<tr>
<td>Truman, Harry S. Scholarship Foundation</td>
<td>45, XVIII</td>
</tr>
<tr>
<td>United States and Canada, International Joint Commission</td>
<td>22, IV</td>
</tr>
<tr>
<td>United States and Mexico, International Boundary and Water Commission, United States Section</td>
<td>22, XI</td>
</tr>
<tr>
<td>United States Enrichment Corporation</td>
<td>10, XI</td>
</tr>
<tr>
<td>Utah Reclamation Mitigation and Conservation Commission</td>
<td>43, III</td>
</tr>
<tr>
<td>Veterans Affairs Department</td>
<td>38, I</td>
</tr>
<tr>
<td>Federal Acquisition Regulation</td>
<td>48, 8</td>
</tr>
<tr>
<td>Veterans' Employment and Training, Office of the Assistant Secretary for</td>
<td>41, 61; 20, IX</td>
</tr>
<tr>
<td>Vice President of the United States, Office of</td>
<td>32, XXVIII</td>
</tr>
<tr>
<td>Vocational and Adult Education, Office of</td>
<td>34, IV</td>
</tr>
<tr>
<td>Wage and Hour Division</td>
<td>29, V</td>
</tr>
<tr>
<td>Water Resources Council</td>
<td>18, VI</td>
</tr>
<tr>
<td>Workers' Compensation Programs, Office of</td>
<td>20, 1</td>
</tr>
<tr>
<td>World Agricultural Outlook Board</td>
<td>7, XXXVIII</td>
</tr>
</tbody>
</table>
List of CFR Sections Affected

All changes in this volume of the Code of Federal Regulations which were made by documents published in the Federal Register since January 1, 1986, are enumerated in the following list. Entries indicate the nature of the changes effected. Page numbers refer to Federal Register pages. The user should consult the entries for chapters and parts as well as sections for revisions.


<table>
<thead>
<tr>
<th>1986</th>
<th>15 CFR</th>
<th>51 FR Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suffix A</td>
<td>3</td>
<td>Removed</td>
</tr>
<tr>
<td>4</td>
<td>Appendix B revised</td>
<td>32204</td>
</tr>
<tr>
<td>4b</td>
<td>Appendix C revised</td>
<td>32205</td>
</tr>
<tr>
<td>8a</td>
<td>Addition confirmed</td>
<td>18879</td>
</tr>
<tr>
<td>10</td>
<td>Revised</td>
<td>22497</td>
</tr>
<tr>
<td>11</td>
<td>Added</td>
<td>7008, 7022</td>
</tr>
<tr>
<td>13</td>
<td>Programs revised</td>
<td>5161</td>
</tr>
<tr>
<td>20</td>
<td>Added</td>
<td>28926</td>
</tr>
<tr>
<td>21</td>
<td>Added; eff. 1-29-87</td>
<td>47005</td>
</tr>
<tr>
<td>23</td>
<td>Added; eff. 1-23-87</td>
<td>46614</td>
</tr>
<tr>
<td>Chapter I</td>
<td>70</td>
<td>Revised</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1987</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suffix A</td>
</tr>
<tr>
<td>4.3</td>
</tr>
<tr>
<td>4.5</td>
</tr>
<tr>
<td>4.6</td>
</tr>
<tr>
<td>4b</td>
</tr>
<tr>
<td>4.7</td>
</tr>
<tr>
<td>4.8</td>
</tr>
<tr>
<td>4.9</td>
</tr>
<tr>
<td>4b.1</td>
</tr>
<tr>
<td>4b.2</td>
</tr>
<tr>
<td>4b.3</td>
</tr>
<tr>
<td>4b.4</td>
</tr>
<tr>
<td>4b.5</td>
</tr>
<tr>
<td>4b.8</td>
</tr>
<tr>
<td>4b.9</td>
</tr>
<tr>
<td>4b</td>
</tr>
<tr>
<td>8c</td>
</tr>
<tr>
<td>8c.3</td>
</tr>
<tr>
<td>8c.70</td>
</tr>
<tr>
<td>15</td>
</tr>
</tbody>
</table>

15 CFR 1988 53 FR Page

Subtitle A

4 Revised 6972
4.3 (c)(1) corrected 16211
4.5 (a) and (c) corrected 16211
4.6 (a)(4) corrected 16057
4.7 (b)(1), (d)(1), (2) introductory text and (i), and (3), and (e) corrected 16057
4.8 (d) and (e) corrected 16058
4.9 (a)(2) and (c)(1) introductory text corrected 16058
4b.1 (d)(1) and (e)(3) revised 26236
4b.2 (b)(6) removed; (b)(7) through (10) redesignated as (b)(6) through (9) 26236
4b.3 (c), (f)(2), and (h) amended 26236
4b.4 (b) amended 26236
4b.5 (a)(2) and (g)(3)(ii) amended 26236
4b.8 (a)(1)(i) and (2)(i)(D) 26236
4b.9 (b), (c), (e), (g)(1), (h) and (i) amended 26236
4b Appendix A amended; Appendix B removed; Appendices C and D redesignated as Appendices B and C 26236
8c Added 19277
8c.3 Corrected 25722
8c.70 (b) corrected 25722
15 Revised 41318
## 15 CFR (1-1-98 Edition)

### 15 CFR—Continued

<table>
<thead>
<tr>
<th>Subtitle A—Continued</th>
<th>53 FR Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>15a Revised</td>
<td>41319</td>
</tr>
<tr>
<td>15b Added</td>
<td>15548</td>
</tr>
<tr>
<td>18 Authority citation revised</td>
<td>6798</td>
</tr>
<tr>
<td>18.3 Revised</td>
<td>6798</td>
</tr>
<tr>
<td>18.4 Heading, (a) introductory text and (2) revised</td>
<td>6798</td>
</tr>
<tr>
<td>18.5 (b), (1), (2) and (5) and (g) revised</td>
<td>6798</td>
</tr>
<tr>
<td>18.6 (a)revised</td>
<td>6799</td>
</tr>
<tr>
<td>18.7 (b)revised</td>
<td>6799</td>
</tr>
<tr>
<td>18.11 (b) introductory text and (1) amended</td>
<td>6799</td>
</tr>
<tr>
<td>18.12 (a) and (b) amended</td>
<td>6799</td>
</tr>
<tr>
<td>18.14 (b) and (c) revised</td>
<td>6799</td>
</tr>
<tr>
<td>18.16 (c) amended</td>
<td>6799</td>
</tr>
<tr>
<td>18.18 Amended</td>
<td>6799</td>
</tr>
<tr>
<td>18.19 Heading revised; text amended</td>
<td>6799</td>
</tr>
<tr>
<td>18.20 (a) revised</td>
<td>6799</td>
</tr>
<tr>
<td>18.21 Amended</td>
<td>6799</td>
</tr>
<tr>
<td>18.22 Revised</td>
<td>6799</td>
</tr>
<tr>
<td>18.24 Amended</td>
<td>6800</td>
</tr>
<tr>
<td>24 Added</td>
<td>8048, 8087</td>
</tr>
<tr>
<td>24.31 (b)(1) added</td>
<td>8049</td>
</tr>
<tr>
<td>24.34 Revised</td>
<td>8049</td>
</tr>
<tr>
<td>26 Added</td>
<td>19177, 19204</td>
</tr>
<tr>
<td>Nomenclature change</td>
<td>19178</td>
</tr>
<tr>
<td>26.110 (a)(3) added</td>
<td>19178</td>
</tr>
</tbody>
</table>

### 1989

<table>
<thead>
<tr>
<th>Subtitle A</th>
<th>54 FR Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>11 Regulations at 52 FR 48018 confirmed; see regulation codified at 49CFR 24</td>
<td>8912</td>
</tr>
<tr>
<td>26 Heading and authority citation revised</td>
<td>4954</td>
</tr>
<tr>
<td>Technical correction</td>
<td>6363</td>
</tr>
<tr>
<td>26.305 (c) (3) and (4) amended; (c)(5) added; interim</td>
<td>4950, 4954</td>
</tr>
<tr>
<td>26.320 (a) revised; interim</td>
<td>4950, 4954</td>
</tr>
<tr>
<td>26.600—26.630 (Subpart F) Added; interim</td>
<td>4954</td>
</tr>
<tr>
<td>26 Appendix C added; interim</td>
<td>4954</td>
</tr>
</tbody>
</table>

### Chapter I

| Revised | 29011 |

### 1990

<table>
<thead>
<tr>
<th>Subtitle A</th>
<th>55 FR Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.735-12 (c)(1) amended</td>
<td>53489</td>
</tr>
</tbody>
</table>

### 1991

<table>
<thead>
<tr>
<th>Authority citation revised</th>
<th>29320</th>
</tr>
</thead>
<tbody>
<tr>
<td>8b (c) revised</td>
<td>29320</td>
</tr>
<tr>
<td>10.0 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>10.1 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>10.2 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>10.3 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>10.4 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>10.5 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>14 Removed</td>
<td>38315</td>
</tr>
<tr>
<td>16.6 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>17.22 (c) amended</td>
<td>38883</td>
</tr>
<tr>
<td>17.24 Introductory text and (c) amended</td>
<td>38883</td>
</tr>
<tr>
<td>17.25 (a) and (b) amended</td>
<td>38883</td>
</tr>
<tr>
<td>17.26 (a) through (c) amended</td>
<td>38883</td>
</tr>
</tbody>
</table>

---

VerDate 27<FEB>98 03:49 Mar 07, 1998 Jkt 179049 PO 00000 Frm 00030 Fmt 8060 Sfmt 8060 Y:

---
List of CFR Sections Affected

<table>
<thead>
<tr>
<th>15 CFR—Continued</th>
<th>55 FR Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtitle A—Continued</td>
<td></td>
</tr>
<tr>
<td>19.21 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>25 Added</td>
<td>47854</td>
</tr>
<tr>
<td>26.305 Regulation at 54 FR 4950, 4054 confirmed</td>
<td>21692</td>
</tr>
<tr>
<td>26.320 Regulation at 54 FR 4950, 4054 confirmed</td>
<td>21692</td>
</tr>
<tr>
<td>26.600–26.635 (Subpart F) Revised</td>
<td>21688, 21693</td>
</tr>
<tr>
<td>26.630 (c)(1) and (d)(2)(ii) added</td>
<td>21693</td>
</tr>
<tr>
<td>26.635 (a)(1)(i) and (b)(1) added</td>
<td>21693</td>
</tr>
<tr>
<td>26 Appendix C revised</td>
<td>21690, 21693</td>
</tr>
<tr>
<td>28 Added; interim</td>
<td>6737, 6748</td>
</tr>
<tr>
<td>Chapter I</td>
<td></td>
</tr>
<tr>
<td>30.1 (a)(1) introductory text revised</td>
<td>49615</td>
</tr>
<tr>
<td>Effective date corrected</td>
<td>50279</td>
</tr>
<tr>
<td>30.5 (a)(2) revised</td>
<td>49615</td>
</tr>
<tr>
<td>Effective date corrected</td>
<td>50279</td>
</tr>
<tr>
<td>30.6 (b) removed; interim</td>
<td>47049</td>
</tr>
<tr>
<td>30.22 (b) revised</td>
<td>49615</td>
</tr>
<tr>
<td>Effective date corrected</td>
<td>50279</td>
</tr>
<tr>
<td>30.35 Removed</td>
<td>49615</td>
</tr>
<tr>
<td>Effective date corrected</td>
<td>50279</td>
</tr>
<tr>
<td>30.39 (e) added</td>
<td>49615</td>
</tr>
<tr>
<td>Effective date corrected</td>
<td>50279</td>
</tr>
<tr>
<td>30.55 (h) revised</td>
<td>21187</td>
</tr>
<tr>
<td>(c) and (d) revised</td>
<td>49615</td>
</tr>
<tr>
<td>Effective date corrected</td>
<td>50279</td>
</tr>
<tr>
<td>30.58 Added</td>
<td>49615</td>
</tr>
<tr>
<td>Effective date corrected</td>
<td>50279</td>
</tr>
<tr>
<td>Chapter II</td>
<td></td>
</tr>
<tr>
<td>Heading revised</td>
<td>30145</td>
</tr>
<tr>
<td>200.100 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>200.101 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>200.102 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>200.103 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>200.104 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>200.105 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>200.106 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>200.107 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>200.108 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>200.109 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>200.110 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>200.111 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>200.112 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>200.113 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>200.114 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>200.115 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>200.116 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>230.1 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>230.4 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>230.7 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>255.1 Nomenclature change</td>
<td>38315</td>
</tr>
<tr>
<td>255.3 Nomenclature change</td>
<td>38315</td>
</tr>
</tbody>
</table>

15 CFR—Continued

<table>
<thead>
<tr>
<th>55 FR Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtitle A</td>
</tr>
<tr>
<td>4 Appendixes B and C revised</td>
</tr>
<tr>
<td>8a Redesignated as Part 29a; interim</td>
</tr>
<tr>
<td>Regulation at 56 FR 15993 confirmed</td>
</tr>
<tr>
<td>19 Authority citation revised</td>
</tr>
<tr>
<td>19.1–19.7 (Subpart A) Redesignated as part 1160</td>
</tr>
<tr>
<td>19.20–19.25 (Subpart B) Revised</td>
</tr>
<tr>
<td>Redesignated as part 1170</td>
</tr>
<tr>
<td>27 Added</td>
</tr>
<tr>
<td>27.101 (b)(5) corrected</td>
</tr>
<tr>
<td>27.103 (f) corrected</td>
</tr>
<tr>
<td>29a Redesignated from Part 28a; interim</td>
</tr>
<tr>
<td>Regulation at 56 FR 15993 confirmed</td>
</tr>
<tr>
<td>29b Added; interim</td>
</tr>
</tbody>
</table>
15 CFR (1-1-98 Edition)

15 CFR—Continued

Subtitle A—Continued

Regulation at 56 FR 15993 confirmed..............................29896

Chapter I

50.1 (c) revised .............................................35815

Chapter II

265.31 Amended.............................................66969
265.42 (a) and (b) amended.....................................66969
295.4 (b) amended; OMB number.............................25363

1992

15 CFR

Subtitle A

4.8 (b), (c), (e) and (g) amended...................................28781
4 Appendix C Amended .............................................28781
6 Removed.....................................................30116

29b.16 (b)(2)(i) and (ii) revised; (c)(6) redesignated as (c)(7) and
republished; (b)(2)(ii) and new (c)(6) added; interim ..............4716
Regulation at 57 FR 4716 confirmed.................................43893
29b.21 (a)(1) and (2) revised; (a)(3) and (4) added; interim ........4716
Regulation at 57 FR 4716 confirmed.................................43893

Chapter I

60 Authority citation revised......................................40841
60.1 Revised.....................................................40841
60.2 Removed....................................................40841
60.3 Removed....................................................40841
60.4 Removed....................................................40841
60.5 Removed....................................................40841
60.6 Removed....................................................40841
60.7 Removed....................................................40841
60.8 Removed....................................................40841
60.9 Removed....................................................40841
60.10 Removed...................................................40841
60.11 Removed...................................................40841

1993

15 CFR

Subtitle A

19 Added; interim .............................................39653
Regulation at 58 FR 39653 confirmed.................................59946

Chapter I

30 Authority citation revised......................................41423

15 CFR—Continued

58 FR

Chapter I—Continued

30.20 (a) amended; (b) and (c) redesignated as (c) and (d); new
(b) added......................................................41423
30.21 (a) and (b) revised......................................41424
30.22 (a) revised...............................................41424
30.24 (a) introductory text and (1) revised.........................41425
50.5 Revised ....................................................4078

1994

15 CFR

Subtitle A

7 Redesignated as Part 285 ......................................22745

Chapter I

285 Redesignated from Part 7 ......................................22745
Authority citation revised.........................................22745
285.1 Revised ...................................................22746
285.2 Revised ...................................................22746
285.3 Revised ...................................................22746
285.4 Revised ...................................................22746
285.5 Revised ...................................................22746
285.6 Revised ...................................................22747
285.7 Revised ...................................................22747
285.8 Added .......................................................22747
285.11 (a), (b)(1), (3)(ii) and (c) revised; (e) and (f) added ........22747
285.12 (a) and (b)(6) revised.....................................22748
285.13 (a) and (c) revised........................................22748
285.14 (a) introductory text and (c) revised.........................22748
285.15 (a) and (c) revised........................................22748
285.16 (a) and (c) revised........................................22748
285.17 (c) revised...............................................22748
285.18 Revised...................................................22748
285.19 (a) revised...............................................22748
285.21 (a) and (c) revised........................................22748
285.22 Revised...................................................22748
285.23 (a) and (b) revised; (d) removed............................22749
285.24 Revised...................................................22749
285.26 Added .......................................................22749
285.31 Revised...................................................22749
285.32 Revised...................................................22749
285.33 Revised...................................................22749
286 (Subchapter J) Added........................................19131

Authority citation revised...........................................22505
290.4 (b) Table 1 and (c)(5) revised..............................22505
295 Authority citation revised.......................................666
295.1 Revised ....................................................666

478
### List of CFR Sections Affected

#### 15 CFR—Continued 59 FR Page

Chapter II—Continued

<table>
<thead>
<tr>
<th>Section</th>
<th>Action</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>295.2</td>
<td>(a) revised; (b), (c) and (d) through (i) redesignated as (e), (h) and (k) through (p); new (b), (c), (d), (f), (g), (i) and (j) added</td>
<td>666</td>
</tr>
<tr>
<td>295.3</td>
<td>Redesignated as 295.6; new 295.3 added</td>
<td>666</td>
</tr>
<tr>
<td>295.4</td>
<td>Redesignated as 295.7</td>
<td>666</td>
</tr>
<tr>
<td>295.5</td>
<td>Redesignated as 295.8; new 295.6 redesignated from 295.3; revised</td>
<td>668</td>
</tr>
<tr>
<td>295.6</td>
<td>Redesignated as 295.9; new 295.6 redesignated from 295.7; revised</td>
<td>668</td>
</tr>
<tr>
<td>295.7</td>
<td>Redesignated as 295.10; new 295.7 redesignated from 295.4; revised</td>
<td>669</td>
</tr>
<tr>
<td>295.8</td>
<td>Redesignated as 295.11; new 295.8 redesignated from 295.5; revised</td>
<td>669</td>
</tr>
<tr>
<td>295.9</td>
<td>Redesignated as 295.12; new 295.9 redesignated from 295.6; revised</td>
<td>669</td>
</tr>
<tr>
<td>295.10</td>
<td>Redesignated as 295.13; new 295.10 redesignated from 295.7; revised</td>
<td>667</td>
</tr>
<tr>
<td>295.11</td>
<td>Redesignated from 295.8; revised</td>
<td>667</td>
</tr>
<tr>
<td>295.12</td>
<td>Redesignated from 295.9; revised</td>
<td>667</td>
</tr>
<tr>
<td>295.13</td>
<td>Redesignated from 295.10; revised</td>
<td>667</td>
</tr>
<tr>
<td>295.14</td>
<td>Added</td>
<td>670</td>
</tr>
<tr>
<td>295.20—295.24 (Subpart B) Heading revised</td>
<td>670</td>
<td></td>
</tr>
<tr>
<td>295.21</td>
<td>Revised</td>
<td>670</td>
</tr>
<tr>
<td>295.22</td>
<td>Revised</td>
<td>670</td>
</tr>
<tr>
<td>295.24</td>
<td>Revised</td>
<td>670</td>
</tr>
<tr>
<td>295.30—295.32 (Subpart C) Heading revised</td>
<td>670</td>
<td></td>
</tr>
<tr>
<td>295.30</td>
<td>Revised</td>
<td>670</td>
</tr>
<tr>
<td>295.31</td>
<td>Revised</td>
<td>670</td>
</tr>
</tbody>
</table>

#### 1995

15 CFR 60 FR Page

<table>
<thead>
<tr>
<th>Section</th>
<th>Action</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>15a</td>
<td>Revised</td>
<td>9291</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Section</th>
<th>Action</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>Heading and authority citation revised; redesignated as 15.1—15.3 (Subpart A)</td>
<td>19669</td>
</tr>
<tr>
<td>15.1—15.3 (Subpart A) Redesignated from Part 15; nomenclature change</td>
<td>19669</td>
<td></td>
</tr>
<tr>
<td>15.1</td>
<td>(c) amended</td>
<td>19670</td>
</tr>
<tr>
<td>15.11—15.18 (Subpart B) Redesignated from Part 15a; nomenclature change</td>
<td>19669</td>
<td></td>
</tr>
<tr>
<td>15.16</td>
<td>Introductory text amended</td>
<td>19670</td>
</tr>
<tr>
<td>15.17</td>
<td>Amended</td>
<td>19670</td>
</tr>
</tbody>
</table>

---

VerDate 27<FEB>98 03:49 Mar 07, 1998 Jkt 179049 PO 00000 Frm 00033 Fmt 8060 Sfmt 8060 Y:\SGML\179049.BCK 179049-4
<table>
<thead>
<tr>
<th>Section</th>
<th>Action</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.21-15.25 (Subpart C)</td>
<td>Redesignated from Part 15b; nomenclature change</td>
<td>19669</td>
</tr>
<tr>
<td>15.24 (b)</td>
<td>Amended</td>
<td>19670</td>
</tr>
<tr>
<td>15.31-15.32 (Subpart D)</td>
<td>Added</td>
<td>19670</td>
</tr>
<tr>
<td>15a</td>
<td>Redesignated as 15.11-15.18 (Subpart B)</td>
<td>19669</td>
</tr>
<tr>
<td>15b</td>
<td>Redesignated as 15.21-15.25 (Subpart C)</td>
<td>19669</td>
</tr>
<tr>
<td>24.26 (a), (b) introductory text and (1) revised</td>
<td></td>
<td>45939, 45940</td>
</tr>
<tr>
<td>30.56 (b)</td>
<td>Revised</td>
<td>49437</td>
</tr>
<tr>
<td>Chapter II</td>
<td>Implementation date extension</td>
<td>19041</td>
</tr>
<tr>
<td>295.1</td>
<td>Revised</td>
<td>64684</td>
</tr>
<tr>
<td>Chapter II</td>
<td>Revised</td>
<td>64684</td>
</tr>
<tr>
<td>295.2</td>
<td>(c) revised; (d) amended; (e) and (n) removed; (f) through (k) and (o) through (r) redesignated as (e) through (j) and (n) through (q); new (k) added</td>
<td>64684</td>
</tr>
<tr>
<td>295.3</td>
<td>(g), (h), (j)(1)(vi) and (1) revised</td>
<td>64685</td>
</tr>
<tr>
<td>295.4</td>
<td>Revised</td>
<td>64685</td>
</tr>
<tr>
<td>295.5</td>
<td>Revised</td>
<td>64686</td>
</tr>
<tr>
<td>295.6</td>
<td>Revised</td>
<td>64686</td>
</tr>
<tr>
<td>295.7</td>
<td>(a), (b) and (c) amended</td>
<td>64687</td>
</tr>
<tr>
<td>295.12</td>
<td>Revised</td>
<td>64687</td>
</tr>
<tr>
<td>295.13</td>
<td>Revised</td>
<td>64687</td>
</tr>
<tr>
<td>295.14</td>
<td>Removed</td>
<td>64687</td>
</tr>
<tr>
<td>295.21</td>
<td>Heading amended</td>
<td>64687</td>
</tr>
<tr>
<td>295.22</td>
<td>Revised</td>
<td>64687</td>
</tr>
<tr>
<td>295.23</td>
<td>Added</td>
<td>64687</td>
</tr>
<tr>
<td>295.30-295.32 (Subpart C)</td>
<td>Heading amended</td>
<td>64687</td>
</tr>
<tr>
<td>295.31</td>
<td>Revised</td>
<td>64687</td>
</tr>
<tr>
<td>295.32</td>
<td>Revised</td>
<td>64687</td>
</tr>
</tbody>
</table>